MINUTES
Regular Meeting of Lake Shore City Council
Monday, July 27, 2026
6:00 PM Lake Shore City Hall

Mayor Andy Stewart called the July 27, 2026, Regular City Council meeting to order at 6:00 PM. The Pledge of Allegiance was recited.

Attendance: Mayor Andy Stewart; Council Members: Henry Cote, Vern Gevik, Darcy Peterson, and Wayne Anderson; City Attorney Representative Tom Pearson; City Engineer Alex Bitter; Police Chief Mike Heldt; Clerk/Administrator Laura Fussy; and Deputy Clerk Kathy Johansen were present. The audience included Nicole Hausmann, Sourcewell; Nancy Vogt, Pine and Lakes Echo Journal; and Nikki Roth and Gary Welge. A quorum was present, and the City Council was competent to conduct business.

APPROVAL OF MINUTES

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO APPROVE THE JUNE 22, 2026, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

REPORTS

Police Report – Police Chief Mike Heldt

Incident Report – In June 2026 there were 98 incidents in the city. There were 54 traffic-related incidents and 44 were miscellaneous department activity.

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

Mayor's Report – Mayor Andy Stewart had nothing to report.

Clerk/Treasurer's Report – Kathy Johansen

Financials – MOTION BY WAYNE ANDERSON AND SECONDED BY VERN GEVIK TO APPROVE THE JUNE FINANCIALS AS PRESENTED (CLAIM NUMBERS 43556 THRU 43638 AND NON-CHECK CLAIMS LISTED TO THE ATTACHED REPORT – TOTAL $83,969.27). MOTION PASSED.

Pay Bills – MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 43619 THRU 43701; AND CLAIMS 1741 THRU 1765 – TOTAL – $144,548.31). MOTION PASSED.

City Clerk/Administrator – Laura Fussy

Updated Liquor License - Laura Fussy shared that Cowboy's is under new ownership, so their liquor license needs to be updated. All necessary steps have been completed with proof of insurance and background checks and with Council approval the license will be submitted to the state for processing.

MOTION BY DARCY PETERSON AND SECONDED BY HENRY COTE TO APPROVE THE UPDATED LIQUOR LICENSE APPLICATION FOR COWBOY'S NEW OWNERSHIP. MOTION PASSED.

Laura Fussy presented the Interim Financial Report for review.

Planning & Zoning Commission – Darcy Peterson

Appeal of Variance – Roth

Nicole Hausmann presented the background on a variance that had been denied by the Planning and Zoning Commission. Nicole shared the property owner was not able to attend the Planning and Zoning Commission meeting for the variance, so therefore no one was able to speak on the owner's behalf at that time.

Nicole Hausmann shared that she had done a second site visit to the property at the request of the property owner and was providing additional photos of the property. Nicole also mentioned the owner was present for the Council meeting so the members could hear her explanation for the variance and answer any questions from the members.

Nicole Hausmann referenced the photos depicting the slope of the property. The current area used for storage is flatter and it's apparent moving the proposed structure to a new location would have the potential for grading and possible tree removal.

Nikki Roth presented reasons for the variance request.

Discussion continued with council members questions to clarify the property layout regarding the size and location of the proposed build.

Darcy Peterson explained that surrounding residents felt the structure could be built on another area of the property to meet setbacks and the owner was not present at the Planning and Zoning meeting to discuss their reasons for the decision on the structure location.

Nikki Roth mentioned the goal of having the structure match the current buildings on the property.

Henry Cote shared his opinion on the fact that the chosen site has an existing footprint and seems to be a good location due to not having to move dirt or take trees, so it makes sense to approve the variance.

Nicole Hausmann indicated that with a reversal of the variance, council members could add a fifth condition to have the outside match the current structure.

MOTION BY HENRY COTE AND SECONDED BY WAYNE ANDERSON TO REVERSE THE PLANNING AND ZONING COMMISSION'S DECISION TO DENY THE VARIANCE TO APPROVAL WITH THE YES FINDINGS OF FACT AND FOUR CONDITIONS AND ADDING A FIFTH CONDITION BEING ADDED FOR THE OUTSIDE OF THE STRUCTURE TO MATCH THE EXISTING STRUCTURES. MOTION PASSED.

Darcy Peterson mentioned revisiting the idea of hiring an inspector to visit build sites for permit compliance and/or the possibility of an "As Built" survey.

Nicole Hausmann stated she would investigate the matter.

Permit Summary – The June permit summary was provided for review.

