

**MINUTES**  
**Regular Meeting of Lake Shore City Council**  
**Monday, May 23, 2016**  
**7:00 PM Lake Shore City Hall**

Mayor John Poston called the May 23, 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 7 people in the audience.

**APPROVAL OF MINUTES**

MOTION BY EARL NORTH TO APPROVE THE APRIL 25, 2016 REGULAR CITY COUNCIL MINUTES AS PRESENTED. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

**REPORTS**

**Police/Fire Report** – Chief Steve Sundstrom – The Mayor thanked Steve and Krista for the Meet and Greet project at Fritz Loven Park. Steve said they had a lot of help and thanked all who helped make it a success.

Incident Report - From April 25, 2016 to May 22, 2016 there were 151 incidents in the City. There were 62 traffic-related incidents and 89 were miscellaneous department activity. The Mayor asked about the 3 assault charges, one was at a home, one at a business and one was a sexual assault. There have been 4 to 6 bear sightings throughout the city; they haven't caused any damage.

**Mayor's Report**– John Poston

City Hall Building Update and Minutes – City Hall Building Committee – The April 6<sup>th</sup>, 8<sup>th</sup> 21<sup>st</sup> and 25<sup>th</sup> minutes were included for review. The Mayor said the committee has met several times and have come to a critical point to move forward; we need to get a plan together for justification and need to hire someone to provide that service. We would need to have a design in place before we made the final commitment as the committee has determined that the total cost will be somewhere between \$800,000 and 1 million should the project come to fruition. Five hundred thousand would come from city funds and the rest would be bonded for. An example of the bonding impact per taxpayer was shared with the City Council. Earl said that the committee is at the point for council commitment for financial backing to move forward with the selection of the construction site and type of building that we would build.

MOTION BY EARL NORTH TO CALL FOR A VOICE VOTE TO AFFIRM CITY COUNCIL SUPPORT AUTHORIZING THE CITY BUILDING COMMITTEE TO PROCEED WITH THE DEVELOPMENT OF CONSTRUCTION DOCUMENTS FOR SELECTION OF A CONSTRUCTION SITE AND NEW BUILDING PLANS FOR A NEW CITY HALL. DOUG MILLER SECONDED THE MOTION. Discussion – Krista asked if there has been feedback from the city residents. Teri said she has had a lot of people ask about it after reading the information in the newspaper; she said that no one has had negative comments. Earl is convinced that this building has significant environmental issues; i.e. elevated radon levels; he feels we have a responsibility to address and correct the issues with the current city hall regardless of a new city hall being built. John Ingleman asked if there are funds being committed with this motion. The Mayor said that a final total will not be approved with this motion; this is just to advance with the design/planning stages. Kevin Egan said that the layout of this city building is very dysfunctional. The Mayor said that the security is definitely not adequate. He said the proposed building will address the inadequacies of the current city hall but will not be a Taj Mahal by any means; however, it will be very efficient and will carry us very well into the future. Mitch Crocker asked if this building could be moved or used for something else and where is the proposed property. The Mayor said that there are some properties

