

MINUTES
Regular Meeting of Lake Shore City Council
Monday, December 20, 2021
7:00 PM Lake Shore City Hall

Mayor Krista Knudsen called the December 20, 2021 Regular City Council meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

Attendance: Mayor Krista Knudsen; Council Members: Doug Miller, John Terwilliger and Wayne Anderson. City Attorney Dan Hawley; City Engineer Dave Reese; Police Sergeant Mike Heldt; City Administrator/Planning Zoning Administrator Teri Hastings, and City Clerk Patti McDonald were present. Council Member Henry Cote was absent. There were six people in the audience including Police Chief Steve Sundstrom; Nancy Vogt, Pineandlakes Echo Editor; Jan Anderson; Cindy Terwilliger; Don Ramm and Kevin Egan. A quorum was present and the City Council was competent to conduct business.

APPROVAL OF MINUTES

MOTION BY DOUG MILLER TO APPROVE THE NOVEMBER 22, 2021 REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

REPORTS

Police Report – Police Sergeant Mike Heldt

Incident Report – In November 2021 there were 72 incidents in the city. There were 30 traffic-related incidents and 42 were miscellaneous department activity.

Mayor's Report – Krista Knudsen

Time Change Consideration for Council Meetings – Krista asked if the council members were interested in changing the meeting to an earlier time. The council members that were present are in agreement with beginning at 6:00 p.m. Teri said that this will be an ordinance amendment and can be presented at the January council meeting.

Clerk/Treasurer's Report – Patti McDonald

Financials – MOTION DOUG MILLER BY TO APPROVE THE NOVEMBER FINANCIALS AS PRESENTED (CLAIM NUMBERS 39651 THROUGH 39715 – TOTAL \$129,440.44). WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Pay Bills – MOTION BY JOHN TERWILLIGER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 39716 THROUGH 39797 TOTAL – \$53,654.43). DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

City Administrator/Planning & Zoning Administrator – Teri Hastings

Discuss and Approve 2022 Levy – Teri's staff report indicated the following:

1. The 2022 budget was included in the council packet. The proposed levy is at \$1,557,697.00. There have been no adjustments made to the budget since the preliminary budget and levy were approved in September.
2. Listed below are areas where changes were made from the 2021 to the 2022 budget:

- Reduction in revenue: Eliminated forfeitures for police (\$1,000). Reduced fines from \$5,000 to \$3,000; reduced special assessments from \$8,000 to \$5,000 and reduced interest by \$3,300. There were some increases in revenue but the overall reduction is approximately \$5,000.
 - Capital Outlay an overall increase of \$64,000. A \$50,000 increase for roads was included. Based on the preliminary CIP for roads, a target of \$496,080 is estimated for road projects. In addition, there may a petition for Portview Road East. Other significant increases for capital outlay include \$10,000 for public improvements.
 - ✓ Teri pointed out that over the past few years our biggest expense has been the ability to keep up with the city's Capital Improvement Plan. The road improvements were put on the back burner for quite a few years. Wayne said that the budget increase does include the payments for our recent bonding that allowed for the road improvements.
 - A 5% cost of living increase for employees based off a poll of surrounding communities and cpi for the Midwest region is 5.9%.
 - PRASD (sewer) - 5.4% increase based off of cpi for June.
 - Audit-\$450.00
 - Liability Insurance-An increase of \$1,000. In this renewal, cyber security coverage was added up to \$500,000. Also, a review of all city property was conducted (including lift stations) and those values were increased.
 - Workers Comp insurance increase 13.5% on average and 20% for police. Teri used actual premium costs for these increases. For 2021, we were over budget on police workers comp.
 - An additional \$15,000 was budgeted to cover the costs for a new mower.
 - Bonding increased from \$130,000 to \$163,000.
 - \$3000 has been budgeted for the cemetery to convert the existing software over to GIS. The software the city utilizes is being converted to GIS; however, the city will use Widseth to utilize the GIS that we are using with the sewer. It is anticipated that this will be useful for the parks and marking the trail etc.
 - 2022 is an election year, so elections are included at \$10,791.
 - Last year the Council increased committee pay so their pay is reflected this year; the Planning Commission cost increased by approximately \$5,000.
3. Monetary Requests (civic contributions). A request from the Initiative Foundation has been made for \$1,025.00 (included in the budget).
 4. The sewer budget does include the increase (\$8.75) to the sewer user fee the City Council approved in September which begins January 2022.
 5. 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 (5%) for city employees.

