

MINUTES
Regular Meeting of Lake Shore City Council
Monday, February 24, 2020
7:00 PM Lake Shore City Hall

Mayor Kevin Egan called the February 24, 2020 Regular City Council meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

Roll Call: Mayor Kevin Egan. Council members present: Wayne Anderson, John Terwilliger, Krista Knudsen and Doug Miller. City Attorney Dan Hawley; City Engineer Dave Reese; City Administrator/Planning and Zoning Administrator Teri Hastings; Police Chief Steve Sundstrom and City Clerk Patti McDonald were present. There were 8 people in the audience. A quorum was present and the City Council was competent to conduct business.

PRESENTATION & ADOPTION OF 2019 AUDIT – Chris Clasen of Clasen, Stegner and Schiessl CPA’s, Ltd. presented the 2019 City Audit report and his findings show the City is in good financial position. He said they found the City’s records to be in good order (organized, available, complete, etc.) and they do this one week after the close of the year; so, this means the books have to be in top order for the three-person audit team to review. Chris said they issued an 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.

Chris reviewed the Communications Letter; which is a summary of the audit. He explained the variations in the year-end fund balances as compared to last year as the trail grants that were paid out at the end of last year were reimbursed in the current audit year. There were no compliance issues noted in their review of laws, regulations, contracts, grant agreements or other matters that could have significant financial implications to the City. He said it did show the same deficiencies as the prior year; a material weakness with the lack of segregation of accounting duties; he 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.

Chris said they have to note any disagreements with management; any journal entries that were made; any problems that they could perceive and told the Council that the City has a very clean audit. He said the ‘budget to actual’ numbers were good except for the trail; and that goes away this year.

Chris paid a compliment to city staff for efficiency and timeliness in preparing for the audit with such short preparation time. He also commented that the finding notes for a lot of city’s can be pages long and Lake Shore only has two notations (not two pages).

John Terwilliger asked if the fund balance is considerably high or low to other cities. Chris said the State Auditor recommends 35% to 50% of fund operating revenues or no less than five months of operating expenditures; Lake Shore is at 50% when the ‘already assigned funds’ are removed from the total. He said that the Auditor states that a city can hold fund balances, but the funds have to be assigned to something. He said if Lake Shore was above that range, it would be ‘noted’ as a deficiency; Lake Shore is within range. John asked if the city is required to have a fund balance. Chris said it’s not a requirement. Teri Hastings said the City has a fund balance policy adopted by the Council.

MOTION BY DOUG MILLER TO ACCEPT THE INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING DECEMBER 31, 2019 AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

APPROVAL OF MINUTES

MOTION BY DOUG MILLER TO APPROVE THE JANUARY 27, 2020 REGULAR CITY COUNCIL MINUTES AS PRESENTED. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

MOTION BY DOUG MILLER TO APPROVE THE FEBRUARY 18, 2020 CITY COUNCIL VISIONING WORKSHOP MINUTES AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

REPORTS

Police Report – Officer Steve Sundstrom

Incident Report – In January 2020 there were 68 incidents in the City. There were 36 traffic-related incidents and 32 were miscellaneous department activity.

Nisswa Fire Department Report and Presentation – The Fire Department report was included for review.

Mayor's Report– Kevin Egan said the Council met a couple weeks ago for a Visioning Workshop; it was very well received by the entire council. Linda Holliday will provide a summary of the topics that were discussed at the workshop so the council can move forward with their recommendations.

The Mayor asked Dave how far out he is with putting together his report for the 2020 Lake Shore road improvements so the bonding process can start. Dave said he is 2 to 3 weeks out with a refined report.

The Mayor said that around the holidays a couple representatives gave a presentation to Teri, Steve and himself to ask the city to help regulate Wake Boats on the lake. He said if the city went ahead with the regulations, the city doesn't really have any way to enforce the issue. Teri stated that she checked with the DNR and they wouldn't enforce such an ordinance; neither would the Cass County Sheriff's Department and the city doesn't have a marine unit to enforce such an ordinance.

Clerk/Treasurer's Report – Patti McDonald

Financials – MOTION BY DOUG MILLER TO APPROVE THE JANUARY FINANCIALS AS PRESENTED (CLAIM NUMBERS 38065 THROUGH 38144 – TOTAL \$58,472.95). KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Pay Bills – MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 38127 THROUGH 38173 – TOTAL \$52,607.85). WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY. Check numbers 38127 through 38138 were payroll.