in the area that could be purchased or this building could be torn down; to remodel the building would cost almost as much as a new building. Mitch is against a new building and feels this one is a landmark. Julie Ingleman said she has been coming here close to 25 years and the building has always smelled of mold when she comes in and it is not a good thing. The Mayor said the building has served its purpose since 1969 and is in support of keeping city hall at this site for landmark (location). Krista agrees with Mitch and feels that the public needs to be more aware of the project and the justification for a new city hall. The Mayor said that all the minutes have been distributed and the council should be fairly aware of what is happening and the problems that exist. He agrees that the public needs to be kept up to date too. Earl said this is the basic exploratory part of what you begin when you start a development plan. His caution would be, before you take anything to the public, you take them what you want them to see and know this is what you are going to propose and ask them to approve. It's an incremental process. The challenge we have now is we are past the good will and the design professionals of expending their resources for at no gain on their part. He said we need to get the details to provide to the City Council; then take it to the citizens for their input. John Poston said there's a lot of people that drive by the building, but never come in the building to realize the issues and that's why there has to be justification. Wayne Anderson asked if there has been a formal environmental assessment of the building; he said that if the building is removed a formal assessment will have to be done. The Mayor said there hasn't been one done; we could pay to have one done although that is not the only reason being considered for a new building. Krista said she has read all the minutes and still doesn't understand it all; she would feel more comfortable if there was a formal environmental assessment. John Terwilliger said that the roof has been a continuing problem; and said that when they looked at putting on a pitched roof the cost would be around \$50,000 or more. He said we could continue to fix and fix and not get the issues with the building resolved. John asked if there is a cost to the suggested proposal. Earl said that construction is a cost driven issue and eventually you have to make a binding commitment between the design professionals and the city to put something together for the council to review (this could include the environmental assessment) they would need to be paid for the design. He said the city also has public bidding laws they have to follow. He said the motion before the council is a necessary request if we want a good set of plans that we can be proud of and present to the public with the necessary justifications to cost. Betsy Egan commented that she is an infectious control nurse and she would never allow anyone to work here. Mitch Crocker asked if anyone has got sick from being here. Patti commented she's had cancer, and Teri reminded her she's had it twice. Mitch asked if we could prove it was from here. Patti asked if they could prove where any cancer came from. Earl said if you have questions on the issues of Radon go look on the internet and read up on it at the Department of Public Health; he's fairly certain that the Radon level reading right now exceeds the recommended level for a safe environment by about 2 and if you continue to read you will find that Radon is a cause of cancer. John Terwilliger said smoking is the number one cause for cancer and Radon is number two. The Mayor said the environmental part is only one piece of the problem with the building. John Terwilliger said the committee has looked at surrounding city hall's and what the committee has discussed is middle of the road proposal. John Terwilliger asked that the motion be read again. Wayne Anderson asked if these are full construction documents or schematic design. Earl explained the process to Wayne to get the series of incremental steps started. Steve Qualley said that the committee can meet with the design professionals; however, they can't authorize the expenditures. He said the companies they have met with can put together a plan/specs including their price and the committee would then come before the Council for selecting a design professional. Krista asked if remodeling has been ruled out. The Mayor said that the committee has discussed remodeling and ruled it out; however, it doesn't mean we can't go down that road. The committee just doesn't think that some of the problems can be fixed to make the building efficient and cost effective. Teri said that remodeling this building was one of the questions talked about with the three companies that the committee met with to get some of their building knowledge for what we're up against and what would potentially work best for the city. She said there is one proposal and a building assessment is one step in the process to come up with the justification. Earl said that the way the building was initially constructed the design would not allow it to be changed; however, it could be remodeled, but maybe still not functional. There was much discussion as to the problems with the current building. Mitch asked if the air quality can be mitigated right now. The comment was made that when the air conditioner is on it takes the Radon level down some; maybe add an air exchanger. **ROLL CALL VOTE – JOHN POSTON - YES; EARL NORTH – YES; JOHN TERWILLIGER - YES; KRISTA KNUDSEN – ABSTAINED; DOUG MILLER - YES. MOTION PASSED.** Doug would like more public input after this step. Earl said that

before you get to what it's going to cost, you have to put something down on paper and this would be with a design professional. They would create a schematic of what the city would like to build and this requires a fee for their work. Steve Qualley said you are asking the companies to come in and give you their sales pitch. Teri said one of the companies has provided this already. The Mayor said that Teri, Steve and Patti are intentionally on the committee because they operate city hall. They developed a wants and needs list if there were to be a new city hall built. This is very helpful in determining what will be needed. The Mayor said that the committee has been out to 4 or 5 buildings and have been pleasantly surprised with what we could build for the price range the committee is presenting.

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

Financials – MOTION BY DOUG MILLER TO APPROVE THE APRIL FINANCIALS AS PRESENTED (CLAIM NUMBERS 34353 THROUGH 34443 – TOTAL \$328,984.63). KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

April Minutes and Permit Summary – Teri provided the April minutes and permit summary for review.

**Wastewater/Road Committee** – John Terwilliger said Wayne Anderson, Dave Reese and him went on a road tour and found that the asphalt roads are in fair condition. Dave will put together a price list for the projects that need to be completed in 2016 as recommended by the Wastewater/Road committee. The Wastewater/Road met on May 17<sup>th</sup> and discussed some of the projects that the city maintenance department can handle. They didn't feel the roads needed crack sealing. Class V is needed on Robinhood Way (a couple spots), Christy Drive (500 feet) and Pohl Road which would be anywhere from 900 to 1,000 cubic yards and cost between \$20,000 to \$25,000. The Mayor asked if the asphalt projects from last year were complete. Dave said there was some asphalt projects noted on the road tour that weren't necessarily resurfacing the whole road, but certain areas that need repair. The city is on the list with Cass County for calcium chloride application on some of the city roads. If there is a general consensus from the council with the recommendation from the committee they can move forward to get pricing at their next committee meeting.

Class V Estimates – John Terwilliger said there is more Class V needed this year as compared to last.