The total proposed 2022 general fund operating levy is \$1,557,697. The levy needs to be sent to the Cass County Auditor by December 28th.

Teri heard from and addressed the concerns of three residents regarding the budget: James Moe, Perry Beaton and Mr. Sieck.

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

MOTION BY DOUG MILLER TO ADOPT THE 2022 GENERAL FUND OPERATING TAX LEVY OF \$1,557,697. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Discuss and Approve 2022 Budget –

There were no more comments regarding the levy or budget from the council or audience. The overall budget shows a 10% increase from 2021 and a 14.7% increase that includes the Tax Abatement Bonding.

MOTION BY DOUG MILLER TO ADOPT THE 2022 CITY BUDGET AT \$1,646,073; PLUS \$159,180 ABATEMENT, FOR A TOTAL 2022 BUDGET OF \$1,716,877. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Cost of Living Adjustment for City Staff – A 5.0% cost of living adjustment for full-time city staff was included in the budget.

MOTION BY DOUG MILLER TO APPROVE THE 5.0% BUDGETED COST OF LIVING ADJUSTMENT FOR REGULAR CITY STAFF. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Insurance Dividend – The League of Minnesota Cities Insurance Trust property/casualty program distributed the year end dividends; the City received a dividend check for \$3,024.

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

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

Proposal for Engineering Services – Widseth provided a proposal for engineering services to include: the design, bidding and construction services for Lake Shore's 2022 Street Improvements and Silver Bay Lift Station Improvements.

MOTION BY DOUG MILLER TO APPROVE THE WIDSETH PROPOSAL FOR ENGINEERING SERVICES AS PRESENTED FOR A TOTAL OF \$109,500. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

Park and Recreation Committee – Henry Cote was absent. There was no meeting in December.

Minnesota Land Trust Correspondence – A letter was received from the MN Land Trust to update the Lake Shore City Council on the recent walk-through evaluation of Fritz Loven Park.

Environmental Committee – Doug Miller reported there was no meeting in December.

Trail 77 –

Archaeology Proposal – Teri's staff report indicated the following: This past spring an archaeological survey was conducted along the trail route, reaffirming a known archaeological site near the city limits. The official report of the survey was sent to multiple agencies as required including the Office of the State Archaeologist, Minnesota Indian Affairs Council and the Mille Lacs Band who all have raised objections to the trail route within the right of way of CSAH 77. This past month, a site visit was done with the above agencies, the city engineer, property owner representative and Teri which resulted in an alternative trail route. However, a phase 1 archaeology survey will be required for the alternative route based on the specifications of the OSA

and MIAC. A proposal from Dr. Susan Mulholland to conduct the archaeology survey as required was included. The funds to pay for the survey will come out of the city's trail fund.

Wayne asked if the alternate trail route goes behind the Gohman property. Teri said that it does.

MOTION BY DOUG MILLER TO APPROVE THE ARCHAEOLOGY PROPOSAL AS PRESENTED FOR A TOTAL OF \$11,056.64. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Personnel – Krista Knudsen/Doug Miller – There was no personnel business for December.

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

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

OLD BUSINESS – There was no old business.

NEW BUSINESS –

Quotes for New Mower – The City has received two quotes for a new mower; as you recall this past fall, it was determined that the mower would need to be replaced due to several mechanical issues. The current mower was purchased in 2008 and the city paid approximately \$11,000. Roger, tested a few mowers and received two quotes for replacements. The quotes are similar in price and there is approximately a \$400 difference. Based on Teri's discussions with Roger, we are recommending the city purchase the ExMark mower from AAA Equipment Center for \$11,268.00. Roger stated both mowers would suit the city fine however, it comes down to availability of the mower. Midwest Machinery cannot guarantee spring delivery (could be late July) and AAA Equipment has one in stock that the city could take possession of immediately. Given the supply chain issues facing the country, we are recommending proceeding with AAA Equipment.

MOTION BY DOUG MILLER TO APPROVE THE EXMARK FROM AAA EQUIPMENT FOR \$11,268. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Cass County EDC Letter – A letter was included in the council packet from Cass County EDC sharing their accomplishments for the year.

ANNOUNCEMENTS/PUBLIC FORUM –

Lake Shore Financial Audit – Clausen & Schiessl, CPA's Ltd. provided a letter to the Mayor and Council Members informing them that on January 10, 2022 they will perform the annual financial audit of the City's finances for year ending December 31, 2021.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF DECEMBER 20, 2021 AT 7:22 PM. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald
Lake Shore City Clerk