



## Horace City Council Meeting Minutes

The Horace City Council met on January 9, 2023 @ 6:00 pm at Horace Fire Hall Event center. Those present were Mayor Kory Peterson, Councilmembers Sarah Veit, Naomi Burkland, Stephanie Landstrom, and Jeffrey Trudeau. Others present included: Brenton Holper, City Administrator; Jace Hellman, Community Development Director; Jim Dahlman, City Engineer; Matt Voltz, Finance Director; Sally Showalter, Communications Specialist; and Lukas Croaker, City Attorney.

Mayor Peterson called the meeting to order at 6:00 pm.  
The pledge of allegiance was recited.

### Agenda Item #3: Approve Regular Agenda

**Motion:** Approve the Regular Agenda.

**1<sup>st</sup> Motion:** Councilmember Burkland

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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

### Agenda Item #4: Approve Consent Agenda

- a. Vendor Invoices
- b. Water, Sewer, Storm, and Street Improvement District No. 2021-5 (Arrowwood Third Addition)
  - i. Progressive Estimate No. 2 to Master Construction Co.
- c. Water, Sewer, Storm, and Street Improvement District No. 2022-6 and 2022-7 (Southdale Farms Fourth and Fifth Additions)
  - i. Progressive Estimate No. 6 to Dakota Underground Co.
- d. Sanitary Sewer Improvement District No. 2021-6 (Sanitary Sewer Lift Station SA-13 Contract No.1 (Electrical))
  - i. Progressive Estimate No. 2 – FINAL to John’s Refrigeration & Electric, Inc.
  - ii. Affidavit of Contractor
  - iii. Final Acceptance
- e. Water Improvement District No. 2020-7 (Connection to Cass Rural):
  - i. Progressive Estimate No. 5 to Key Contracting Inc.

**Motion:** Approve the Consent Agenda.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Landstrom

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

### Agenda Item #5: Approval of City Council Meeting Minutes from December 19, 2022

Councilmember Landstrom asked for a revision to the December 19, 2022, City Council minutes. She requested that agenda item #14 should state that the second tree would be \$200 not \$25.00.

**Motion:** Approve the December 19, 2022, City Council Meeting Minutes with a Revision to Agenda Item #14 as Requested by Councilmember Landstrom.

**1<sup>st</sup> Motion:** Councilmember Landstrom

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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



**Agenda Item #6: Public Comment**

Martin Hochhalter, Horace resident, asked whether the City Council would make motions related to the Sparks property and the Wall Avenue project executive sessions in a closed meeting or open meeting and the specificity of any motions made. Mr. Croaker responded stating that if the City Council desired to make a motion, it would have to be during the open portion of the meeting and that he could not speculate as to what the motions would entail.

Kevin Fisher, President of the North Dakota Association of Realtors, asked about the discontinuance of the City’s tax abatement for new residences as the previous resolution granting property tax abatements on new residences expired in December 2022. The Mayor stated that this topic would be added to the January 24, 2023, agenda for discussion.

**Agenda Item #7: Sheriff’s Update | Craig Keller/ Jake Murray, Cass County Sheriff’s Department & Brenton Holper, City Administrator**

A report was not discussed during the meeting. Deputy Sheriff Keller mentioned that there were six crashes during the month of December, mostly due to the snowstorms and vehicles ending up in ditches. He explained that the Sheriff’s Department counts any damage to a vehicle as a car crash. He also reminded everyone to wear a helmet while riding a snowmobile because it is a state law.

**Agenda Item #8: Water, Sewer, Storm, and Street Improvement District No. 2022-8 (66th Street – from 76th Avenue to 64th Avenue) | Jim Dahlman, City Engineer**

Mr. Dahlman presented the plans and specifications for the 2022-8 Improvement District. He summarized the project and its location. He explained that advertising for bids will start on January 18, 2023, for three consecutive weeks and that the bids will be opened on February 9, 2023. The project’s completion date is set for November 4, 2023.

