

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, March 28, 2016**  
**7:00 PM Lake Shore City Hall**

Mayor John Poston called the March 28, 2016 Regular City Council meeting to order at 7:00 p.m. The pledge of allegiance was recited.

**Roll Call:** Mayor John Poston. Council Members present: Earl North, John Terwilliger, Krista Knudsen and Doug Miller. City Attorney Steve Qualley; City Engineer Dave Reese; City Administrator/Planning and Zoning Administrator Teri Hastings; Police Chief Steve Sundstrom and City Clerk Patti McDonald were present. There were 2 people in the audience.

**PRESENTATION & ADOPTION OF 2015 AUDIT** – Chris Clasen of Justin, Clasen & Company, Ltd. presented the 2015 City Audit report and his findings show the City is in good financial position. He went through the auditor’s report, which is the heart of the audit. It was found that the city made donations to organizations that are not allowable under ‘public purpose expenditures’. He suggested contacting the League of MN Cities for allowable donations.

Chris went through the governance and management letters prepared with the audit, which showed a weakness in Internal Control/Segregation of Duties; Net Operating Losses Occurring in the Enterprise Funds; Future Fund Balances for Capital Outlay Expenditures; Subsequent Events of the Sewer Project. Chris recommended a written policy for segregation of duties; he will forward a sample to Teri.

MOTION BY KRISTA KNUDSEN TO ACCEPT THE INDEPENDENT AUDITORS REPORT FOR YEAR ENDING DECEMBER 31, 2015 AS PRESENTED. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

**APPROVAL OF MINUTES**

MOTION BY EARL NORTH TO APPROVE THE FEBRUARY 22, 2016 REGULAR CITY COUNCIL MINUTES AS PRESENTED. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

**REPORTS**

**Police/Fire Report** – Chief Steve Sundstrom

Incident Report - From February 22, 2016 to March 27, 2016 there were 104 incidents in the City. There were 58 traffic-related incidents and 46 were miscellaneous department activity. Steve said they hid 5,000 eggs filled with candy and coins for approximately 240 kids that participated at the Easter Egg Hunt.

**Mayor’s Report**– John Poston had nothing to report.

March Minutes – City Hall Building Committee – The March minutes were included for review.

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

Financials – MOTION BY DOUG MILLER TO APPROVE THE JANUARY FINANCIALS AS PRESENTED (CLAIM NUMBERS 34202 THROUGH 34262 – TOTAL \$82,687.21). EARL NORTH SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

2016 Liquor License Renewals – Bar Harbor and Zorbaz submitted the proper applications for renewal of their On-Sale, Off-Sale, and Sunday Liquor and tobacco licenses. Cowboy’s and Sherwood Forest Lodge submitted the proper applications for renewal of their On-Sale, Off-Sale and Sunday Liquor. And, Lost Lake Lodge submitted the proper application for renewal of their On-Sale and Sunday Liquor. Chief

Sundstrom completed the background checks and recommends 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 2016 LIQUOR LICENSES FOR BAR HARBOR AND ZORBAZ FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR AND TOBACCO LICENSES; COWBOY'S AND SHERWOOD FOREST LODGE FOR ON-SALE, OFF-SALE AND SUNDAY LIQUOR; AND LOST LAKE LODGE FOR ON-SALE AND SUNDAY LIQUOR AS THEY HAVE ALL SUBMITTED THE PROPER APPLICATIONS AND ARE NOT DELINQUENT IN ANY WAY TO CASS COUNTY OR THE CITY OF LAKE SHORE. EARL NORTH SECONDED THE MOTION. As license holders John Poston and Krista Knudsen recused themselves from the vote. MOTION PASSED.

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

February Permit Summary – Teri provided the February permit summary for review.

**Wastewater/Road Committee** – John Terwilliger said the Wastewater/Road didn't meet in March.

Quote for Silver Bay Pump – Dave Reese, WSN reported that three quotes were received to replace the pump at the Silver Bay lift station; one from Electric Pump for \$8,674; one from Minnesota Pump Works for \$6,506 and the last from Quality Flow Systems for \$4,000. Based on the information received, Dave Reese said the KSB from Quality Flow Systems appears to be the best option for the price; they also provide a 5 year non-prorated warranty. The Mayor asked if PRASD will install the pump. Dave said they can install the pump.

MOTION BY DOUG MILLER TO APPROVE THE QUOTE OF \$4,000 FROM QUALITY FLOW SYSTEMS TO REPLACE THE PUMP AT THE SILVER BAY LIFT STATION. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY

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

**Park and Recreation Committee** – Krista Knudsen said the committee met February 23rd. The Thursday before Memorial Weekend, May 19th, is set aside for a Meet and Greet of the Lake Shore Police Department at the park. It will be open house style from 6:00 p.m. to 8:00 p.m. The Mayor suggested that some minor repairs could be done at the restrooms. Teri will advise Bob in Public Works.

October Minutes – The October minutes were included for review.

