

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, March 22, 2021**  
**7:00 PM Lake Shore City Hall**

Mayor Krista Knudsen called the March 22, 2021 Regular City Council meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

**Roll Call:** Mayor Krista Knudsen. Council members present: Wayne Anderson, John Terwilliger, Doug Miller and Henry Cote. City Attorney Dan Hawley; City Engineer Dave Reese; City Administrator/Planning Zoning Administrator Teri Hastings; Police Officer Mike Heldt and City Clerk Patti McDonald were present. There was one person in the audience Nancy Vogt, Pineandlakes Echo Journal Editor. Police Chief Steve Sundstrom was absent. A quorum was present and the City Council was competent to conduct business.

**PRESENTATION & ADOPTION OF 2020 AUDIT** – Susan Schiessl of Clasen and Schiessl CPA’s, Ltd. presented the 2020 City Audit report via teleconference telling the Council the City is in good financial position. She said they found the City’s records to be in good order (organized, available, complete, etc.). Susan said they issued an 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.

Susan summarized the audit report page by page. 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.

**MOTION BY DOUG MILLER TO ACCEPT THE INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING DECEMBER 31, 2020 AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.**

**APPROVAL OF MINUTES**

**MOTION BY JOHN TERWILLIGER TO APPROVE THE FEBRUARY 22, 2021 PUBLIC HEARING OF ROBINHOOD WAY MINUTES AS PRESENTED. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.**

**MOTION BY WAYNE ANDERSON TO APPROVE THE FEBRUARY 22, 2021 REGULAR CITY COUNCIL MINUTES AS PRESENTED. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.**

**REPORTS**

**Police Report** – Officer Mike Heldt

Incident Report – In February 2021 there were 124 incidents in the City. There were 78 traffic-related incidents and 46 were miscellaneous department activity.

**Mayor’s Report**– Krista Knudsen had nothing to report.

**Clerk/Treasurer's Report – Patti McDonald**

Financials – MOTION BY DOUG MILLER TO APPROVE THE FEBRUARY FINANCIALS AS PRESENTED (CLAIM NUMBERS 38985 THROUGH 39041 – TOTAL \$75,007.75). JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Pay Bills – MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 39010 THROUGH 39079 – TOTAL \$59,456.04). WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY. Check numbers 39010 through 39021 were payroll.

2021 Liquor Licenses – Bar Harbor and Zorbaz submitted the proper applications for renewal of their On-Sale, Off-Sale, and Sunday Liquor and tobacco licenses. Lost Lake Lodge, Cowboy's and Sherwood Forest Lodge submitted the proper applications for renewal of their On-Sale, Off-Sale and Sunday Liquor. Chief Sundstrom completed the background checks and recommended approval of the renewal licenses. The five businesses have no outstanding balances owed to Cass County or the City.

MOTION BY DOUG MILLER TO RENEW THE 2021 LIQUOR LICENSES FOR BAR HARBOR AND ZORBAZ FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR AND TOBACCO LICENSES; LOST LAKE LODGE, COWBOY'S AND SHERWOOD FOREST LODGE FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR. JOHN TERWILLIGER SECONDED THE MOTION. AS A LICENSE HOLDER KRISTA KNUDSEN RECUSED HERSELF FROM THE VOTE. MOTION PASSED WITH ANDERSON, MILLER, COTE AND TERWILLIGER VOTING YES.

**City Administrator/Planning & Zoning Administrator – Teri Hastings**

2021 Fire Contract – Teri provided the 2021 Nisswa Fire contract along with a summary of amounts for your review. Lake Shore's total contract amount for 2021 is \$74,216 with an additional \$4,622 for the Firemen's Relief Association. Lake Shore's share is 30.81% (31.42% in 2020) of the total cost of the Nisswa Fire Department budget which is a decrease from 2020. The contract amounts are based on the land and building values of each entity being served by the Nisswa Fire Department.

MOTION BY HENRY COTE TO APPROVE THE 2021 FIRE CONTRACT AS PRESENTED. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Memo: Federal Recovery Act/American Rescue Plan – Teri's staff report indicated the following: As part of the American Rescue Plan (1.9 trillion) that President signed last week, states and local government units will receive \$350 billion with \$65 billion allocated to cities. The Minnesota Association of Small Cities Estimated Lake Shore's portion at \$189,168 and the League of Minnesota Cities estimate is approximately \$120,000, nonetheless, the city will receive a significant amount of money. The nuances to money and its uses are still being worked out but a few details include the following:

- Funds will be released in two payments to local governments, with half following enactment and half paid 12 months following receipt of first payment.
- There will be no minimum population threshold for payments, but non-entitlement distributions will be capped at 75% of the pre-pandemic city budget.
- Funds can be used to replace lost revenue.
- Funds can be transferred between jurisdictions or to nonprofit partners.
- There is an expenditure deadline of Dec. 31, 2024.