**Motion:** Approve the Water, Sewer, Storm, and Street Improvement District No. 2022-8 (66th Street – from 76th Avenue to 64th Avenue) Plans and Specifications.

**1<sup>st</sup> Motion:** Councilmember Veit

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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

**Motion:** Authorize the Auditor to Advertise for Bids for the Water, Sewer, Storm, and Street Improvement District No. 2022-8 (66th Street – from 76th Avenue to 64th Avenue).

**1<sup>st</sup> Motion:** Councilmember Veit

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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

**Agenda Item #9: Metro Flood Diversion – Flood Plain Permits | Jim Dahlman, City Engineer**

Mr. Dahlman explained that two flood plain permits for properties located at 17031 50th St SE and 4946 170th Ave SE were submitted. He added that this work is part of the larger FM Diversion and is for the demolition of the structures located on each of the properties to construct the FM Diversion. He recommended approval of both permits. The Council discussed the permit process and decided that flood plain permits can be added to the consent agenda going forward.

**Motion:** Approve Two Flood Plain Permits as Presented by Staff and Approve Future Flood Plain Permits being Moved to the Consent Agenda Going Forward.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Veit

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



**Agenda Item #10: Cash in Lieu Rate | Brenton Holper, City Administrator**

Mr. Holper explained that the current cash in lieu rate is \$1.50 per sq. ft. for residential properties and \$3.00 per sq. ft. for most commercial properties. He added that the staff worked on an analysis which compared average residential and commercial land values over the course of the past few years. The Council discussed the different rates to determine which would be best suitable for all parties involved. Mr. Sahr, Planning Commission Chair, added that the elected Horace Park Board reviews each application and makes a recommendation to the City Council if a land dedication or cash in lieu would be more suitable. Mr. Hellman noted that the final decision of land dedication is determined by the Council. Mr. Holper recommended a cash in lieu rate of \$3.18 per sq. ft. for residential properties and a \$6.36 per sq. ft. rate for commercial/ industrial properties based on the average land sales over the past few years.

**Motion:** Approve Amending the Cash in Lieu Rate for Land Dedication to \$3.18 per sq. ft. for Residential Property and \$6.36 per sq. ft. for Commercial/ Industrial Property.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Burkland

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

**Agenda Item #11: Street Bond – Street Repair Fee | Brenton Holper, City Administrator**

Mr. Holper explained that the City currently requires a \$1,000 street bond with every new building permit to cover possible damages to a street during construction. The staff must record each bond, review each site after completion, identify damages, write reports, and obtain cost estimates. If no street damage occurs, the City refunds each bond in full which means staff time is not covered. Mr. Holper suggested to eliminate the street bonds and introduce a non-refundable \$300 street repair fee instead that would cover street repairs and staff time.

Councilmember Trudeau asked if contractors might be more careless if the price was dropped down to \$300. Mr. Holper responded that the repair fee can always be adjusted by Council if contractors start to become reckless. Councilmember Veit suggested setting the fee at \$500 because she has seen too much damage in the past and explained that the money is needed to keep Horace's streets in good shape which promotes beautification of the City.

**Motion:** Approve Discontinuing Horace's Street Bond Requirement and Replace with a \$500 Street Repair Fee Requirement for New Building Permits.

**1<sup>st</sup> Motion:** Councilmember Landstrom

**2<sup>nd</sup> Motion:** Councilmember Veit

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

**Agenda Item #12: Rate Resolution | Brenton Holper, City Administrator**

Mr. Holper presented the utility rate resolution to ensure that everyone is informed about the City's current and future rates. The current Horace water base rate is \$19.50 and will increase to \$27.00. Horace currently charges \$4.20 per 1,000 gallons of water which will increase to \$5.40 per 1,000 gallons of water. Mr. Holper suggested to delay the water rate increases from February 2023 to July 2023 because the water projects have not been completed and the connection to Cass Rural Water has not been established.