Wastewater/Road Committee – Wayne Anderson

Esther Lane Water Service Repair – Alex Bitter presented the recommendation to pay Tim Thompson's invoice and not pay the electric bill.

Tom Pearson offered to draft a waiver to accompany the payment to prevent further liability on the city to pay for any other issues related to the construction incident or any future repairs on the existing system.

MOTION BY VERN GEVIK AND SECONDED BY HENRY COTE TO APPROVE PAYMENT FOR $4,488.00 CONTINGENT UPON AGREEMENT WITH THE ASSOCIATION AND SIGNING THE WAIVER OF RELEASE. MOTION PASSED.

Alex Bitter shared a report on the Pebble Beach information meeting that was held.

June Minutes – The June minutes were included for review.

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

Park and Recreation Committee – Henry Cote had nothing to report.

Building and Grounds Committee – Vern Gevik shared that Widseth provided Lake Shore with a City Hall Feasibility Study proposal.

City Hall Feasibility Study – Dave Reese presented Widseth's proposal for their professional services to update the 2016 facility study; develop a schematic to remove the existing city hall and construct a new city hall on the existing site; and develop a schematic design for a new city hall on the 20-acre property on CSAH 78.

Vern Gevik shared the Widseth professional services cost for the feasibility study would be $22,500.00 and stated council approval would be needed to move forward. Vern mentioned procuring property valuations on the current site would need to be completed to aid in decisions to move forward.

MOTION BY DARCY PETERSON AND SECONDED BY VERN GEVIK TO APPROVE A FEASIBILITY STUDY TO BE PERFORMED BY WIDSETH, SMITH & NOLTING IN THE AMOUNT OF $22,500.00. MOTION PASSED.

June Minutes – The June minutes were provided for review.

Trail 77 –

Change Order #3 – Gull Lake Trail Phase 4A – Anderson Brothers

Alex Bitter shared that the retaining walls are in progress. It was discovered that Wall 4 had peat so it wasn't suitable for the current wall design. The wall designer suggested a basket design rather than a modular block wall design which created additional costs in the project.

MOTION BY VERN GEVIK AND SECONDED BY WAYNE ANDERSON TO APPROVE CHANGE ORDER #3. MOTION PASSED.

Pay Estimate #1 – Gull Lake Trail Phase 4A-Anderson Brothers

Alex Bitter presented Pay Estimate #1 which includes all work done by July 10th including wall installation, traffic control, silk fence, sediment control and half the boardwalk.

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO APPROVE PAYMENT OF THE PARTIAL PAY ESTIMATE #1 IN THE AMOUNT OF $357,960.56 TO ANDERSON BROTHERS. MOTION PASSED.

Personnel – Andy Stewart/Darcy Peterson

Step Recommendation – Full Time Officer

Laura Fussy recommended hiring Quinten Kocak, upon successful completion of his background investigation, at Step 11 with an annual salary of $72,653.07. In addition, staff recommends granting five (5) days of vacation upon hire and an additional five (5) days of vacation upon successful completion of his six-month probationary period.

MOTION BY WAYNE ANDERSON AND SECONDED BY DARCY PETERSON TO APPROVE HIRING QUINTEN KOCAK AS A FULL-TIME OFFICER AT STEP 11 OF THE CITY'S COMPENSATION PLAN. MOTION PASSED.

<u>Annual Review & Pay Differential Compensation – Deputy Clerk</u>

Laura Fussy shared that Kathy Johansen had a successful annual performance review and is recommending an increase from Step 4 to Step 5 of the City's compensation plan. The Personnel Committee is recommending a one-time pay differential in the amount of $2,400 in recognition of additional duties performed by the Deputy Clerk in the Clerk/Administrator's leave of absence.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO APPROVE THE INCREASE FROM STEP 4 TO STEP 5 AND THE $2,400 PAY DIFFERENTIAL. MOTION PASSED.

City Attorney – Gammello - Pearson – Tom Pearson had nothing to report.

City Engineer – Widseth – Dave Reese/Alex Bitter – Alex Bitter shared that good progress has been made in the 2026 street improvement projects.

OLD BUSINESS – There was no old business.

NEW BUSINESS – There was no new business.

ANNOUNCEMENTS/PUBLIC FORUM –

<u>State Primary Election Day, Tuesday, August 11, 2026</u> – Polls open 7am-8pm

MOTION BY VERN GEVIK SECONDED BY WAYNE ANDERSON TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF JULY 27, 2026, AT 7:02 PM. MOTION PASSED.

Transcribed by Kathy Johansen
Lake Shore Deputy Clerk