Quote for Piping Repair for Ozonite/Miller Lane Lift Station – Minnesota Pump works supplied a quote to repair the Miller Lane Lift Station Elbows and Piping. Wayne Anderson pointed out the quote doesn't include a pumper/vacator truck while work is in progress. Teri said she spoke with Andy with PRASD and the pipe is still leaking and needs to be addressed, but it is not critical. The quote is \$6,673.95 and Dave Reese and Mark Hallan haven't had a chance to review the quote. The council agreed to hold off and get more quotes for the committee to review.

Payment Request – Pratt's Affordable Excavating – WSN is recommended payment for the Lift Station Nos. 4 & 5 Reconstruction; payment estimate #1 for Pratt's Affordable Excavating. A standard 5% (\$11,085.20) retainage has been withheld, which will be released when all project close-out items have been completed and/or submitted per the contract requirements. The amount for consideration and approval is \$210,618.80.

MOTION BY EARL NORTH TO APPROVE PAYMENT ESTIMATE NUMBER 1 FROM PRATT'S AFFORDABLE EXCAVATING IN THE AMOUNT OF \$210,618.80. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

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

April Minutes – The April minutes were included for review.

**Park and Recreation Committee** – Krista Knudsen

Acceptance of Terry Frovik's Resignation – Terry Frovik submitted his resignation from the Lake Shore Park and Recreation Committee as of May 1, 2016.

MOTION BY KRISTA KNUDSEN TO ACCEPT THE RESIGNATION OF TERRY FROVIK FROM THE LAKE SHORE PARK AND RECREATION COMMITTEE AS OF MAY 1, 2016. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Appointment of Wes Robertson – Wes Robertson submitted an application expressing an interest in being appointed to the Lake Shore Park and Recreation Committee.

MOTION BY KRISTA KNUDSEN TO APPOINT WES ROBERTSON TO THE LAKE SHORE PARK AND RECREATION COMMITTEE. JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

February Minutes – The February minutes were included for review.

**Environmental Committee** – Doug Miller said the committee met on Monday, May 16<sup>th</sup> and the White Goods collection is set for July 30<sup>th</sup>. The Household Hazardous Waste will be at Lake Shore City Hall on June 23<sup>rd</sup> from Noon to 4 p.m. The committee discussed curbside recycling and had concerns about which trash haulers to use/allow. Kevin Egan said the attractive part about having the recycle bins here is the close proximity for the residents. This will be discussed further at the committee level.

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

**Personnel** – John Poston/Earl North –

Annual Review – Steve Sundstrom – John Poston said that he, Earl North and Teri Hastings met with Steve Sundstrom for Steve's annual review; the City is very fortunate to have him as the Chief of Police. He will receive a step increase and an additional day of vacation.

MOTION BY JOHN POSTON TO APPROVE STEVE SUNDSTROM'S ANNUAL REVIEW AND GRANT HIM 8 HOURS OF VACATION AND ADD A STEP INCREASE FROM STEP 10 TO STEP 11. EARL NORTH SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY

**City Attorney** – Gammello, Qualley, Pearson & Mallak – Steve Qualley said that for quite a while now the city has been dealing with Mr. Freisen and his attorney Mr. Severson regarding vegetation removal across from Stoneridge Townhomes on Ridge Road. He would like to converse more with Mr. Severson to come to an agreement instead of moving forward with a civil suit. The council agreed to allow Steve to engage in more conversation and bring a recommendation to next month's city council meeting.

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

**OLD BUSINESS** –

'77 Eat Street' – Presentation from Julie Ingleman – Julie Ingleman is a resident living on Lake Margaret and has a graphic design company, she shared a presentation to the council for promoting the restaurants on a 2.6 mile section of County Road 77 to help put Lake Shore on the map. There are 3 phases to the project to promote '77 Eat Street' Lake Shore's Little Culinary Neighborhood with phase 1 beginning the spring of 2016, this would include the approval of the Lake Shore City Council for a working arrangement to develop project strategies, budgets, and a one-year calendar. Develop project partnerships (restaurants, resorts, chamber, county, etc.) for funding sources. Phase 2 – summer 2016, plan and promote a fall kick off event to introduce '77 Eat Street' to the community. Develop and order event collateral materials (banners, tees, buttons, website page, etc.). Phase 3 – Fall and winter, 2016, host an initial community event involving

local restaurants and resorts. She would attend local shows to promote awareness. Begin a social media presence. Plan a Spring Event and a weekly '77 Market'.

Julie Ingleman Design (JID) is requesting a \$2,500 retainer from the City of Lake Shore for a six-month contract (approximately 8 to 10 hours per month) for work on the '77 East Street' project from June 1<sup>st</sup> to December 1, 2016.