Mr. Holper added that the water tap fee for each new connection was increased from \$750 to \$1,000 on January 1, 2023, to ensure that the City's cost for the connection, water meter, and digital reader



are covered. This fee would only be charged to new users who connect to the City's water service (e.g., new buildings or well users who want to connect to the City's water service). The fee for garbage service increased on January 1, 2023, from \$24 to \$25.20. Councilmember Burkland voiced concern about Waste Management's inadequate service being provided to residents. She asked if a different vendor could be considered. Mr. Holper said that the City currently has a contract with Waste Management and would have to wait until the contract is up for renewal. Councilmember Burkland requested that the contract would be opened for bids because there are too many residents who are frustrated with Waste Management.

Mr. Holper summarized the new tree program which property owners can sign up for by filling out an application. Starting January 1, 2023, a new home would have to pay \$250 for each boulevard tree. An existing home built prior to 2023 would pay \$50 for the first tree and \$250 for each additional tree. If the City receives more applications than there are funds available in the forestry program, the City Council will then decide how to proceed for the remainder of the fiscal year. Mr. Holper concluded that the last item that would be updated in the rate resolution would be the new street repair of \$500 that was approved during agenda item # 11.

**Motion:** Approve the Changes to the Rate Resolution as Follows; Starting January 1, 2023, the Water Tap Fee will be \$1,000 for New Connections; Garbage Service will be \$25.20 per Month; and New Boulevard Trees for New Builds will be \$250 each. Existing Homes Built prior to 2023 will Pay \$50 for the First Tree and \$250 for each Additional Tree. On July 1, 2023, the Water Service Base Rate will be \$27.00 and 1,000 gallons of water will cost \$5.40.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Burkland

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

Councilmember Landstrom requested that a rate chart be posted on the City's website and on Facebook informing residents about their current rates and anticipated rate increases.

**Agenda Item #13: Storm, Sewer, and Street Improvement District No. 2019-2 (76th Avenue and Roundabout) | Jim Dahlman, City Engineer**

Mr. Dahlman presented the Storm, Sewer, and Street Improvement District No. 2019-2 Change Order No. 2. He explained that this change order balances the construction contract with quantity used and decreases the total contract amount by -\$143,319.11.

**Motion:** Approve the Storm, Sewer, and Street Improvement District No. 2019-2 (76th Avenue and Roundabout) Change Order No. 2.

**1<sup>st</sup> Motion:** Councilmember Burkland

**2<sup>nd</sup> Motion:** Councilmember Veit

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

**Agenda Item #14: Lost River Pond | Jim Dahlman, City Engineer**

Mr. Dahlman explained that the Public Works Department was notified of a slope failure on the west bank of the Lost River stormwater pond adjacent to 8844 Northern Lights Avenue in the Lost River Fifth Addition. Staff reviewed the site and provided photographs of the site which showed a large area sliding away from the concrete shared use path into the pond. When staff inspected the damage, there was significant water flowing from the adjacent yard across the sidewalk and down the slope into the pond. Mr. Dahlman explained that staff had reached out to American Engineering Testing to perform a



stability analysis and a geotechnical evaluation. The reports will explain in detail how the problem can be corrected. Councilmember Landstrom asked where the funds will come from to pay for the repair. Mr. Dahlman responded that the funds will come from contingency funds in the improvement district.

**Motion:** Approve the Proposal from American Engineering Testing to Perform the Geotechnical Evaluation and Stability Analysis and Additional Drilling if Necessary. The Total Cost is Not to Exceed \$14,000.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Veit

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

**Agenda Item #15: Engineering/Public Works Report | Jim Dahlman, City Engineer**

Mr. Dahlman explained that the long-awaited meter vault for the connection to Cass Rural water project has finally been delivered and will be installed as soon as weather permits.

He added that the State Revolving Fund updates are due next week.

