



Horace City Council Meeting Minutes

The Horace City Council met on June 15, 2020 @ 6:00 pm at Horace City Hall. Those present were Mayor Kory Peterson, Councilmember Chelsey Johnson, Councilmember Bryan Schmidt, Councilmember John Koerselman, and Councilmember Dave Fenelon. Others present included: Brenton Holper, Jim Dahlman, Lukas Croaker and Barrett Voigt.

Mayor Peterson called the meeting to order at 6:01 pm.

The pledge of allegiance was recited.

Agenda Item #3: Approve regular agenda

Mr. Dahlman requested to exclude agenda items 4.e.1, 4.e.2 and 4.d.2.

Motion: Approve the regular agenda excluding items 4.e.1, 4.e.2 and 4.d.2.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Johnson

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

Agenda Item #4: Approve consent agenda

- a. Vendor Invoices
- b. Balance Sheet & Income Statement
- c. Pledge Reports
- d. County Road 17 Shared Use Path
 - i. Progressive Estimate No. 3 in the amount of \$5,440.06 to Border States Paving, Inc.

Motion: Approve the consent agenda excluding items 4.e.1, 4.e.2 and 4.d.2.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Koerselman

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

Councilmember Schmidt asked about the Highway Fund and about the budget in general. Mr. Holper explained that there will be a detailed budget available at the next City Council meeting on July 6th, 2020.

Agenda Item #5: Approval of City Council Meeting Minutes from June 1, 2020

Motion: Approve City Council Meeting Minutes from June 1, 2020.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

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

Agenda Item #6: Public Comment

No public comments.



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

The Sheriff's update will be available at the next City Council meeting on July 6th, 2020.

Agenda Item #8: Water Improvement – Next Steps | Brenton Holper, City Administrator

Mr. Holper explained that the City of Horace produces and treats its own water, but that the water supply will not be sufficient in the future. The City could install a connection to Cass Rural Water and purchase water in bulk. This along with water treatment by the City would allow the City to keep the cost of water stable for residents. By continuing to produce its own water, the City stays independent especially during hydrant flushing and water leaks, or if there are problems with the outside supplier. The water treatment facility in Horace would be updated. Mr. Holper recommended that a greensand filtration system would be installed to match the water Cass Rural Water uses. If an ion exchange system would be installed, it would produce better quality water, but the water would be blended, and the quality would therefore decrease again. Blending water of the same quality would be a better solution. There will be more information and updates available during the next City Council meeting on July 6, 2020.

Agenda Item #9: Country Road 17 Shared Use Path | Lukas Croaker, City Attorney

Mr. Croaker presented the temporary easements for the Chestnut Bike Path removal. Mr. Holper explained that the property owner to the west would like to keep the path. The property owner to the east would like to have the path removed. Both residents will be compensated at \$0.77 cents per sq. ft. for the temporary easement which will be \$1,157.35 for each resident. This easement allows the construction company to enter both properties, remove the path, and grade the area.

Motion: Approve the Country Road 17 Shared Use Path Temporary Access/Construction Easement.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

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

Mr. Dahlman explained that the original design of the area around the cemetery on the Country Road 17 Shared Use Path did not work. The entrance of the cemetery and the bike path were redesigned. Additional curb and gutter had to be installed which increased the contract amount by \$17,209.00.

Motion: Approve Country Road 17 Shared Use Path Change Order No. 1 increasing the contract amount by \$17,209.00.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

Action taken: All in favor, none opposed. Motion carried. (4-0)

Agenda Item #10: 2020A Temporary Bond | Mike Manstrom, Colliers International and Lukas Croaker, City Attorney

Mike Manstrom of Colliers International presented the 2020A Temporary Bond parameters resolutions. The temporary improvements bonds are for five districts (one from 2018, one from 2019, and three from 2020) in the amount of \$26,340,000.00. The bonds mature on August 1, 2022 and shall bear interest at the rate set forth in the Certificate of Pricing Committee. Interest on the bonds shall be payable semi-annually on February 1 and August 1, commencing on February 1, 2021.



Motion: Approve the 2020A Temporary Bond parameters resolutions.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

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

Agenda Item #11: Horace Building Authority Bylaws | Lukas Croaker, City Attorney

Mr. Croaker presented the bylaws to establish the Horace Building Authority. The Horace Building Authority will act on behalf of the City of Horace. The initial board consists of Kory Peterson/President, Bryan Schmidt/Vice-President, Brenton Holper/Secretary, Becky Streitz/Treasurer, and the Councilmembers/Board Members.

