



Horace City Council Meeting Minutes

The Horace City Council met on October 5, 2020 @ 6:00 pm at Horace City Hall. Those present were Mayor Kory Peterson, Councilmember Bryan Schmidt, Councilmember John Koerselman, and Councilmember Dave Fenelon. Councilmember Chelsey Johnson was absent. Others present included: Brenton Holper, Jim Dahlman, Barrett Voigt, and Lukas Croaker.

Mayor Peterson called the meeting to order at 6:00 pm

The pledge of allegiance was recited.

Agenda Item #3: Approve Regular Agenda Removing Agenda Items #4c and #4e

Motion: Approve Regular Agenda Removing Agenda Items #4c and #4e.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #4: Approve Consent Agenda Excluding Agenda Items #4c and #4e

- a. Vendor Invoices
- b. Balance Sheet & Income Statement
- c. **(Removed)** Water, Sanitary Sewer, Street and Drainage Improvement District No. 2019-5 (Visto Industrial 3rd Addition)
 - i. Progressive Estimate No. 7
- d. Water, Sewer, Storm and Street Improvement District No, 2020-1 (Southdale Farms First Addition)
 - i. Progressive Estimate No. 2
- e. **(Removed)** Sanitary Sewer Improvement District No. 2018-1 (100th Avenue Sanitary Sewer Forcemain)
 - i. Progressive Estimate No. 2
- f. Water, Sewer, Storm and Street Improvement District No. 2019-7 (Maple Lake Estates)
 - i. Progressive Estimate No. 4.
- g. Sanitary, Storm Sewer and Street Improvement District No. 2019-1 (Lakeview Drive and 79th Avenue) & Storm Sewer and Street Improvement District No. 2019-3 (63rd Street)
 - i. Progressive Estimate No. 11
- h. Water, Sewer, Storm and Street ID No. 2020-4 (Lost River 5th Addition)
 - i. Progressive Estimate No. 4

Motion: Approve Consent Agenda Excluding Agenda Items #4c and #4e.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried.



Agenda Item #5: Approval of City Council Meeting Minutes from September 21, 2020

Motion: Approve City Council Meeting Minutes from September 21, 2020.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #6: Public Comment

Resident Sharon Arnold stated that she objects to the Water, Sewer, Street Improvement District 2019-7 (Maple Lake Estates) special assessment boundary map. Her property was included in the boundary map even though the sewer line will not reach her property. Ms. Arnold requested to be excluded from the boundary map. Mayor Peterson explained that the special assessment hearing will not take place until next year, but that Council will make a note of it.

Mark Lemer, construction coordinator for the West Fargo School District, voiced his concerns about further delays (the 82nd Avenue construction schedule) because of stalled discussions between the City and the School District. Mr. Lemer was hoping that the City would sign the proposed memorandum of understanding (MOU) so that the notice to proceed could be granted. Mr. Croaker recommended that the City does not sign the proposed MOU. Councilmember Schmidt suggested a meeting to reach an agreement of how the City would forward with the notice to proceed.

Motion: Approve Giving Authority to Staff to Sign the Notice to Proceed (once all parties agree) for 81st/82nd Ave.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #7: Sheriff's Update | Ross Krause/Thomas Behm, Cass County Sheriff's Department

Deputy Sheriff Ross Krause summarized the 147 calls for service for the month of September 2020 which included a single car accident at the 76th Ave roundabout. There were 63 warnings and 18 citations which are higher than the average because Deputies prefer to educate residents. Parking tickets will be enforced more during the upcoming winter months. Mayor Peterson said that the City should do a few public announcements about overnight parking on Facebook.

Councilmember Schmidt said that he often sees ATVs, golf carts, and motor bikes, driving on the bike path. Deputy Sheriff Ross Krause said that he has not seen any motored vehicles ride on the path but that it would be a good idea to install signage. Councilmember Schmidt recommended to schedule another off-highway vehicle training next year to educate ATV drivers, especially young drivers.

Agenda Item #8: City Hall Facility Needs Study and Architect/Construction Management RFP's | Dylan Brown and Bruce Paulsen, Stantec

Stantec architect Bruce Paulsen presented the Horace City Hall Facility Needs Study. He explained that five staff members and elected officials toured six different city halls in Minnesota in September to see what other cities provided for their resident and staffing needs. The current Horace City Hall is a double-



wide building originally constructed as a temporary classroom. There is not enough secure workspace provided for staff, the bathrooms are not ADA compliant, and the second emergency exit staircase is broken. The City will need a facility where staff can perform their duties efficiently and safely. The new space should also provide sufficient space for future growth, which includes offices for the Parks Department and law enforcement.

