

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, December 18, 2023**  
**6:00 PM Lake Shore City Hall**

Mayor Andy Stewart called the December 18, 2023, Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

**Attendance:** Mayor Andy Stewart; Council Members: Henry Cote, Wayne Anderson; and John Terwilliger. City Attorney Dan Hawley; City Engineer Dave Reese; Police Chief Steve Sundstrom; City Administrator/Planning Zoning Administrator Teri Hastings; and City Clerk Patti McDonald were present. The audience included Kevin Egan, Rick Steer, Cindy Terwilliger, Bob and Kathy Lake; Emma Clarke, Wiseth; and Nancy Vogt, Pineandlakes Echo Journal Editor. A quorum was present, and the City Council was competent to conduct business.

**APPROVAL OF MINUTES**

MOTION BY JOHN TERWILLIGER AND SECONDED BY WAYNE ANDERSON TO APPROVE THE NOVEMBER 27, 2023, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

**REPORTS**

**Police Report** – Police Chief Steve Sundstrom

Incident Report – In November 2023 there were 68 incidents in the city. There were 19 traffic-related incidents and 49 were miscellaneous department activity.

**Mayor’s Report** – Andy Stewart shared that some members of the council and city staff attended the memorial for our past Mayor John Poston as he passed away on December 5<sup>th</sup>.

The Solar committee is moving forward with modifying the Lake Shore Comprehensive Plan and creating an Ordinance that addresses both Residential and Commercial Solar and/or alternative energy within the City. They should hopefully be wrapped up by March.

**Clerk/Treasurer’s Report** – Patti McDonald

Financials – MOTION BY JOHN TERWILLIGER AND SECONDED BY WAYNE ANDERSON TO APPROVE THE NOVEMBER FINANCIALS AS PRESENTED (CLAIM NUMBERS 41437 THRU 41526 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$218,517.58). MOTION PASSED.

Pay Bills – MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 41498 THRU 41571; AND CLAIMS 1287 THRU 1297 – TOTAL – \$159,777.41). MOTION PASSED.

Quote for Audit Years 2024-2026 – Clausen & Schiessl CPA’s, Ltd. have submitted a proposal to perform audit services for the years ending in 2024, 2025 and 2026.

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO ACCEPT THE PROPOSAL FROM CLAUSEN & SCHIESSL CPA’S, LTD. AS PRESENTED. MOTION PASSED.

## City Administrator/Planning & Zoning Administrator – Teri Hastings

Discuss and Approve 2024 Levy – Teri’s staff report indicated the following: The 2024 budget was distributed to the City Council. The proposed levy is up 3.6% at 1,664,467.00 which is approximately \$50,000. The debt levy is at \$159,600.00 for a total levy certified of \$1,824,067.00. The overall budget increase is 4.8%. There have been no adjustments made to the budget since the preliminary levy and budget were approved in September.

The budget has minor changes from last year. Listed below are some of the areas with changes:

Increase revenue-Interest to the city money market account (savings) with American National has been added. Capital Outlay-The cemetery initially shows a decrease; however, depending on the outcome of the well issue this number could change.

- A 3% cost of living increase for employees is shown for city staff.
- Health Insurance for employees is stable with a slight increase.
- Park: professional costs have increased to account for the satellite bathrooms.
- Elections-2024 is an election year.
- Audit-\$350.00 increase.
- Fire- This is an area with a significant increase. The sinking fund will be increased by \$10,000 each year until it reaches \$105,000 annually. Lake Shore’s share is approximately 30%. The actual cost of the fire contract will not be known until March when the new land value and building valuations are known for each entity served by the Nisswa Fire Department. Lake Shore’s share is in the 30% range.

Roads-The city allocates \$300,000 annually in capital outlay for road improvement projects. After the completion of this year’s projects, the balance between all road funds is anticipated to be approximately \$329,000. The road committee is recommending reconstructing the following roads in 2024: Balsam Lane, Woodland Road, Abbey Way, and Lincoln Green Road for an approximated cost of \$380,605. In addition, maintenance costs are estimated at \$214,000. Maintenance costs include chip sealing, crack sealing, calcium chloride and snowplowing/salt/sand.

Sewer-This year according to the Ehler’s financial analysis, the user rate should increase 7% so the quarterly rate will be \$153.13 per equivalent resident connection (ERC). There has been an increase in maintenance costs with step stations (residential lift stations) as most of them are 30 years old. The Pequot contract for wastewater services is anticipated to increase about 6% and this cost is reflected in the budget.

The council designated the ARPA funds (\$115,000) for sewer infrastructure. The following improvements are slated for 2024: Lift Station No. 6 (Ozonite/Miller Ln)-Rehabilitation; Lift Station No. 7 (Causeway/Lost Lake Rd)-new pumps; Insulate 2” forcemain at 8093 Co 78; Install addition manholes and cleanouts on Esther Lane.

Monetary Requests (civic contributions)-A request from the Initiative Foundation has been made for \$1025.00 (included in the budget). The Food Shelf will also have an annual request along with the historical society.

Public Safety Money-The city will receive \$47,260 in public safety aid this December from the 2023 omnibus tax bill. This money cannot be used for general purpose but must be used to provide public safety.

The City Council **must** discuss the budget and levy at the meeting. In addition, the council **must** invite and allow the public to speak about the budget and levy during the meeting. A motion is needed to approve the levy, a second motion is needed to approve the budget and lastly a motion to approve the COLA (3%) for city employees.

