

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, March 28, 2022**  
**6:00 PM Lake Shore City Hall**

Mayor Krista Knudsen called the March 28, 2022 Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

**Attendance:** Mayor Krista Knudsen; Council Members: Doug Miller, Henry Cote, John Terwilliger and Wayne Anderson. City Attorney Dan Hawley; City Engineer Dave Reese; City Administrator/Planning Zoning Administrator Teri Hastings; Police Chief Steve Sundstrom and City Clerk Patti McDonald were present. There were seven people in the audience including Susan Schiessl, Clasen and Schiessl CPA's, Ltd.; Dan Determan, Pineandlakes Echo Journal; Kathy Adams and Jean Kraft, Lakes Area Food Shelf; Police Sergeant Mike Heldt; Emma Clark, Widseth; and Bob Grusendorf. A quorum was present and the City Council was competent to conduct business.

**PRESENTATION & ADOPTION OF 2021 AUDIT** – Susan Schiessl of Clasen and Schiessl CPA's, Ltd. presented the 2021 City Audit report telling the Council the City is in good financial position. She said they found the City's records to be in good order (organized, available, complete, etc.). Susan said they issued an adverse and unmodified opinion on a regulatory basis of accounting which is the highest amount of assurance they can give a city with a population of under 2500, which is much like a cash basis.

Susan summarized the audit report page by page. In describing the cash balances page, she commented there is one unusual item under 'the other financing (uses)'; it shows there is an interfund loan to the sewer fund. The sewer fund suggests that this loan can be paid off in a short time when the repayment schedule is established. One note detailed the long-term (bond) liabilities and the schedule of payments. Another note indicated the personnel policy changed which affected the compensated absences balance this year. She briefly went over the cash fund balances, contracts and PERA plans.

In conclusion, she said it showed the same deficiencies as the prior year; a material weakness with the lack of segregation of accounting duties; she explained this is a typical finding in most small cities with its staffing limits regarding the internal controls that management can design and implement into the organization.

The Council had no concerns with the audit presentation. The mayor thanked Susan for her presentation.

**MOTION BY DOUG MILLER TO ACCEPT THE INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING DECEMBER 31, 2021 AS PRESENTED. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY**

**GUEST - Lakes Area Food Shelf – Kathy Adams, Director and Jean Kraft**

Jean Kraft shared the background and statistics of the Lakes Area Food Shelf; it has been in the area since 1980, it became the Lakes Area Food Shelf in 1991. Their Mission is to provide supplemental food assistance to families with food insecurities; this is a community food shelf for all community members requiring assistance. The food shelf relies on charitable contributions and they are asking the City of Lake Shore for financial support in an amount the council feels appropriate. From February 28<sup>th</sup> to April 10<sup>th</sup> is Food Share month, sponsored by the Greater MN Council of Church's and a monetary donation during this time will help qualify for matching funds.

The mayor thanked Kathy and Jean for their presentation. Jean invited the council members to come and visit the food shelf anytime for a tour.

## **APPROVAL OF MINUTES**

MOTION BY DOUG MILLER TO APPROVE THE FEBRUARY 28, 2022 REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

## **REPORTS**

**Police Report** – Police Chief Steve Sundstrom

Incident Report – In February 2022 there were 77 incidents in the city. There were 36 traffic-related incidents and 41 were miscellaneous department activity.

**Mayor's Report** – Krista Knudsen reported the Wastewater Treatment Facility (PRASD) received commendation from the MPCA.

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

Financials – MOTION BY DOUG MILLER TO APPROVE THE FEBRUARY FINANCIALS AS PRESENTED (CLAIM NUMBERS 39892 THRU 39953 AND NON-CHECK CLAIMS LISTED ON REPORT – TOTAL \$85,053.70). WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Pay Bills – MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 39954 THRU 40012; AND CLAIMS 1055 THRU 1064 – TOTAL – \$54,570.22). JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

2022 Liquor Licenses – Bar Harbor and Zorbaz submitted the proper applications for renewal of their On-Sale, Off-Sale, and Sunday Liquor and tobacco licenses. Lost Lake Lodge and Cowboy's submitted the proper applications for renewal of their On-Sale, Off-Sale and Sunday Liquor. Agate Lake Resort submitted the proper application for renewal of their On-Sale license. Chief Sundstrom completed the background checks and recommended approval of the renewal licenses. The five businesses have no outstanding balances owed to Cass County or the City.