Councilmember Koerselman asked if the roles are interchangeable and if the president of the Horace Building Authority can be someone else than the Mayor? Mr. Croaker explained that the role of President can be changed. Other officers who are not members of the City Council can be appointed which is done by vote.

Motion: Approve the Horace Building Authority Bylaws.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt

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

Agenda Item #12: Land Use Ordinance Amendment-Plat Requirements | Lukas Croaker, City Attorney

Mr. Voigt presented the Land Use Ordinance Amendment-Plat Requirements. The ordinance amendment would remove preliminary plat requirements and modify final plat requirements. In the past, applicants have expressed concerns that the current process is slow and lacks flexibility. The amendment would make plat approval easier and less time consuming for City staff. Planning and Zoning approved the changes last week.

Councilmembers Schmidt and Fenelon voiced concerns that residents would not get enough notice or have enough time to express opinions about a planned plat. Mr. Voigt explained that the first notice is printed in the local newspaper, the second notice is sent to surrounding property owners within 150 ft of the property, City staff posts agendas and reports online, and there is a public hearing.

Councilmember Fenelon said that he would approve if there will be consistent updates at least two weeks prior on the City's website. Councilmember Koerselman added that there should be a permanent section for current plats on the City's website.

Councilmember Fenelon said that a preliminary plat gives everyone a chance to make changes instead of having to start over the process. Mr. Holper explained that residents mostly respond right after having received a notice in the mail. The letters are sent to residents within 150 ft radius but Councilmember Koerselman asked that the distance would be increased to 300 ft. Mr. Holper suggested tabling the discussion until changes are made to the amendment for plats, rezones, CUPs, and PUDs and then presenting it again to the City Council.



Mayor Peterson opened the public hearing at 7:08 pm. There was one comment posted online stating that plats are important. Mayor Peterson closed the public hearing at 7:09 pm and tabled the agenda item.

Agenda Item #13: River's Edge Second Addition Annexation by Ordinance | Lukas Croaker, City Attorney

Mr. Croaker presented the River's Edge Second Addition Annexation. There were no changes made to the first reading of the annexation which took place on June 1, 2020.

Motion: Approve the River's Edge Second Addition Annexation as presented by staff.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

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

Agenda Item #14: St. Benedict Sewer Agreement | Lukas Croaker, City Attorney

Mr. Croaker summarized the updated St. Benedict Sewer Agreement. In 1998, the City of Horace, the St. Benedict's Sewer Association, and Southeast Cass Water District entered an agreement to connect St. Benedict to Horace's sewer system. The updated five-year agreement states which residences are connected to the sewer line and that only residential properties can be connected to it. There are two (or three) industrial commercial facilities in St. Benedicts that are connected to the sewer line. No new sewer connections can be built without Horace City Council's approval. The agreement explains how funds are handled and who is responsible in case of repairs. This updated agreement can be terminated at any time.

Motion: Approve the St. Benedict Sewer Agreement as presented by staff.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

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

Agenda Item #15 and #16: Sahr 2nd Addition Final Plat and Sahr 2nd Addition Rezone | Barrett Voigt, Community Development Director and Lukas Croaker, City Attorney

Mr. Voigt presented the Sahr 2nd Addition Final Plat and the Sahr 2nd Addition Rezone. The applicant sought approval for a preliminary plat to replat Lots 1-3, Block 1, Sahr First Addition for the purpose of combining all three lots into one lot. The purpose of the lot combination is for the desire of landowner with no further improvements proposed. In addition, the applicant sought approval of a zone change from R-1 Single Family Residential to S-R Suburban Residential. Notices were sent to the surrounding property owners. One inquiry was received. The applications were reviewed and evaluated. City staff recommended approval.

Mayor Peterson opened a combined public hearing for the final plat and rezone at 7:21 pm. No comments or questions were received. Mayor Peterson closed the public hearing at 7:22 pm.

Motion: Approve the Sahr 2nd Addition Final Plat as presented by staff.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Johnson

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

Motion: Approve the Sahr 2nd Addition Rezone as presented by staff.



