

MINUTES
Regular Meeting of Lake Shore City Council
Monday, February 27, 2023
6:00 PM Lake Shore City Hall

Mayor John Poston called the February 27, 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, John Terwilliger and Wayne Anderson. City Attorney Dan Hawley; City Engineer Dave Reese; Police Chief Steve Sundstrom; and City Clerk Patti McDonald were present. City Administrator/Planning Zoning Administrator Teri Hastings was absent. The audience included Dan Determan, Pineandlakes Echo Journalist, and Joe Dubel, Widseth. A quorum was present, and the City Council was competent to conduct business.

PRESENTATION & ADOPTION OF 2022 AUDIT – Susan Schiessl of Clasen and Schiessl CPA’s, Ltd. presented the 2022 City Audit report telling the Council the City is in good financial position. She said they generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. 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.

They recommend that the City:

- Reviews the capital asset threshold, currently set at \$1,000, to determine if it should be increased.
- Puts procedures in place to ensure that only current members of the Organization are signers on the bank accounts.

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 JOHN TERWILLIGER TO ACCEPT THE INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING DECEMBER 31, 2022, AS PRESENTED. ANDY STEWART SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY

APPROVAL OF MINUTES

MOTION BY WAYNE ANDERSON TO APPROVE THE JANUARY 23, 2023, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

REPORTS

Police Report – Police Chief Steve Sundstrom

Incident Report – In January 2023 there were 73 incidents in the city. There were 35 traffic-related incidents and 38 were miscellaneous department activity.

January Fire Report – The Nisswa Fire Department fire report for January was included for review.

Mayor's Report – John Poston handed out copies of correspondence that he had received in the mail. One regarding Sourcewell and the other piece was an invitation to attend an award ceremony sponsored by Brainerd School District 181 to posthumously present a Congressional Gold Medal honoring LTC Hortense McKay, United States Nursing Corps.

Clerk/Treasurer's Report – Patti McDonald

Financials – MOTION BY JOHN TERWILLIGER TO APPROVE THE JANUARY FINANCIALS AS PRESENTED (CLAIM NUMBERS 40723 THRU 40795 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$786,504.37); this total takes into account the transfers from the general fund to 4 individual funds for more accurate fund tracking. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Pay Bills – MOTION BY WAYNE ANDERSON TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 40756 THRU 40848; AND CLAIMS 1175 THRU 1188 – TOTAL – \$121,617.02). HENRY COTE 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.

Proposal – Widseth provided a letter of proposal for consideration of the city council related to preliminary engineering services for the Fritz Loven Bridge replacement project. The data gathering and preliminary design phase of the project is being completed to obtain design information that will clarify bridge alternatives, associated impacts to the park setting, and to obtain public input prior to proceeding with the final bridge design and funding path. Pending advancement of the project following preliminary work, Widseth would submit a final design and construction administration services proposal that is appropriate for the project path and scope selected by the city. This preliminary engineering work is a necessary step for any bridge replacement alternative (at the same location as the existing bridge) that the city would consider. The total proposed scope of services – preliminary bridge engineering includes existing conditions survey \$4,000; hydrologic/hydraulic analysis \$9,850; and public informational meeting \$3,500 for a total of \$17,350. Plus, the geotechnical evaluation for \$7,500 billed separately from the sub-consultant.

There was discussion that Dave said would be answered or made more clear with the completed existing conditions survey.

MOTION BY WAYNE ANDERSON TO ACCEPT AND APPROVE THE WIDSETH PROPOSAL AS PRESENTED FOR A TOTAL OF \$17,350; PLUS, \$7,500 FOR THE GEOTECHNICAL EVALUATION FOR A TOTAL OF \$24,850. ANDY STEWART SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

Park and Recreation Committee – Henry Cote reported there is nothing new.

January Minutes – The January minutes were included for review.

Trail 77 –

Trail Bid – Dave went over the bid sheet that was supplied, and Anderson Brothers was the low bid for \$2,784,590; this base bid price for the Gull Lake Trail is shared by Lake Shore and Nisswa. The Lake Shore

portion for the project which includes the estimated construction cost, legal administration, design, construction engineering, construction testing, property acquisition for the Lake Shore total of \$2,027,839. The bids went out with alternate options, breaking each city into two options, trying to keep the project cost around \$1.5 million per city. He said in terms of what money is available, in terms of grants and so forth, the consensus was to move forward with the base bid as the alternate bids came in rather high. Lake Shore's portion is 54.4% of the total cost and Joe broke those down appropriately.

Joe said that the number provided is the best guess number for the property acquisition because it is not complete. Dan Hawley said we're still in appraisal phase on 7 properties. John Terwilliger asked if the property acquisition is for buying the easements. Yes, Dan explained the appraisal process and the couple obstacles that arose that somewhat set this phase back. There are 10 total properties with 8 having to be reappraised. In the base bid phase, there are 4-5 appraisals that are critical to get finished.

Joe shared the major thing is to get the trees down that are required to come down before the end of March; the reason is to protect the Long-Eared bats that have become endangered.

Dan Hawley shared that the first 4-5 acquisitions should be done in a week or two and the council may need to have a special meeting to get the direct purchase of property for each one approved as soon as possible.

MOTION BY HENRY COTE TO APPROVE THE TRAIL BID AS PRESENTED FOR THE LAKE SHORE TOTAL OF \$2,027,839; CONTINGENT UPON NISSWA APPROVING THEIR PORTION OF THE BID. ANDY STEWART SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Proposal for Construction Observation – Widseth has provided a proposal for \$217,400 which would be \$104,400 for the Lake Shore portion of the construction engineering phase. \$26,418 for Braun Intertec with Lake Shore portion being \$14,356.

MOTION BY ANDY STEWART TO APPROVE THE PROPOSAL FOR CONSTRUCTION OBSERVATION FOR THE GULL LAKE TRAIL AS PRESENTED FOR A TOTAL OF \$104,400 AND \$14,356 FOR BRAUN INTERTEC. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Resolution 2023-02-01 – Authorizing Direct Purchase – Dan explained the process for the right of way acquisition process; an appraisal must be completed, then an offer for a direct purchase to the landowner is required before any process for condemnation is started. There has been one complete offer and a counteroffer has been made on the direct purchase offer. Dan recommends approving the counteroffer of \$1,000.

MOTION BY WAYNE ANDERSON TO ADOPT RESOLUTION 2023-02-01 A RESOLUTION AUTHORIZING DIRECT PURCHASE OF PROPERTY AS DIRECTED IN RESOLUTION FOR \$1,000. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Personnel – John Poston/Wayne Anderson – There was no personnel business.

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

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

OLD BUSINESS – There was no old business.

NEW BUSINESS – There was no new business.

ANNOUNCEMENTS/PUBLIC FORUM – There were no announcements or public forum.

MOTION BY HENRY COTE TO ADJOURN THE FEBRUARY 27, 2023, REGULAR CITY COUNCIL MEETING AT 6:54. PM. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald
Lake Shore City Clerk