MOTION BY JOHN TERWILLIGER TO RENEW THE 2022 LIQUOR LICENSES FOR BAR HARBOR AND ZORBAZ FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR AND TOBACCO LICENSES; LOST LAKE LODGE AND COWBOY'S FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR; AND AGATE LAKE RESORT FOR ON-SALE. DOUG MILLER SECONDED THE MOTION. AS A LICENSE HOLDER, KRISTA KNUDSEN RECUSED HERSELF FROM THE VOTE. MOTION PASSED WITH ANDERSON, MILLER, COTE AND TERWILLIGER VOTING YES.

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

2022 Fire Contract – Teri provided the 2022 Nisswa Fire contract along with a summary of amounts for review. Lake Shore's total contract amount for 2022 is \$80,169 with an additional \$4,753 for the Fireman's Relief Association. Lake Shore's share is 31.69% (30.81% in 2021) of the total cost of the Nisswa Fire Department budget which is an increase from 2021 in the amount of \$5,953. In addition, the Nisswa Fire Department will be seeking to increase their sinking fund (capital improvements) in 2023 from \$55,000 annually to \$149,383 annually. The contract amounts are based on the land and building values of each entity being served by the Nisswa Fire Department.

Wayne Anderson commented that \$5,953 is a pretty significant increase. Teri said the city's values went up, so our percentage increased as well. The Nisswa Administrator indicated to Teri that the Fire Chief will reach out to Lake Shore this summer to discuss the increase in the sinking fund. Wayne asked if there will be opportunity for council input. Teri answered, yes.

MOTION BY DOUG MILLER TO APPROVE THE 2022 FIRE CONTRACT AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

**Wastewater/Road Committee** – Wayne Anderson said the committee met on March 15th. Emma Clark had attended that meeting and reported that they are just finalizing the specifications and the 2022 road projects are almost ready to go out for bids. Dave said that they are looking at virtual bidding rather than the conventional paper bid/opening at City Hall; he explained the process for the virtual bidding and bid opening. With this process, the bids will be able to be opened on April 18<sup>th</sup>.

Wastewater Monthly Report – PRASD – The operations report for March was included for review.

February Minutes – The minutes from the February meeting were included for review.

**Park and Recreation Committee** – Henry Cote said the committee met on March 14<sup>th</sup>. They discussed planning for the 75<sup>th</sup> Anniversary Picnic at Fritz Loven Park on June 9, 2022 from 6 to 8 p.m.; the Easter Egg hunt is Saturday, April 16<sup>th</sup> at 11:00 a.m. and the committee will be stuffing the eggs in the evening on April 11<sup>th</sup> and 12<sup>th</sup>.

There will be no Emergency Services celebration this year. The Park walk thru for the committee will be May 16<sup>th</sup> at their regular meeting at 1:0 p.m.

February Minutes – The minutes from the February meeting were included for review.

**Trail 77** – Teri said we're waiting for everything to thaw out to perform the remainder of the Archeological Study.

**Personnel** – Krista Knudsen/Doug Miller – The personnel committee had no business for the month of March.

**City Attorney** – Gammello - Pearson – Dan Hawley

Proposal – Personnel Policy Update – Dan has reviewed the City Personnel Policy stating that Gammello - Pearson propose a revision to Lake Shore's Personnel Policy to be billed at the normal City rate of \$130.00 per hour. They would also provide a cost not to exceed guarantee of \$2,500. He expects given the applicable rate, the cost would be below that number, but if for some reason it was more time intensive, the most that they would charge is \$2,500.

MOTION BY DOUG MILLER TO APPROVE THE GAMMELLO-PEARSON PROPOSAL AS PRESENTED TO REVISE/UPDATE THE LAKE SHORE PERSONNEL POLICY. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

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

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

**ANNOUNCEMENTS/PUBLIC FORUM** –

Wayne Anderson asked the Chief if anything was decided regarding a possible golf cart ordinance. Steve said this is being reviewed with nothing to present to council at this time.

John Terwilliger asked if the council should act on the Lakes Area Food Shelf donation request. Food Share month and the opportunity to qualify for matching funds ends on April 10<sup>th</sup>, before the next council meeting, so he suggested \$750. Teri said the balance in the donation fund should cover that.

MOTION BY DOUG MILLER TO DONATE \$750 TO THE LAKES AREA FOOD SHELF. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Board of Appeal and Equalization – Monday, April 11, 2022 @ 1:00 p.m. – The Board of Review is set for Monday, April 11, 2022 at 1:00 p.m.

Easter Egg Hunt – Saturday, April 16<sup>th</sup> 2022 @ 11:00 a.m. –

MOTION BY DOUG MILLER TO ADJOURN THE FEBRUARY 28, 2022 REGULAR CITY COUNCIL MEETING AT 6:50 PM. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald  
Lake Shore City Clerk