**Environmental Committee** – Doug Miller said the committee met March 21<sup>st</sup>. At the meeting, the Environmental Committee heard a presentation from Sonja Larsen regarding the Forest Tent Caterpillar problem and the efforts of a group of residents to combat this nuisance in an area from Schaeffer's Point to Pebble Beach.

The discussion noted that the area was last sprayed to eradicate this infestation in 2012 and it is anticipated that these bugs will return later this spring. Accordingly, the Committee chose to continue its support of the fundraising efforts of the area's residents to combat this pest by spraying the affected area, as has been done every 4 or 5 years since the 1990s. Area residents can expect a letter from the Tent Caterpillar Committee shortly seeking contributions to pay for this treatment.

The Committee also set Saturday, July 30<sup>th</sup> as the date for the City's annual White Goods Recycling Day. On the 30<sup>th</sup>, dumpsters will be available at City Hall for the removal of appliances and electronics. Please note that a small recycling fee will be charged.

November Minutes – The November minutes were included for review.

**Trail 77 Team** – John Poston – There was nothing to report regarding the trail.

**Personnel** – John Poston/Earl North – There was no personnel business for the month.

**City Attorney** – Gammello, Qualley, Pearson & Mallak – Steve Qualley had nothing to report.

**City Engineer** – Widseth Smith Nolting – Dave Reese had nothing to report.

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

**NEW BUSINESS** –

Administrative Fine Ordinance – The purpose and intent of this ordinance is to amend the City of Lake Shore City Code as it relates to enforcement of the City Code. The City Council finds that there is a need for alternative methods of enforcing the City Code. While criminal fines and penalties have been the most frequent enforcement mechanism, there are certain negative consequences for both the City and the accused. The delay in the criminal or civil systems does not ensure proper resolution. Citizens resent being labelled as criminals for violation of administrative regulations. The higher burden of proof and the potential of incarceration do not appear appropriate for most administrative violations. The criminal process does not always regard City Code violations as being important. Accordingly the City Council finds that the use of administrative citations in the imposition of civil penalties is a legitimate and necessary alternative method of enforcement. This method of enforcement is in addition to any other legal remedy that may be pursued for violations of the City Code.

The administrative enforcement procedures seek to gain compliance with the City Code prior to formal criminal or civil court actions. The administrative hearing process shall be in addition to any other legal or equitable remedy available to the City for city code violations.

Teri said the Planning Commission reviewed the ordinance and feel it allows the city to deliver administrative citations for minor infractions. Earl said that during the review the City Administrator recommended to keep the fines at a level that would allow people to consider and pay them rather than go to an administrative hearing. It was a consensus of the committee to move forward with the recommendation. He also said the fines are consistent with surrounding municipalities.

MOTION BY EARL NORTH TO ADOPT ORDINANCE NO. 2016-02, FIRST SERIES; AN ORDINANCE AMENDING THE CITY CODE TO PROVIDE FOR AN ADMINISTRATIVE HEARING PROCESS FOR THE CITY OF LAKE SHORE. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

MOTION BY DOUG MILLER TO PUBLISH A SUMMARY OF ORDINANCE NO 2016-02, FIRST SERIES; AN ORDINANCE AMENDING THE CITY CODE TO PROVIDE FOR AN ADMINISTRATIVE HEARING PROCESS FOR THE CITY OF LAKE SHORE IN THE PINE AND LAKES ECHO JOURNAL. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Resolution Setting Fines for Administrative Violations –

MOTION BY JOHN TERWILLIGER TO ADOPT RESOLUTION 2016-04-01 THE SCHEDULE OF CIVIL FINES FOR ADMINISTRATIVE OFFENSES. EARL NORTH SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Request to Use City Hall – Black Bear 4-H – Cindy Terwilliger, the organizational leader of the Black Bear 4-H Club is requesting to use Lake Shore City Hall as the site where they usually meet has another commitment.

MOTION BY JOHN POSTON TO ALLOW THE BLACK BEAR 4-H CLUB TO MEET AT LAKE SHORE CITY HALL ON APRIL 10, 2016 FROM 4:00 TO 7:00 PM. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Letter of Support for Nisswa – Teri met with Alex Hondl, Nisswa Parks and Recreation Director and he said Nisswa is seeking Regional Park Designation to improve their Legacy Grant Application. He asked for a letter of support from the City of Lake Shore.

MOTION BY JOHN POSTON TO PROVIDE NISSWA WITH A LETTER OF SUPPORT IN THEIR EFFORTS TO EARN REGIONAL PARK DESIGNATION. DOUG MILLER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

**ANNOUNCEMENTS/PUBLIC FORUM** – Reminder: Board of Review Friday, April 8, 2016 at Noon at City Hall.

MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 34263 THROUGH 34339 – TOTAL \$87,824.69). KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF MARCH 28, 2016 AT 7:41 PM. EARL NORTH SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald  
Lake Shore City Clerk