Approval to Reinvest Certificate of Deposit at Maturity – The Certificate of Deposit at Black Ridge Bank will reach the 60-month maturity in March. The City Council previously authorized the City Clerk to reinvest; however, the rates at that time were no better than what the CD was earning.

Rather than automatically renew the CD at Black Ridge Bank; the clerk would like to seek the best (allowable) investment method and rates at the other financial institutions officially authorized by the Council.

MOTION BY JOHN TERWILLIGER TO APPROVE THE CITY CLERK TO SEEK THE BEST INVESTMENT OPPORTUNITY FOR THE MATURE CERTIFICATE OF DEPOSIT AT AN OFFICALLY RECOGNIZED FINANCIAL INSTITUTION WITH THE AUTHORIZATION OF THE

MAYOR AND CITY ADMINISTRATOR. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Approval to Assign Separate Fund Accounts in Financial Report – There are funds in the general account that are assigned for specific projects, such as Park Dedication, Police Forfeitures, etc. that the Clerk would like the authority to transfer to their own fund account in the financial software program. There is enough room in the Cash Control fund account to allow for this change/transfer in the system; this would make it easier to view these funds at a glance on the second page of your monthly financial report.

MOTION BY JOHN TERWILLIGER TO APPROVE THE CITY CLERK TO ASSIGN SEPARATE FUND ACCOUNTS IN THE CASH CONTROL PORTION OF THE FINANCIALS. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

City Administrator/Planning & Zoning Administrator – Teri Hastings

January Permit Summary – Teri included the January permit summary for review.

Wastewater/Road Committee – Wayne Anderson said the committee didn't meet in February.

Resolution 2020-02-01 – Ordering Improvement and Preparation of Plans – A Resolution ordering improvement and preparations of plans for road improvement # 2019-02, the proposed improvement of Port View Road located west of County 107.

Doug Miller commented that one of the letters read into the record suggested that a gravel road over time is more cost effective than asphalt. Dave Reese answered that over time it depends whether the city continues to maintain the gravel roads; in the long run it is more cost effective to blacktop the road.

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2020-02-01 A RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Proposal of Engineering Services – 2020 Port View Road West Improvements – Widseth Smith Nolting provided a letter of proposal for consideration of the City Council related to the preparation of plans, specifications, and contract bidding documents that will be needed for the proposed 2020 The Port View Road (West) Improvements. WSN's fees proposed are to complete the Design and Bidding Phase Services outlined in the proposal for a total of \$17,000. The design fees include WSN's staff time and expenses.

The Construction Phase Services for the proposed scope of work, including WSN's time and expenses, is estimated at \$12,000, based on the contractor completing the project within a 60-day period. The total fees for the proposed project are estimated at \$29,000.

MOTION BY KRISTA KNUDSEN TO MOVE FORWARD WITH THE 2020 PORT VIEW WEST IMPROVEMENTS AS PRESENTED. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

Park and Recreation Committee – Krista Knudsen said the committee didn't meet in February.

Environmental Committee – Doug Miller said the committee didn't meet in February.

Trail 77 – Teri is working on DNR Grants to acquire funds to help pay for the last 1.3 miles of the Gull Lake Trail in Lake Shore.

Resolution 2020-02-02 – Trail Connections Grant –

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2020-02-02 A RESOLUTION SUPPORTING THE LOCAL TRAIL CONNECTIONS PROGRAM GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Resolution 2020-02-03 – Regional Trail Grant –

MOTION BY KRISTA KNUDSEN TO ADOPT RESOLUTION 2020-02-03 A RESOLUTION SUPPORTING THE REGIONAL TRAIL GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Personnel – Kevin Egan/Doug Miller – There was no personnel business.

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

City Engineer – Widseth Smith Nolting – Dave Reese had nothing more to report.

OLD BUSINESS – There was no old business.

NEW BUSINESS –

Board of Review – The Board of Review is set for Monday, April 13, 2020 at 11:00 a.m. Kevin Egan, Wayne Anderson and John Terwilliger are certified so that the Board meeting may still be held here at City Hall. A quorum is needed for the meeting.

Broadband Report – Kathy Moore submitted a report of the developments she is experiencing since she has taken on Broadband as a contracted consultant.

ANNOUNCEMENTS/PUBLIC FORUM –

Precinct Caucuses are Tuesday, February 25th.
Presidential Nominating Primary is Tuesday, March 3rd.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 24, 2020 AT 7:36 PM. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald
Lake Shore City Clerk