Mr. Holper explained that the next step would be to prepare a request for proposal for services from an architect and from a construction manager. Once those are in place, they can use the information from the Facility Needs Study and start designing. A resident asked who determines the budget and the budget constraints? Mr. Holper responded that the study will provide a general guideline of what will be needed space wise and what is not needed.

Motion: Direct Staff to Prepare Request for Proposals for City Hall Architecture and Construction Management Services.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #9: C1, C2, and C3 Zoning District Requirements Amendment | Barrett Voigt, Community Development Director

Mr. Voigt presented the C1, C2, and C3 Zoning District Requirements Amendment. The amendment would allow restaurant use in the C-1 neighborhood commercial zoning district. It would also allow professional land use and reduce lot size minimums in both the C-2 Town Center Commercial and C-3 General Commercial zoning districts, and remove parking areas for lot coverage requirements for the C-2 Town Center zoning district. The C-2 lot size minimum would be reduced from 5 acres to a 1 acre minimum.

Staff did not receive any comments and therefore recommends approval. Mayor Peterson opened the public hearing at 7:27 pm. Chris Mack pointed out that the current 300 ft wide lot coverage minimum should be reduced so that it will work with the C-2 lot size minimum of 0.5 acres. Mayor Peterson closed the public hearing at 7:29 pm. Councilmember Koerselman suggested to remove the C-2 lot width minimum. Councilmember Fenelon said that Planning and Zoning should discuss the issue and make a recommendation to Council after their next meeting.

Motion: Approve the 1st Reading of the C1, C2, and C3 Zoning District Requirements Amendment.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #10: Lakeview Heights Third Addition Rezone | Barrett Voigt, Community Development Director

Mr. Voigt presented the Lakeview Heights Third Addition Rezone. The City received an application for a C-1 to C3 zoning change. The applicant wanted to be proactive because he anticipates that there will be commercial building permit applications and the applicant would like to be proactive. Staff recommended approval because the zoning change would comply with the 2045 Comprehensive Plan. Mr. Mack explained that Planning and Zoning recommended denial of the application because of



possible uses (which might include a frozen food/meat locker). It states in the ordinance that no slaughtering can occur in a C-3 zoning district and therefore Mr. Mack would like to rezone the lots to C-3 so that more options would be available for future businesses. He did not want to apply for a C-2 zone change because of the 5 acres minimum.

Mayor Peterson opened the public hearing at 7:40 pm. Russ Sahr explained that Planning and Zoning would like the area to be rezoned to C-2 to avoid some of the uses C-3 would allow. Councilmember Schmidt suggested to deny this application and let Planning and Zoning make a new recommendation for C-2. Mayor Peterson closed the public hearing at 7:45 pm.

Motion: Deny the Lakeview Heights Third Addition Rezone.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: Two in favor, Councilmember Koerselman opposed. Councilmember Johnson absent. Motion carried (2-1).

Agenda Item #11: Sahr Second Addition - Tower Conditional Use Permit | Barrett Voigt, Community Development Director

Mr. Voigt presented the Tower Conditional Use Permit for the Sahr Second Addition. Mr. Voigt explained that the applicant applied for a conditional use permit for a 60-foot tall wind turbine tower that he would like to install in his backyard. Mr. Voigt explained that the City does not include wind turbines in their zoning ordinances. The ordinance does permit towers that are 40-foot high or less. The surrounding properties were notified of the tower proposal, but no comments were received. Staff felt that a 60-foot tower would diminish the aesthetic quality of the area and recommended that Council denies the application. Mayor Peterson opened the public hearing at 7:56 pm.

Mr. Sahr explained that the wind turbine tower would only be 60-foot tall for about two weeks per year. The rest of the year, the turbine would be disassembled, and the tower would be 4-feet tall because it is a hinge base system. The wind turbine and 60-foot tall tower would only be used during an extended power failure. He added that the value of the houses of the surrounding properties of the elementary school have not diminished by the school's 80-foot tall tower. Councilmember Schmidt asked if the conditional use permit would have an expiration date and if a new permit would have to be filed once it has expired? Councilmember Schmidt added that the City would have to monitor Mr. Sahr's property to make sure that the tower is down.

Councilmember Koerselman asked why a 40-foot tower would not work? Mr. Sahr responded that he should have a 100-foot tower because of his trees which are between 60 ft. and 85 ft. tall. Councilmember Schmidt added that the City cannot make an exception for a tower that is not supposed to be there. Mr. Voigt explained that it would cost the City resources to monitor the tower's installation on a regular basis. Mayor Peterson closed the public hearing at 8:06 pm.

Councilmember Koerselman agreed with staff that the application should be denied. Mr. Sahr stated that he will withdraw his application but that he wants all zoning regulations to be enforced in his neighborhood in return because if one is enforced, all of them should be enforced.