**Agenda Item #16: City Administrator Report | Brenton Holper, City Administrator**

Mr. Holper reminded everyone that the next City Council meeting will take place on Tuesday, January 24, 2023. Due to the holidays in January, the two City Council meetings were rescheduled.

**Agenda Item #17: Portfolio Reports**

- a. Mayor Peterson reminded everyone to clear the snow off and around fire hydrants in front of their properties to ensure that the fire department has access. In case of an emergency, the firefighters can hook up quickly if the snow is cleared.  
Mayor Peterson explained that the Homestead Credit Act will be discussed on January 10, 2023, at 10:00 am during the legislative session currently taking place in Bismarck. He added that he might submit a report to the Senate because he would like to see the Homestead Credit Act updated. He will also work on talking to Horace's legislators about the Flush to Fargo project to inquire about funding possibilities for Horace's second sewer line.  
Lastly, he reported that he will be one of five mayors speaking during the upcoming State of the Cities event that will be hosted by the FMWF Chamber of Commerce which will take place on January 19, 2023.
- b. Councilmember Veit – no update.
- c. Councilmember Burkland requested that the City's website be updated more frequently, maybe even on a weekly basis, because she noticed that several items were outdated. She wants to make sure that the residents receive needed updates and that the information they do receive is correct.
- d. Councilmember Landstrom – no update.
- e. Councilmember Trudeau – no update.

**Agenda Item #18: Executive session held pursuant to N.D.C.C. § 44-04-19.1(9) to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator regarding contracts for the purchase of real property related to the Wall Ave Project.**

**Motion:** Enter into Executive Session held pursuant to N.D.C.C. § 44-04-19.1(9) to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator regarding contracts for the purchase of real property related to the Wall Ave Project at 8:02pm.



**1<sup>st</sup> Motion:** Councilmember Landstrom

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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

**Motion:** Return to Regular Session at 8:30pm.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Burkland

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

**Motion:** Approve the Values Listed in the Wall Ave. Appraisal Report and Direct Interstate Engineering and Ohnstad Twichell to Negotiate the Purchase of Real Property with Property Owners along the Project Corridor.

**1<sup>st</sup> Motion:** Councilmember Veit

**2<sup>nd</sup> Motion:** Councilmember Trudeau

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

**Agenda Item #19: Executive session held pursuant to N.D.C.C. § 44-04-19.1(9) to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator regarding a contract for the purchase of the Sparks' property.**

**Motion:** Enter into Executive Session held pursuant to N.D.C.C. § 44-04-19.1(9) to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator regarding a contract for the purchase of the Sparks' property at 8:33pm.

**1<sup>st</sup> Motion:** Councilmember Landstrom

**2<sup>nd</sup> Motion:** Councilmember Burkland

**Action taken:** Councilmembers Landstrom, Burkland, and Trudeau in favor, Councilmember Veit was not present, none opposed. Motion carried.

**Motion:** Return to Regular Session at 9:31pm.

**1<sup>st</sup> Motion:** Councilmember Burkland

**2<sup>nd</sup> Motion:** Councilmember Landstrom

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

**Motion:** Approve the Purchase of 2.68 Acres at \$4.00 a sq. ft. with 10.5 Additional Acres of Land Dedication for a Total Sales Price of \$466,963.20 with No Stipulation on the Land Usage.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Veit

**Action taken:** Councilmembers Trudeau and Veit in Favor, Councilmembers Landstrom and Burkland Opposed, Mayor Peterson made the tiebreaker vote in Favor. Motion carried.

**Agenda Item #20: Adjourn**

**Motion:** Adjourn at 9:37pm.

**1<sup>st</sup> Motion:** Councilmember Trudeau

**2<sup>nd</sup> Motion:** Councilmember Landstrom

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

The next City Council Meeting is scheduled for **Tuesday, January 24, 2023, at 6:00 pm**