1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

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

Agenda Item #17: Lost River Sixth Addition Preliminary Plat (Lots 1, 2, and 3, Block 1) | Barrett Voigt, Community Development Director and Lukas Croaker, City Attorney

Mr. Voigt presented the Lost River Sixth Addition Preliminary Plat (Lots 1, 2, and 3, Block 1). The applicant sought a preliminary plat approval to replat lots 1-3, Block 1, Lost River Addition for the purpose of splitting one lot and combining it to the two lots. The replat would accommodate a detached garage on the proposed lot and a residential structure and detached garage on the proposed second lot. A rezone application is anticipated for the future. Letters were sent out to the surrounding property owners. No comments or questions were received. Staff recommended approval. Councilmember Johnson stated that she will abstain from voting.

Mayor Peterson opened the public hearing at 7:24 pm. Councilmember Fenelon asked how big the detached garage will be? Mr. Voigt replied that it will exceed R-6 zoning (which allows a 400 sq. ft. garage) by over 100 sq. ft. Mr. Croaker explained that the City is concerned about the size of the lot. There were no further comments. Mayor Peterson closed the public hearing at 7:28 pm.

Motion: Approve the Lost River Sixth Addition Preliminary Plat (Lots 1, 2, and 3, Block 1) as presented by staff.

1st Motion: Councilmember Fenelon

2nd Motion: Councilmember Schmidt

Action taken: Three in favor, Councilmember Johnson abstained. Motion carried (3-0).

Agenda Item #18: Lost River Addition Rezone (Lots 6, Block 4) | Barrett Voigt, Community Development Director and Lukas Croaker, City Attorney

Mr. Voigt presented the Lost River Addition Rezone (Lots 6, Block 4). The applicants sought approval of a zoning change from R-2 Single Family Residential to R-6 High Density Residential) of Lot 6, Block 4, Lost River Addition. The current side yard setbacks for R-2 Single Family Residential zoning districts is 8 feet on one side and 12 feet on the other. The applicant would like to set the home 8 feet back from both side yards of the property. There were no comments and City staff recommended approval.

Mayor Peterson opened the public hearing for the final rezone at 7:32 pm. No comments or questions were received. Mayor Peterson closed the public hearing at 7:32 pm.

Motion: Approve the Lost River Addition Rezone (Lots 6, Block 4) as presented by staff.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Koerselman

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

Agenda Item #19: Horace 2045 Comprehensive Plan | Barrett Voigt, Community Development Director

Mr. Voigt presented the second reading of the Horace 2045 Comprehensive Plan. No comments were received from the public and no changes were proposed. City staff recommended approval.

Motion: Approve the Horace 2045 Comprehensive Plan as presented by staff.

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Schmidt



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

Agenda Item #20: West Fargo School Addition Rezone (A Agricultural to PF Public Facility on Lots 1 and 2, Block 2) | Barrett Voigt, Community Development Director and Lukas Croaker, City Attorney

Mr. Voigt presented the second reading of the West Fargo School Addition Rezone (A Agricultural to PF Public Facility on Lots 1 and 2, Block 2). No comments were received from the public and no changes were proposed. City staff recommended approval.

Motion: Approve the West Fargo School Addition Rezone (A Agricultural to PF Public Facility on Lots 1 and 2, Block 2) as presented by staff.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

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

Agenda Item #21: Appointments of City Officials (City Auditor, City Attorney, & City Engineer) | Brenton Holper, City Administrator

Mr. Holper explained the Appointments of City Officials (City Auditor, City Attorney, & City Engineer). North Dakota's Century Code requires that the City appoints a City Auditor, a City Attorney and City Engineer every two years. The City Engineer and the City Attorney will be tied to firms which means any representative from Ohnstad Twitchell and Interstate Engineering can represent the City. The City Administrator and the City Auditor are consolidated into one role. The appointments can change any time when the City decides to hire the positions full time.

Motion: Approve the Appointments of City Officials (City Auditor, City Attorney, & City Engineer).

1st Motion: Councilmember Johnson

2nd Motion: Councilmember Fenelon

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

Agenda Item #22: FY 2021 Budget Priorities | Brenton Holper, City Administrator

Mr. Holper summarized the 2021 budget. Federal funding and the highway fund will be approximately 20%-25% less. State sales taxes should increase. The General Fund will increase by approximately \$200,000-\$250,000 because Horace's properties were recently evaluated. Mrs. Streitz and Mr. Holper are preparing a preliminary 2021 General Fund budget. Mr. Holper asked Council to give feedback on what is important to them for the upcoming year. In the past two years, Public Works upgraded the snow removal equipment. The communications specialist and the building inspections department were hired this month.