Action taken: None. The application was withdrawn by the applicant during the meeting.



Agenda Item #12: Utility Rates | Brenton Holper, City Administrator

Mr. Holper explained that other cities in the area use a sewer cap and that Horace residents have been asking the City for the same. The current sewer base rate is \$5.50 and \$3.00 for every 1,000 gallons of water used. The City currently pays \$3.00 for every 1,000 gallons of sewage sent to Fargo. Staff recommended to approve a sewer cap for residential water use, but not for multi-family or commercial properties. The cap would be at 10,000 gallons of water used, the new base rate would be \$9.00, and the cost for 1,000 gallons of water used would be \$4.00. The new fee structure would start on January 1, 2021. Mayor Peterson added that the State has been asking the City of Horace to adjust their utility rates. The State also asked the City to build a small reserve for capital improvements. Councilmember Schmidt encouraged residents to compare Horace's utility rates to other cities of 5,000 residents or less because they will find that Horace's rates are still some of the lowest in several surrounding states.

Mr. Holper summarized the Council's decision to use a step-approach to reach Cass Rural Water rates by August 1, 2021. This would mean that the new water rates (base rate \$19.50, \$4.20 per 1,000 gallons of water, and a \$7.60 surcharge) would go into effect on January 1, 2021. Another water rate increase (base \$27.00, \$5.40 per 1,000 gallons of water, and a \$7.60 monthly surcharge) would go into effect on August 1, 2021. The City's goal is to switch the City's water service to Cass Rural Water service by August 1, 2021. Mr. Holper recommended to add a disconnect and reconnect fee of \$100.00 for accounts that are delinquent. Other cities in the area also charge \$100.00 for a disconnect/reconnect fee. A resident stated that the increases are unacceptable especially with the new property tax assessments and the additional special assessments that residents will be charged. Councilmember Schmidt replied that the City cannot continue to subsidize the water fund with general fund money.

Motion: Approve the New Utility Rates as presented by staff.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried (3-0).

Agenda Item #13: Water Improvement District 2020-6 (Horace Water Service Area Line Replacement) | Jim Dahlman, City Engineer

Mr. Dahl presented the Water Improvement District 2020-6 (Horace Water Service Area Line Replacement). Councilmember Schmidt asked why the Ironwood and Chestnut area were excluded from the district boundary map? Mr. Dahlman replied that water improvements and repairs to these areas were already made.

The plan is to replace the water main between Wall Avenue, Park Drive, the River and County Road 17 (Nelson Drive will be included). Arrowwood, 3rd, and 4th Street would get new gate valves. 3rd and 4th Street would get new curb stops, if needed. Visto Industrial would be connected to City water. Some of the hydrants are scheduled to be replaced, which will be included in the project.

Councilmember Fenelon explained that an improvement district is created for these projects, which could potentially mean that residents in the area will be special assessed for the improvements, but that Council would like to avoid that. The City would like to use different funding sources like grants, Army Core funding, sales tax etc.



Motion: Approve the Resolution Creating the Water Improvement District 2020-6 and Directing the Engineer to Create Report and Cost Estimate.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried (3-0).

Agenda Item #14: Water Improvement District 2020-7 (Connection to Cass Rural Water District) | Jim Dahlman, City Engineer

Mr. Dahl presented the Water Improvement District 2020-7 (Connection to Cass Rural Water District) which includes installing a meter pit at the intersection of 63rd Street and 82nd Avenue to connect to Cass Rural Water's water main. Transmission piping would be installed down to 63rd Street and over to Wall Avenue and into Horace so that Cass Rural Water would be distributed to all Horace water users.

Councilmember Schmidt asked why the Apple Orchard area was excluded? Mr. Dahlman replied that the area receives water from a private well but that the area could be included. Councilmember Schmidt recommended inclusion of the Apple Orchard area.

Motion Approve the Resolution Creating the Water Improvement District 2020-7 and Directing the Engineer to Create Report and Cost Estimate (including Apple Orchard).

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried (3-0).

Agenda Item #15: Water, Sewer, Storm and Street Improvement District No. 2020-4 (Lost River Fifth Addition) | Jim Dahlman, City Engineer

Mr. Dahl presented the Water, Sewer, Storm and Street Improvement District No. 2020-4 (Lost River Fifth Addition). The developer Jack Dwyer proposed a cost share agreement (cost share for removal of weeds and mowing of the area, water and electricity costs to run the aerators, lighting costs of the regional multi-use path, and the water costs to irrigate the fruit trees). Councilmember Schmidt asked where the water would come from for the irrigation? Mr. Dwyer responded that the water would come from Cass Rural Water and that the usage would be metered.

