

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, September 25, 2023**  
**6:00 PM Lake Shore City Hall**

Mayor John Poston called the September 25, 2023, Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

**Attendance:** Mayor John Poston; Council Members: Andy Stewart; 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 Emma Clarke, Widseth; Nancy Vogt, and Pineandlakes Echo Journal Editor; Jesse Tuomi; and State Representative Krista Knudsen. A quorum was present, and the City Council was competent to conduct business.

**APPROVAL OF MINUTES**

MOTION BY JOHN TERWILLIGER AND SECONDED BY ANDY STEWART TO APPROVE THE AUGUST 28, 2023, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO APPROVE THE SEPTEMBER 11, 2023, SPECIAL CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

**REPORTS**

**Police Report** – Police Chief Steve Sundstrom

Incident Report – In August 2023 there were 102 incidents in the city. There were 62 traffic-related incidents and 40 were miscellaneous department activity.

August Fire Report – The August Nisswa Fire Department report was included for your review.

**Mayor's Report** – John Poston

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

VOTER Funds Agreement – The 2023 Legislature has approved new mechanisms to fund election administration, for the first time in state history they approved a fund to help defray the expenses associated with election administration. Currently the County does not invoice Lake Shore to administer the elections on the city's behalf (if the city elections coincide with state elections). Pamela Smith, Cass County Election Administrator is requesting that Lake Shore sign an agreement that would enable Cass County to retain the funds and defray its election administration costs that assist in the county's administration of Lake Shore's elections. A Motion is needed to allow Cass County to retain all voting operations, technology, and elections resources (VOTER) funding. Lake Shore's portion is less than \$200.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO ALLOW CASS COUNTY TO RETAIN ALL VOTING OPERATIONS, TECHNOLOGY, AND ELECTIONS RESOURCES (VOTER) FUNDING DESIGNATED TO LAKE SHORE. MOTION PASSED.

Financials – MOTION BY JOHN TERWILLIGER AND SECONDED BY ANDY STEWART TO APPROVE THE AUGUST FINANCIALS AS PRESENTED (CLAIM NUMBERS 41234 THRU 41297

AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$562,449.25). MOTION PASSED.

Pay Bills – MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 41296 THRU 41367; AND CLAIMS 1257 THRU 1266 – TOTAL – \$579,090.24). MOTION PASSED.

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

1. Adoption of 2024 Preliminary Levy and Budget –The changes to budget have been made since the workshop that included \$50,000 to the capital outlay. An additional \$30,000 for roads and \$20,000 for the Operating Reserve Fund. The City Council can move these amounts to another category, but this would allow for some inflation which our capital outlay has not been adjusted for previously. The Operating Severance Fund is the fund that will pay out vacation, accrued sick time for employees when they leave the city (in good standing) so this fund will have a large decrease in the next few years with the upcoming retirements. The preliminary general 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 of \$1,824,067.00 a budget increase of 4.8% overall. Please remember the preliminary levy can be reduced but **cannot** be increased. The preliminary levy is due by September 29<sup>th</sup> to Cass County.
2. 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.
3. 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.
4. Sewer-This year according to the Ehlers 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.

Andy Schwartz has put together a list of updates for the wastewater system however, the capital account for sewer is at \$13,400. The city does have a sewer cd with \$23,000. The city collects \$28,000 annually in sewer user fees that is dedicated for capital improvements. The city does have \$115,000 in AARPA (covid) money that could be used for infrastructure projects. This money does need to be obligated by the end of 2024. The Wastewater/Road Committee is recommending proceeding with the Causeway lift station

upgrades, and Teri recommended the City Council obligate the AARPA money to be used for infrastructure projects, specifically sewer. A motion will be needed to obligate the money.

