

MINUTES
Regular Meeting of Lake Shore City Council
Monday, December 19, 2022
6:00 PM Lake Shore City Hall

Mayor Krista Knudsen called the December 19, 2022, Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Attendance: Mayor Krista Knudsen; Council Members: 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. Council Member Doug Miller was absent. The audience included John Poston, Nancy Vogt, Pineandlakes Echo Journal Editor, Andy Stewart, Joe Dubel, Emma Clarke, Cindy Terwilliger, Glen Gustafson, Kevin and Betsy Egan. A quorum was present, and the City Council was competent to conduct business.

APPROVAL OF MINUTES

MOTION BY JOHN TERWILLIGER TO APPROVE THE NOVEMBER 28, 2022, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

REPORTS

Police Report – Officer Mike Heldt

Incident Report – In November 2022 there were 67 incidents in the city. There were 30 traffic-related incidents and 37 were miscellaneous department activity.

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

Mayor’s Report – Krista Knudsen asked the council to consider her following comments next year; she said she’s heard that cannabis could possibly be legalized next year and feels as a city, we should start the discussion on how we want to handle dispensaries, the licensing and the logistics that go with that. She recommended the council may want to consider a moratorium on the issue in Lake Shore until we have those discussions for an educated decision.

Clerk/Treasurer’s Report – Patti McDonald

Financials – MOTION BY JOHN TERWILLIGER TO APPROVE THE NOVEMBER FINANCIALS AS PRESENTED (CLAIM NUMBERS 40569 THRU 40644 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$108,594.19). WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED.

Pay Bills – MOTION BY WAYNE ANDERSON TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 40634 THRU 40691; AND CLAIMS 1154 THRU 1163 – TOTAL – \$58,165.14). JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED.

City Administrator/Planning & Zoning Administrator – Teri Hastings

Discuss and Approve 2023 Levy – Teri’s staff report indicated the following:

1. The 2023 budget was provided to the city council. The proposed budget is \$1,763,418, which includes the levy at \$1,606,653 and the debt service at \$156,765.00. The levy increase is 3.1% and overall

budget is 2.7%. There have been no adjustments made to the budget since the preliminary budget and levy were approved in September.

2. Listed below are highlights of the 2023 budget:
 - Reduction in revenue: Overall revenue was reduced by \$5,676, the majority coming from special assessments since special assessments go back to capital outlay for roads, they should not be used to reduce the levy (we are confirming this information).
 - Capital Outlay an increase of \$12,500. An additional \$15,000 was added to maintenance equipment for the potential purchase of a “Toolcat” or similar machine.
 - A 5% cost of living increase for employees is shown for city staff. This increase was obtained by a poll of surrounding communities and the cpi for the Midwest region as of July 2022 which was at 8.6%.
 - Sewer Contract-We now have a contract with Pequot Lakes with a slight increase in contract price from PRASD.
 - Audit-\$350.00 increase.
 - Energy: natural gas and power have increases for 2023.
 - Liability Insurance-An increase of \$4,000.
 - Health Insurance for employees is stable with little or no increase.
 - Workers Comp has an increase but not as significant as 2022.
 - Last year the city budgeted for updating the cemetery software and this work is in progress with the cost most likely coming from the 2023 budget.
3. In an attempt to keep the budget somewhat stable; the City Council directed staff to include an additional \$10,000 that will be needed for elections in 2024 (\$5000 was allocated to elections and \$5000 into office equipment and furnishings).
4. Monetary Requests (civic contributions). A request from the Initiative Foundation has been made for \$1025.00 (included in the budget) along with \$750 from the Lakes Area Food Shelf.
5. The sewer budget does include the increase to the sewer user fee the City Council approved in September which begins January 2023. The quarterly fee per ERC will be \$143.11.
6. 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 2023 general fund operating levy is \$1,606,653. The levy needs to be sent to the Cass County Auditor by December 28th.

Glen Gustafson commented that his taxes are fine; however, he is concerned about the value of his property increasing so much. Krista explained that the Cass County Assessors is the office that places the value of properties within the county. She explained various reasons why the values have been increasing; including sales, inflated prices, the cost to rebuild, etc. John Terwilliger reiterated what Krista explained. The local Board of Review/Equalization is held in early April.