Mayor Peterson mentioned that the City is looking into hiring a City Engineer which might be more cost effective than paying a consultant on an ongoing basis. He also asked that the City be conservative with the 2021 budget numbers because of ongoing COVID-19 pandemic concerns.

Agenda Item #23: FY 2020 – 2021 Employee Benefits | Brenton Holper, City Administrator

Mr. Holper explained the FY 2020 – 2021 Employee Benefits (the employee's health care benefits). The quotes from Blue Cross Blue Shield have been reviewed. The overall increase for insurance plans was 8% which is a standard increase. City staff recommended to keep current insurance plans but proposed eliminating the accident coverage for 2021, because it has not been used.



Motion: Approve the FY 2020 – 2021 Employee Benefits.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

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

Agenda Item #24: Engineering / Public Works | Jim Dahlman, City Engineer

- a. The pre-construction for Southdale Farms First Addition was held on Friday, June 12, 2020 and the project will start by the end of June.
- b. Lost River 5th Addition started on June 10, 2020.
- c. Concrete pouring will continue at 79thAve, 63rd Street, and Lakeview Drive.
- d. The base stabilizer was installed at Visto Industrial Park last week and is close to completion.
- e. Cub Creek First Addition should be completed within a week.
- f. The Horace High School has started footings and piping work.

Councilmember Fenelon asked if the Heritage Middle School will be asking for a temporary certificate of occupancy? Mr. Holper confirmed that the Middle School's plan is to ask for a temporary certificate of occupancy.

Agenda Item #25: City Administrator | Brenton Holper, City Administrator

- a. The Economic Development Group met on June 8, 2020. The group is still informal until City Council decides if it will become an official group. Bylaws and procedures were discussed during the last meeting.
- b. There were no Independence Day fireworks permits requested. There was only one inquiry about a firework stand permit, but no further details were available.
- c. The City Council will meet for a Special Organizational Meeting on July 23, 2020. The newly elected candidates will be sworn into office.
- d. The City received concerns and complaints about mosquitos. The three Cass County Vector traps in Horace showed low numbers (less than 10 mosquitos per trap). Truck spraying gets scheduled when numbers go above 50 mosquitos per trap. This season, there was also an abundance of gnats. Horace had rainfalls last week which means the mosquito count will increase. The City will continue to watch mosquito trap counts and will spray when the numbers get higher.

Agenda Item #26: Portfolio Reports

- a. Mayor Peterson – no updates.
- b. Councilmember Koerselman congratulated the three candidates, Schmidt, Fenelon, and Peterson for being reelected. He also thanked the residents of Horace for their support.
- c. Councilmember Fenelon thanked the citizens of Horace for the reelection. He also reported that the second building inspector started on June 8, 2020 and the communications specialist started on June 15, 2020.
Mr. Holper added that the candidate for the Public Works position turned down the offer and will not start on June 23, 2020.
- d. Councilmember Johnson – no updates.



- e. Councilmember Schmidt – no updates.

Agenda Item #27: Executive Session – Dreamfields Land Dispute | Lukas Croaker, City Attorney

The Executive Session started at 8:21 pm and was attended by Mayor Peterson, Councilmember Chelsey Johnson, Councilmember Bryan Schmidt, Councilmember John Koerselman, Councilmember Dave Fenelon, City Attorney Lukas Croaker, and City Administrator Brenton Holper. The executive session was regarding settlement negotiations related to Constellation Development, LLC v. City of Horace; Houston Engineering, Inc.; and KPH, Inc., pursuant to N.D.C.C. § 4404-19.1(2)&(9) ended at 8:29 pm. City Council resumed the regular agenda at 8:30 pm.

Motion: Approve the proposed settlement agreement and require it to be signed by 8:30 pm on June 16, 2020.

1st Motion: Councilmember Koerselman

2nd Motion: Councilmember Fenelon

Action taken: All in favor, none opposed. Motion carried (4-0).

Agenda Item #28: Adjourn

Motion: Approve meeting adjourn at 8:31 pm.

1st Motion: Councilmember Schmidt

2nd Motion: Councilmember Fenelon

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

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