

MINUTES
Regular Meeting of Lake Shore City Council
Monday, September 23, 2024
6:00 PM Lake Shore City Hall

Mayor Andy Stewart called the September 23, 2024, Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Attendance: Mayor Andy Stewart; Council Members: Darcy Peterson; Henry Cote and John Terwilliger. City Attorney Dan Hawley; City Engineer Dave Reese; Police Chief Steve Sundstrom; City Administrator/Planning Zoning Administrator Teri Hastings; and City Clerk Laura Fussy were present. Council Member Wayne Anderson was absent. The audience included Nancy Vogt, and Pine and Lakes Echo Journal Editor. A quorum was present, and the City Council was competent to conduct business.

APPROVAL OF MINUTES

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO APPROVE THE AUGUST 26, 2024, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

MOTION BY JOHN TERWILLIGER AND SECONDED BY DARCY PETERSON TO APPROVE THE SEPTEMBER 10, 2024, SPECIAL CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

REPORTS

Police Report – Police Chief Steve Sundstrom

Incident Report – In August 2024 there were 90 incidents in the city. There were 34 traffic-related incidents and 56 were miscellaneous department activity.

August Fire Report – The August Nisswa Fire Department report was included for your review.

Mayor's Report – Andy Stewart –

Resolution 2024-09-01 – Appreciation of International Boat Show – Andy stated it would be a nice gesture to thank Bar Harbor and Zorbaz for hosting the International Boat show that brought a lot of attention to the area.

MOTION BY DARCY PETERSON TO ACCEPT THE RESOLUTION FOR THE APPRECIATION OF THE INTERNATIONAL BOAT SHOW. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

Clerk/Treasurer's Report – Laura Fussy

Approval of Election Judges – The State of Minnesota general election is November 5, 2024. Five people have attended the training to be an election judge for the City of Lake Shore. They are Shawn Hansen, Linda Halverson, Laura O'Brien, Terry Frovik and Heidi Kraemer. I am also trained in case of an emergency.

MOTION BY JOHN TERWILLIGER TO APPOINT THE FIVE ELECTION JUDGES AS PRESENTED FOR THE NOVEMBER 5, 2024 GENERAL ELECTION. HENRY COTE SECONDED THE MOTION. MOTION PASSED.

Gworks Sewer Software - Lake Shore's current sewer software UBMax was recently bought out by GWorks. This change will require the city to upgrade our platform and will now require an annual fee of \$1,920.00 which has been accounted for in the 2025 budget.

MOTION BY JOHN TERWILLIGER TO UPGRADE TO GWORKS SEWER SOFTWARE. DARCY PETERSON SECONDED THE MOTION. MOTION PASSED.

Financials – MOTION BY HENRY COTE AND SECONDED BY DARCY PETERSON TO APPROVE THE AUGUST FINANCIALS AS PRESENTED (CLAIM NUMBERS 42125 THRU 42209 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$241,776.60). MOTION PASSED.

Pay Bills – MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 42198 THRU 42245; AND CLAIMS 1399 THRU 1410 – TOTAL – \$183,249.42). MOTION PASSED.

City Administrator/Planning & Zoning Administrator – Teri Hastings

Adoption of 2025 Preliminary Levy and Budget –

1. Attached is the draft/working copy of the 2025 budget. **An additional \$20,000 has been added to the capital outlay for Steet Improvements per the September 10th discussion.** The preliminary general levy is up 5.58% at 1,757,464.00 which is approximately \$93,000. The debt levy is at \$157,080.00 for a total levy of \$1,914,526.00 (total levy increase of 4.95%). The overall budget increase is 4.13%. Please remember the preliminary levy can be reduced but **cannot** be increased. **A motion is needed to set the preliminary levy;** the preliminary levy is due to Cass County by September 30th.
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.

5. Monetary Requests (civic contributions). A request from the Initiative Foundation has been made for \$1,025.00 (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.

MOTION BY HENRY COTE AND SECONDED BY DARCY PETERSON TO ADOPT AND CERTIFY TO CASS COUNTY THE 2025 PRELIMINARY OPERATING LEVY AT \$1,757,464.00 AND CERTIFIED LEVY AND BUDGET AT \$1,914,526.00. MOTION PASSED.

Change December City Council Date and Set Truth and Taxation Date – The City Council will need to set a Truth in Taxation Date for December. The city must certify the levy to the county by December 30, 2024. The regular council meeting falls on December 23rd. Teri recommends the council move the City Council meeting date to December 16, 2024, and set the Truth in Taxation meeting for the same date and time (6pm).

MOTION BY JOHN TERWILLIGER AND SECONDED BY HENRY COTE TO CHANGE THE DECEMBER REGULAR COUNCIL MEETING TO DECEMBER 16, 2024 AT 6:00 P.M. AT LAKE SHORE CITY HALL AND SET AND ANNOUNCE THE 2025 TRUTH IN TAXATION HEARING AT THE SAME DATE AND TIME. MOTION PASSED.

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

Wastewater/Road Committee – Wayne Anderson was absent. Dave Reese said the projects are heading towards the finish line. There will be a punch list

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

August Minutes – The August minutes were included for review.

Park and Recreation Committee – Henry Cote was not present for the meeting. Steve Sundstrom stated they are looking into getting some policies in place for a reservation system at Fritz Loven park. This would include renting the pavilion or placing a monument such as a bench in the park. The committee was also looking at the spring time to get the fishing pier stained.

April & May Minutes – The April & May minutes were included for review.

Trail 77 – The two trail grants were submitted and we are waiting to hear back.

Personnel – Andy Stewart/Wayne Anderson – Nothing to report.

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

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

OLD BUSINESS –

NEW BUSINESS –

Snowmobile Trail Permit – Gull Lake Drifters - Last year the City Council granted the Gull Lake Drifters a permit to groom a portion of the Gull Lake Trail through the City of Lake Shore on a one-year trial basis. The lack of snow last year did not provide a good test to determine the impact grooming would have on the trail and the club is once again seeking a permit to groom a portion of the Gull Lake Trail. The information from last year is attached along with a draft of the 2024-2025 permit. A current certificate of liability insurance would also be required.

Darcy brought up a concern with the safety of the snowmobilers crossing in the Zorbaz area. Due to no representative being at the meeting the council decided to table the permit until next month.

MOTION BY HENRY COTE AND SECONDED BY DARCY PETERSON TO TABLE THE GULL LAKE DRIFTERS REQUEST TO GROOM A PORTION OF THE GULL LAKE TRAIL THROUGH THE CITY OF LAKE SHORE. MOTION PASSED.

ANNOUNCEMENTS/PUBLIC FORUM – No public forum/announcements.

MOTION BY HENRY COTE AND SECONDED BY DARCY PETERSON TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF SEPTEMBER 23, 2024, AT 6:19. PM. MOTION PASSED.

Transcribed by Laura Fussy
Lake Shore City Clerk