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

MOTION BY JOHN TERWILLIGER TO ADOPT THE 2023 GENERAL FUND OPERATING TAX LEVY OF \$1,606,653. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED.

Discuss and Approve 2023 Budget – The total budget is \$1,763,418, showing an overall budget increase of 2.7% from 2022.

There were no more comments regarding the levy or budget from the council or audience.

MOTION BY JOHN TERWILLIGER TO ADOPT THE 2023 CITY BUDGET AT \$1,606,653, PLUS \$156,765 ABATEMENT, FOR A TOTAL 2023 BUDGET OF \$1,763,418. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

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 JOHN TERWILLIGER TO APPROVE THE 5.0% BUDGETED COST OF LIVING ADJUSTMENT FOR REGULAR CITY STAFF. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

Hearing Officer List – Below is a list of names to be approved by the City Council as hearing officers. Hearing officers are to be used in the Administrative Citation process. The City of Lake Shore adopted the administrative citation ordinance in 2016 and have not had to use the administrative hearing yet. Section 8.6.1 of the ordinance does indicate the City Council shall periodically approve such list.

The following persons have agreed to be a hearing officer:

Tim Moore; Kevin Egan; and Doug Miller

MOTION BY WAYNE ANDERSON TO APPROVE THE HEARING OFFICER LIST AS PRESENTED. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

Insurance Dividend – The League of Minnesota Cities Insurance Trust property/casualty program distributed the year end dividends; the City received a dividend check for \$2,347.

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

Certificates of Appreciation – Teri, on behalf of the City of Lake Shore, presented Certificates of Appreciation to Krista Knudsen for 10 years of service to the City of Lake Shore; Doug Miller has served the city for 16 years and they will both be missed.

Wastewater/Road Committee – Wayne Anderson said the committee meets Tuesday, December 20th.

Proposal for Engineering Services – 2023 Street Improvements – Widseth provided a proposal for engineering services to include: the design, bidding and construction services for Lake Shore’s 2023 Street Improvements.

MOTION BY WAYNE ANDERSON TO APPROVE THE WIDSETH PROPOSAL FOR ENGINEERING SERVICES AS PRESENTED FOR A TOTAL OF \$90,500. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED.

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

Park and Recreation Committee – Henry Cote said the committee will not meet until Spring.

Trail 77 –

Gull Lake Trail Plan – Joe Dubel of Widseth sent the Gull Lake Trail plans via email to each council member due to the large file size (approx. 248 pages). The approval by the City Council is contingent upon county

engineer approval. Bidding will occur once all final approvals are received from the county engineers (Cass and Crow Wing).

Teri spoke with Darrick Anderson, Cass County Engineer today and he will review the plan for final approval. Bidding will take place after final approval from both Cass and Crow Wing County engineers. The Gull Lake Trail plan is a joint project between the cities of Nisswa and Lake Shore.

Teri said the cost estimate is higher than expected but was anticipated. She has a meeting with GMRPT later this week to go over the shortfall and the best way we should proceed. John Terwilliger asked what the project estimate came in at. Teri said that between both communities, we have \$3.4M and the trail estimate is about \$5.4M, so there is about a \$2M shortfall. John asked, if ultimately, there is a shortfall, can the plan be revised. Teri said that is what she is hoping to learn after meeting with GMRPT and how they would like us to proceed.

John Poston said that he has heard that a great portion of the state surplus may be earmarked for state parks and trails.

MOTION BY HENRY COTE TO APPROVE THE GULL LAKE TRAIL PLANS AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED.

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

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

City Engineer – Widseth – Dave Reese said Merry Christmas.

OLD BUSINESS – There was no old business.

NEW BUSINESS – There was no new business.

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, 2023, they will perform the annual financial audit of the City's finances for year ending December 31, 2022.

MOTION BY HENRY COTE TO ADJOURN THE DECEMBER 19, 2022, REGULAR CITY COUNCIL MEETING AT 6:26. PM. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED.

Transcribed by Patti McDonald
Lake Shore City Clerk