Henry Cote asked for clarification of the Fire Contract. Teri Hastings explained how it is split between a few entities and Lake Shore’s portion is approximately 30%. They are increasing their sinking fund until it reaches \$105,000 annually, this will also be split that same as the contract with the other entities. The sinking fund allows them to purchase new equipment.

The council had no further concerns. There were no questions or concerns from the audience.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO ADOPT THE 2024 GENERAL FUND OPERATING TAX LEVY OF \$1,664,467 FOR A 3.6% INCREASE; AND THE CERTIFIED LEVY OF 1,824,067 INCLUDING THE TAX ABATEMENT & DEBT LEVY FOR AN OVERALL LEVY INCREASE OF 3.44%. MOTION PASSED.

Discuss and Approve 2024 Budget – The total budget is \$1,770,447. showing an overall budget increase of 4.8% from 2023.

There were no more comments regarding the levy or budget from the council or audience.

MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO ADOPT THE 2024 CITY BUDGET AT \$1,770,447 AT A 4.8% INCREASE. MOTION PASSED.

Cost of Living Adjustment for City Staff – A 3.0% cost of living adjustment for full-time city staff was included in the budget.

MOTION BY HENRY COTE AND SECONDED BY JOHN TERWILLIGER TO APPROVE THE 3.0% BUDGETED COST OF LIVING ADJUSTMENT FOR REGULAR CITY STAFF. MOTION PASSED.

Insurance Dividend – The League of Minnesota Cities Insurance Trust property/casualty program distributed the year end dividends; the City received a dividend check for \$735.

November Minutes and Permit Summary – Teri included the November minutes and permit summary for review.

**Wastewater/Road Committee** – Wayne Anderson

Proposal for Engineering Services – 2024 Street/Wastewater Improvements – Widseth provided a proposal for engineering services to include: the design, bidding, and construction services for Lake Shore's 2024 Street/Wastewater Improvements. The total of the proposed Engineering Services is \$91,300, and include Construction Drawings and Bidding Documents, and Construction Phase Services. This is for the remaining Widseth fees for Design and Construction Phase Services for the 2024 Street and Wastewater Improvements; a portion of these services was previously approved for the Surveying Services that was \$15,000.

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO APPROVE THE WIDSETH PROPOSAL FOR ENGINEERING SERVICES AS PRESENTED FOR A TOTAL OF \$91,300. MOTION PASSED.

Wastewater Monthly Report – Pequot Lakes – The operations report for November was included for review.

**Park and Recreation Committee** – Henry Cote said the committee did not meet.

**Trail 77** – No new information.

**Personnel** – Andy Stewart/Wayne Anderson – Andy reported that the personnel committee met with staff last week to finalize the City Clerk advertisement and Job description. Teri, Andy, and Wayne also discussed moving Roger to the next step in his pay scale as he is satisfactorily performing all duties within his job description.

Step Increase for Roger Olmscheid –

MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO APPROVE A ONE STEP INCREASE FOR ROGER OLMSCHIED AS HE HAD A FAVORABLE REVIEW. MOTION PASSED.

City Clerk Advertisement/Job Description – The draft city clerk advertisement and job description were provided to the City Council. The personnel committee reviewed each and is recommending to proceed with advertising the city clerk position. The job description may change slightly once the city receives the results of the succession planning from Flaherty-Hood.

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO APPROVE THE CITY CLERK ADVERTISEMENT AND JOB DESCRIPTION AS PRESENTED. MOTION PASSED.

ESST Ordinance –Dan Hawley said the state legislature passed the ESST which is to address the group of people that do not receive sick leave. Teri Hastings said that part time employees currently don't receive sick leave. The new policy allows all part time employees to received ESST. The new Lake Shore ESST policy meet the requirements set forth by the state. The policy is new and will undoubtedly be revised as the state moves through the new plan.

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO ADOPT RESOLUTION 2023-12-01 REPEALING AND REPLACING THE CITY OF LAKE SHORE PERSONNEL POLICY CODIFIED IN CHAPTER X OF THE CITY CODE TO COMPLY WITH MINNESOTA'S NEW ESST LAW. MOTION PASSED.

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO PUBLISH THE ORDINANCE SUMMARY FOR THE ESST ORDINANCE. MOTION PASSED.

**City Attorney** – Gammello - Pearson – Dan Hawley had nothing to report.

**City Engineer** – Widseth – Dave Reese had nothing additional to report.

**OLD BUSINESS** – There was no old business.

**NEW BUSINESS** – There was no new business.

#### **ANNOUNCEMENTS/PUBLIC FORUM –**

Bob and Kathy Lake came to the meeting to discuss the budget as directed on their Cass County proposed 2024 taxes. Teri confirmed the Lakes are more interested in the increase in the valuation of their property and advised them that the Board of Review is held the second week in April and that date will be included on the tax statement they will receive in the early spring.

Lake Shore Financial Audit – Clausen & Schiessl, CPA's Ltd. provided a letter to the Mayor and Council Members informing them that on January 16, 2024, they will perform the annual financial audit of the City's finances for year ending December 31, 2023.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO ADJOURN THE DECEMBER 18, 2023, REGULAR CITY COUNCIL MEETING AT 6:30. PM. MOTION PASSED.

Transcribed by Patti McDonald  
Lake Shore City Clerk