JID is also requesting each of the six restaurants to contribute \$250 toward the six-month effort. Additional funding for collateral materials is being sought from Cass County Economic Development, BLAEDC, Nisswa Chamber, the Initiative Foundation, National Joint Powers Alliance and local donors.

Earl North asked if Julie has talked to any of the other funding contacts mentioned in her proposal. She has spoken with them and they are in the process of writing proposals; however, she wants to start with the City of Lake Shore first. She has put a lot of work into the project; however, she doesn't want to do it for free. She feels it's a great opportunity for everyone involved.

#### **NEW BUSINESS –**

Zorbaz Request for Live Music Hours – Lee J from Zorbaz provided a list of music events for the summer that would go until 11:00 p.m. There are 4 additional days than last year. The Mayor read the motion from last year. Steve Sundstrom said there were maybe two complaints last year, one during the day and one evening. He did say that the council should remain firm with the 11:00 p.m. shut down requirement. Steve also said there is a decibel level to be followed during the day too. Earl commented that the request was approved at one council meeting and amended it at the next. That is correct. Steve isn't worried about July 4<sup>th</sup> this year; however, he would like the shut off time to remain 11:00 p.m. He commented that last year when a complaint was received the motion was to shut down the music and revisit the issue. He said that if the music was too loud they would ask them to turn it down; they need to have a firm time extension.

MOTION BY JOHN POSTON TO ALLOW ZORBAZ TO HAVE OUTDOOR MUSIC ON THE PATIO UNTIL 11:00 PM ON THE DAYS HE HAS REQUESTED PER THE SCHEDULE PRESENTED AND TO ABIDE BY THE REQUIREMENTS THAT WERE STIPULATED IN 2015. THE TIME OF 11:00 PM IS FIRM TO SHUT DOWN THE OUTDOOR MUSIC. IF ZORBAZ IS NOT COMPLIANT THE COUNCIL WILL REVISIT THE TIMES ALLOWED. DOUG MILLER SECONDED THE MOTION. MOTION PASSED WITH EARL NORTH BEING OPPOSED. Earls feels this should be handled as a process in the ordinance.

**ANNOUNCEMENTS/PUBLIC FORUM** – Teri said that Kevin and Betsy Egan traveled to Cuba and will have a presentation of their trip on Wednesday, May 25<sup>th</sup> at 1:00 p.m. at city hall.

Earl commented that Julie Ingleman asked for a commitment from the City by June 1<sup>st</sup> and the council will not meet until after that. John Poston said he would like to digest what Julie presented and feels that it is critical to have the restaurants buy in before the council made a decision. Julie said that he was the first person she went to and he was very supportive. John said he doesn't make the decisions for the restaurants he is involved in; he has managers that make those decisions. She is just here asking if the City of Lake Shore is supportive with a financial commitment of \$2,500. The Mayor wants to hear the buy in from all involved.

Steve Qualley pointed out that the two council members that have a financial investment in a restaurant involved shouldn't participate in a vote on this item. Earl said he likes Julie's idea and thought it should've been done sooner. Julie said that she would like to have the approval; however, she would also like to come before the council and see smiles on their faces and she's not seeing the excitement she feels/receives for the project elsewhere. Kevin Egan thinks it's a good economic development project for the city. John Terwilliger thinks it's a great idea; however, he doesn't think the city should put city dollars towards only 6 restaurants in the city and suggested that it should fall under a Chamber of Commerce. Julie said that there is no Chamber in Lake Shore and the spring and fall events aren't restaurant driven. Earl said he feels the Council owes Julie an honest and responsive answer to her request. Krista said that when she saw the request on the council agenda

last month she was apprehensive because she doesn't want her position/decisions here to be considered as promoting her business/restaurant. Julie said that she and the council disagree on the importance of how to promote a town or a city in a positive way with young families to create an atmosphere that is exciting; especially when there is the new trail coming through the city. Krista thinks that it should be brought up with the restaurants again and keep it private and not public. Julie said that she doesn't want to do that again, she approached them all in February and they were all too busy for discussion. Doug had met with Julie and he likes the idea; however, he is conflicted with whether the city or the restaurants should be the main financial promoters of the idea. There was no further discussion.

MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 34400 THROUGH 34479 – TOTAL \$51,101.83). JOHN TERWILLIGER SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF MAY 23, 2016 AT 8:57 PM. KRISTA KNUDSEN SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY.

Transcribed by Patti McDonald  
Lake Shore City Clerk