Andy's list is below:

*Here is what I'm looking at for 2024 -*

*Need:*

*New pumps in causeway lift station – est. 15-20k total*

*Recommended:*

*Upgrade Miller lift station – est. 100k?*

*Install manhole structures or additional clean outs on Esther Lane – est. 5k clean outs, 20k structures?*

*Jetting/Televising - There have been a couple sewer backups in the city this year. It wouldn't be a bad idea to have the city's gravity lines cleaned and televised. I'm guessing this could be done in a day, two at most. It would run 10-20k.*

*Remove blacktop, excavate, and insulate 2" sewer force main at 8093 CR 78 – est. 10k to include blacktop restore.*

*On the horizon:*

*STEP station upgrades - new electrical panels, pumps, float switches, check valves, etc. Can do in one big project or chip away and maybe do 10/year or so.*

*Drain field work - would like to have laterals jet cleaned, if possible, a couple of days for Fyle's, Andy would have to look at this with Jeremy and see how feasible it is. Probably looking at 5k or so.*

5. Trees along Interlachen Road. Kevin Egan, Lake Shore resident and former Mayor brought to the city's and county's attention that a number of trees along Interlachen Road (from Sherwood Forest to Pebble Beach Road) are dead or leaning severely. He would like the dead trees removed and the trees that are leaning severely possibly removed as well. He suggested having an arborist review the trees to see if the severely leaning trees should come down. The county has indicated some assistance in the removal of the trees but not the cost of an arborist. Replanting of trees in this area has also been requested.
6. 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.
7. 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. A memo from the League of Minnesota Cities is attached regarding eligible and ineligible uses of the aid. Potential uses could be another warning siren for the north end of the city (approx. \$40,000) or to cover costs for contracting with the Nisswa Fire Dept. There is not a date specified as to when the funds need to be expended.
8. Upcoming items/improvements for council consideration include:
  - City Hall parking lot needs to be resurfaced/repared. Teri is working on quotes to repair the large concrete apron in front of the garages and the sidewalks.
  - Technology upgrades for city hall. A TV/monitor and equipment should be installed in the council chambers to have remote guests etc. The capital account is growing slowly.
  - The council chairs are quite old and need replacement. There has been some discussion of replacing the council tables as well to have a better cohesive design. Last years some cost estimates were received but were much higher than anticipated. New chairs may be a good starting point.

9. An issue with the boardwalk for the trail (across from Bar Harbor restaurant) was discovered. A test helical pier was done, and it went down much farther than the original estimate. This additional depth (approximately 65') will add significant cost to the project. The City Council did decide to proceed with the boardwalk and take the additional cost from the Public Improvement capital outlay account.

MOTION BY JOHN TERWILLIGER AND SECONDED BY WAYNE ANDERSON TO ADOPT AND CERTIFY TO CASS COUNTY THE 2023 PRELIMINARY OPERATING LEVY AT \$1,664,467 AND CERTIFIED LEVY AND BUDGET AT \$1,824,067. MOTION PASSED.

Obligate AARPA Funds – The city has \$115,000 in AARPA (covid) money that could be used for infrastructure projects. This money does need to be obligated by the end of 2024.

MOTION BY WAYNE ANDERSON AND SECONDED BY ANDY STEWART TO OBLIGATE THE \$115,000 AARPA MONEY TOWARDS THE SEWER INFRASTRUCTURE PRESERVATION. MOTION PASSED.

Change December City Council Date and Set Truth and Taxation Date – The City Council will need to set a Truth in Taxation Date for December. The city must certify the levy to the county by December 28, 2023. The regular council meeting falls on December 25<sup>th</sup> which is an observed holiday. Teri recommends the council move the City Council meeting date to December 18, 2023, and set the Truth in Taxation meeting for the same date and time (6pm).

MOTION BY JOHN TERWILLIGER AND SECONDED BY WAYNE ANDERSON TO CHANGE THE DECEMBER REGULAR COUNCIL MEETING TO DECEMBER 18, 2023 AT 6:00 P.M. AT LAKE SHORE CITY HALL AND SET AND ANNOUNCE THE 2024 TRUTH IN TAXATION HEARING AT THE SAME DATE AND TIME. MOTION PASSED.