Jared Heller of Dakota Underground explained that they support the change order but that the completion date which is set for October 17, 2020 might be an issue. Dakota Underground's goal is to wrap up construction on time so that the developer (Jack Dwyer) would be allowed to start building houses. If the electricians or plumbers would start working on the pond area delays to the regular construction schedule would occur. Dakota Underground therefore suggested that they finish their construction work, drop their retainer (minus retainage for the pond), and then work with the City, Interstate Engineering, and the developer on the pond area so that the change order would be separate project from the main project.

Motion: Direct Staff to Work with the Developer for Lost River Fifth Addition for maintenance, mowing, electricity, and water costs.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried.



Mr. Heller explained that he would like to set a date in 2021 to have everything completed (planting, landscaping etc.). Councilmember Schmidt suggested that the City Engineer work out an agreement which includes a completion date with Dakota Underground and Jack Dwyer.

Motion: Approve Staff Determining the Water, Sewer, Storm and Street Improvement District No. 2020-4 (Lost River Fifth Addition) Change Order Completion Date.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

Action taken: All in favor, none opposed. Motion carried.

Agenda Item #16: Engineering/Public Works | Jim Dahlman, City Engineer

Mr. Dahlman summarized the current construction projects.

- a. Wall Avenue progress continues. Utility companies are working on the right-of-way right off County Road 17. Gate valves will be replaced which will now be included in the Improvement District 2020-6.
- b. Street Improvement District No. 2017-6 (Chestnut Drive) will start up again because the West Fargo School District will double the size of the Horace Elementary School.
- c. A request was made for the Clean Water State Revolving Fund. The due date is December 11, 2020. Staff is working on it.
- d. The Transportation Alternative Program Grant applications are now available. The due date is December 31, 2020. Staff will work with Councilmember Johnson to complete the applications.
- e. Storm Sewer & Street Improvement District No. 2019-3 (63rd Street) is 94% complete.
- f. The City Engineer had a meeting with Northern Improvements about the cracked pavement at the roundabout (76th Avenue). Staff will meet with Northern Improvements during the second week of October to discuss the issue further, as well as a possible new project to extend 76th Avenue to the east. Another potential project is 64th Avenue.
- g. Staff was approached by the developer of the Water, Sewer, Storm and Street Improvement District No. 2019-7 (Maple Lake Estates Addition) about completing the paving next year.
- h. Water, Sewer, Storm and Street ID No. 2020-1 (Southdale Farms First Addition) is 64% complete. Curb and gutter will be installed during the week.
- i. The Water, Sewer, Storm and Street ID No. 2020-4 (Lost River Fifth Addition) is 79% complete.
- j. The bid opening for the Maust Way to Liberty Lane project will take place on October 8, 2020.
- k. Meadow Lark Park work is continuing. The project is scheduled to be completed in the middle of next year.

Agenda Item #17: City Administrator | Brenton Holper, City Administrator

- a. A few months ago, the CARES Act was approved which includes law enforcement cost reimbursements for a period of seven months. Mr. Holper has been communicating with the ND League of Cities and Cass County to determine if the reimbursement could include the City of Horace.



- b. The City Engineer job listing has been closed. The candidate report will be presented by Richard Fursman from Hue Life on October 15 or 16, 2020. Mr. Fursman will also follow up with elected officials and City staff on the set goals of the Strategic Plan.
- c. The date for the City Engineer interviews is scheduled for October 30, 2020.
- d. Three property abatements took place on October 5, 2020.
- e. Mayor Peterson was contacted by Governor Burgum's office to schedule a meeting. The meeting with Governor Burgum, elected City of Horace officials, and staff took place at City Hall on September 30, 2020. The meeting was scheduled to update Governor Burgum about the progress the City is making. Governor Burgum asked for a copy of the 2045 Comprehensive Plan as well as a copy of the 76th Avenue Corridor Study.
- f. Mr. Holper and Councilmember Fenelon attended the Water Topics Overview Committee meeting. The topics included the FM Diversion.

Agenda Item #18: Portfolio Reports

- a. Councilmember Koerselman – no updates.
- b. Councilmember Fenelon – no updates.
- c. Mayor Peterson explained that he will be giving a presentation at the Lion's Club on Thursday, October 8, 2020. City staff was invited to join the meeting to interact with the Lion's Club members and answer questions.
- d. Councilmember Johnson was absent.
- e. Councilmember Schmidt attended the FM Diversion tour with Governor Burgum and other legislators. The group saw the FM Diversion infrastructure and Councilmember Schmidt spoke to the group about the infrastructure improvements that are being made in the City of Horace.

Agenda Item #19: Adjourn

Motion: Approve meeting adjourn at 9:27 pm.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried.

The Next City Council Meeting is October 19, 2020 at 6:00 pm