It is anticipated that the money will have less restrictions than the previous Cares funds the city received last year. However, it would not hurt to contact our local legislators and encourage them to not put too many restrictions on the money since cities know how best to utilize the funds.

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

**Wastewater/Road Committee** – Wayne Anderson said the committee met March 16<sup>th</sup>. The annual road tour was scheduled for Wednesday, March 24<sup>th</sup>.

Resolution 2021-03-01 – Approving Plans and Specifications and Ordering Advertisement for Bids – A resolution to approve the plans and specifications of Robinhood Way between the intersection with Little John Road to the northern end of the City maintained segment; and allow Widseth to move forward with the advertisement for bids for the proposed improvement of Robinhood Way between the intersection with Little John to the northern end of the City maintained segment.

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2021-03-01 A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS FOR ROBINHOOD WAY IMPROVEMENT. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

GIS Proposal – The Road/Wastewater Committee reviewed the proposal from Widseth and is recommending approval including the option for the survey grade for the sanitary system. This will be extremely beneficial as the survey grade is very precise and includes elevation which is necessary in locating the sanitary sewer. The committee requested some background information from Pequot Lakes that is currently utilizing the same service. Wayne Anderson and Teri Hastings visited their Public Works Superintendent, Jason Gorr last month and he told them the GIS is very worthwhile.

The proposal includes three type of licenses, to begin with, Teri would recommend 1 administrator license and 1 field worker license. She thinks at some point we will add a viewer license but the city can add to the licenses at any time. The option of the Trimble R-1 unit will be postponed at this time. There may be some options to rent a unit so this will continue to be explored.

At this point, the cost for the GIS service is \$9,405 and this can be funded with the sewer capital outlay account.

On another note, the city's software for the cemetery is going to be outdated and the city will be required to upgrade to its cloud based program. Teri spoke to Mark Reinke, WSN about converting our cemetery information to GIS so this will be explored as well.

MOTION BY DOUG MILLER TO APPROVE GIS SERVICES PROPOSAL FROM WIDSETH AS RECOMMENDED BY THE WASTEWATER/ROAD COMMITTEE AND AS PRESENTED IN THE PROPOSAL AT A COST OF \$9,405. WAYNE ANDERSON SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

January Minutes – The January minutes were included for review.

**Park and Recreation Committee** – Henry Cote – The Park and Recreation committee met on March 15<sup>th</sup>. Henry reported Teri is currently working to complete the Trail Connections Grant and the Regional Trail Grant applications for submission by their due date.

February Minutes – The February minutes were included for review.

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

**Trail 77 –**

Resolution 2021-03-02 – Trail Connections Grant – A resolution supporting the Local Trail Connections Grant application made to the Minnesota Department of Natural Resources.

MOTION BY WAYNE ANDERSON TO ADOPT RESOLUTION 2021-03-02 A RESOLUTION SUPPORTING THE LOCAL TRAIL CONNECTIONS PROGRAM GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Resolution 2021-03-03 – Regional Trail Grant – A resolution supporting the Regional Trail Grant application made to the Minnesota Department of Natural Resources.

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2021-03-03 A RESOLUTION SUPPORTING THE REGIONAL TRAIL GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

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

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

**OLD BUSINESS** – There was no old business.

**NEW BUSINESS** – There was no new business.

**ANNOUNCEMENTS/PUBLIC FORUM –**

Board of Review – The Board of Review is set for Monday, April 12, 2021 at 1:00 p.m. Wayne Anderson and John Terwilliger are certified so that the Board meeting may still be held at City Hall. A quorum is needed for the meeting.

Easter Egg Hunt – The Easter Egg Hunt is set for Saturday, April 3, 2021 at Fritz Loven Park with the first of three groups starting at 10:00 a.m. It will be different this year to abide by the Governor's orders for social distancing.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF MARCH 22, 2021 AT 7:36 PM. HENRY COTE SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald  
Lake Shore City Clerk