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

**Wastewater/Road Committee** – Wayne Anderson

Pay Estimate #2 – 2023 Road Projects – Emma Clarke presented partial pay estimate number 2 for the Lake Shore 2023 Street Improvements. The project is substantially (87.3%) complete, and Knife River Corp is requesting a partial payment of \$21,382.13.

MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO APPROVE THE PAY ESTIMATE #2 AS PRESENTED. MOTION PASSED.

Resolution 2023-09-02 Fritz Loven Bridge – Dave Reese presented a resolution requesting a variance from standard for State Aid Operation for the Fritz Loven Bridge.

MOTION BY JOHN TERWILLIGER AND SECONDED BY ANDY STEWART TO ADOPT RESOLUTION 2023-09-02 A RESOLUTION REQUESTING A VARIANCE FROM STANDARD FOR STATE AID OPERATION FOR THE FRITZ LOVEN BRIDGE. MOTION PASSED.

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

August Minutes – The August minutes were included for review.

**Park and Recreation Committee** – Henry Cote said the Park and Recreation committee met in September. The new alternate to the committee, Kiley Armitage came to the meeting to introduce herself. Steve Sundstrom, along with Greg Schwanbeck, shared what projects that the committee work on throughout the year.

June Minutes – The June minutes were included for review.

**Trail 77** – The work on the trail is continuing and should be completed by late fall due to the proposed change order for the boardwalk.

**Personnel** – John Poston/Wayne Anderson – John reported there was no personnel business; however, we are still moving forward with the succession planning.

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

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

**OLD BUSINESS –**

Resolution 2023-09-01 to Approve Ordinance Regulating the Use of Cannabis and Cannabis Derived Products in Public Places – Dan summarized what was discussed at the last council meeting regarding the ordinance regulating the use of cannabis and cannabis derived products.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO ADOPT RESOLUTION 2023-09-01- AN ORDINANCE REGULATING THE USE OF CANNABIS AND CANNABIS-DERIVED PRODUCTS IN PUBLIC PLACES. MOTION PASSED.

**NEW BUSINESS –**

Request for 2 Cremations in One Burial Plot – Teri has had two separate requests to allow two cremations in one full size burial plot at the cemetery. A full-size lot is 6’x10’. In the past, the city has allowed similar requests. Currently, the cemetery rules state that: The bodies of two or more persons shall not be interred in one grave unless approved by the City Council and upon payment for additional charges required. The City Council may want to consider making a change to the cemetery rules to allow this practice.

MOTION BY ANDY STEWART AND SECONDED BY JOHN TERWILLIGER TO ALLOW THE REQUEST TO HAVE 2 CREMATIONS IN ONE BURIAL PLOT. MOTION PASSED.

**ANNOUNCEMENTS/PUBLIC FORUM** – Jesse Tuomi (8262 Gullwood Road) came before the council to discuss the waterways within the City of Lake Shore, specifically Booming Out Bay; he is concerned about the respect of the ‘no-wake’ areas. He shared a couple of ideas he had for the city to provide enforcement in conjunction with the county. The mayor commented that there have been added buoys in the past couple of years and work toward improving the situation. The mayor said he would mention this with the county. The Chief told Jesse that the county is the department that enforces the rules on the waterways within the city. The mayor said the sheriff told him that they haven’t had a full team for water patrol because they had been working security on the pipeline. Representative Knudsen said that she has heard this concern at the Capitol and requested that the buoy gets moved out further to get people to slow down sooner. Jesse said he would follow up with the council in a few months.

MOTION BY WAYNE ANDERSON AND SECONDED BY JOHN TERWILLIGER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF SEPTEMBER 25, 2023, AT 6:30. PM. MOTION PASSED.

Transcribed by Patti McDonald  
Lake Shore City Clerk