

MINUTES
Special
Lake Shore City Council
Tuesday, September 10, 2024
1:00 PM Lake Shore City Hall

Members Present: Mayor Andy Stewart. Council members: Wayne Anderson, John Terwilliger, Darcy Peterson and Henry Cote. City Administrator/Planning and Zoning Administrator Teri Hastings; Police Chief Steve Sundstrom and City Clerk Laura Fussy.

Mayor Andy Stewart called the meeting to order at 3:00 p.m.

2025 Preliminary Budget – Discussion Only – The Mayor asked Teri Hastings to go over the staff report she prepared for the council along with the draft/working copy of the 2025 budget.

1. Teri's staff report indicated the following: The preliminary general levy is up 4.2% at 1,735,4646.00 which is approximately \$71,000. The debt levy is at \$157,080.00 for a total levy of \$1,892,526.00 (total levy increase of 3.75%). The overall budget increase is 2.89%. Please remember the preliminary levy can be reduced but **cannot** be increased. The preliminary levy is due by September 30th to Cass County.
2. The budget has minor changes from last year. Listed below are some of the areas with changes:
 - Increase in revenue: Building permits with anticipation septic permits will increase in 2025.
 - Interest Earnings; anticipating a reduction in interest rates.
 - Elimination of police contracts with GCOLA and Zorbaz (the city does not have enough officers to cover the contracts) and the Toward Zero Deaths program has been eliminated.
 - Changes to police squads and equipment (no additional costs).
 - A 4% cost of living increase for employees is shown for city staff.
 - Health Insurance for employees is up approximately 7% (our premiums are based on age).
 - Audit-\$500.00 increase.
 - Fire- Based on the information from the City of Nisswa, they anticipate 15.66% increase. The contract is based on property and building values and Lake Shore's share is typically about 30% of the entities served.
3. Roads: The city allocates \$300,000 annually in capital outlay for road improvement projects. After the completion of this year's projects, the balance between all road funds (includes past assessment accounts, small city aid and capital outlay) is anticipated to be approximately \$360,000. Included in the packet is the engineer's update for the CIP (capital improvement plan). The chip sealing is a maintenance budget item, and the miscellaneous items would also be considered a maintenance item and taken out of account 43101-310 (\$130,000).
4. Sewer-This year according to the Ehler's financial analysis, the user rate should increase 5% so the quarterly rate will be \$160.79 (staff suggests a rate of \$161.00) per equivalent resident connection (ERC). Andy has provided a list of improvements

needed for the wastewater system (attached). I have incorporated the fence, and drainfield jetting under maintenance in the sewer budget (account 43252-310) and the pump under capital outlay (account 41570-536). In addition, the sewer fund has been loaned money from the general fund and in 2025 the sewer fund will need to start repaying the loan and this has been penciled in on the sewer budget. These numbers will need to be verified by Ehlers so there may need to be some adjustments before the preliminary budget is approved.

Lastly, the sewer software is being upgraded and there will be a monthly cost to the city which is reflected in the budget. The new software will allow customers to pay online.

Teri did recommend that we increase the capital outlay amount \$20,000 due rising costs for repairs and maintenance.

5. Monetary Requests (civic contributions). A request from the Initiative Foundation has been made for \$1025.00 (included in the budget). The Food Shelf will also have an annual request along with the historical society.
6. Upcoming items/improvements for council consideration include:
 - City cell phones: All city employees should have city issued cell phones. These phones should be used only for city business and not personal use. Currently only our full-time police officers have city issued cell phones, all other employees use their personal cell phones. Due to data practice issues, the City Council may wish to consider providing city issued phones for city business.
 - Grants: Sourcewell is a great resource and provides many grant opportunities. Their programs have expanded since last year, so it is helpful for the council and staff to keep this in mind when looking at future projects. If the council would like to have someone from Sourcewell to attend a meeting to discuss some of their programs, that can be arranged.
 - Tree Replanting – Interlachen Road. Last year, Kevin Egan approached the council regarding the number of dead/dying trees along Interlachen Road. The city worked in partnership with Cass County to remove the trees. A replanting effort is now underway.

The council discussed the remaining items with no real concerns. This portion of the meeting was a budget discussion, and no action or decisions were made by the Council regarding the preliminary budget.

MOTION BY WAYNE ANDERSON TO ADJOURN THE SEPTEMBER 10, 2024, SPECIAL CITY COUNCIL MEETING AT 3:43 PM. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED.

Minutes prepared by Laura Fussy
Lake Shore City Clerk