

MINUTES
Regular Meeting of Lake Shore City Council
Monday, August 24, 2026
6:00 PM Lake Shore City Hall

Mayor Andy Stewart called the August 24, 2026, Regular City Council meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Attendance: Mayor Andy Stewart; Council Members: Vern Gevik, and Darcy Peterson; City Engineer Alex Bitter; Police Chief Mike Heldt; City Clerk/Administrator Laura Fussy; and Deputy Clerk Kathy Johansen were present. Absent were Member Wayne Anderson, Member Henry Cote, and the City Attorney, Tom Pearson. The audience included six people including Nancy Vogt, Pine and Lakes Echo Journalist; Mike Lovelace; Anthony Boehn; Chad Conner; Tim Moore; and Peter Mann. 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 JULY 27, 2026, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

REPORTS

Police Report – Police Chief Mike Heldt

Sourcewell Community Impact Grant/Resolution 2026-08-02

Chief Mike Heldt presented the Sourcewell Community Impact Grant/Resolution to recognize the need for a new squad for the police department. The new squad will be part of the effectiveness of daily patrol and service to the community.

MOTION BY DARCY PETERSON AND SECONDED BY VERN GEVIK TO APPROVE RESOLUTION 2026-08-02 FOR APPLICATION TO THE SOURCEWELL COMMUNITY IMPACT GRANT PROGRAM. MOTION PASSED.

Incident Report – In July 2026 there were 108 incidents in the city. There were 55 traffic-related incidents and 53 were miscellaneous department activity.

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

Mayor's Report – Andy Stewart reported that he attended the Mayor's Prayer Breakfast at Grandview.

Clerk/Treasurer's Report – Kathy Johansen

Financials – MOTION BY DARCY PETERSON AND SECONDED BY VERN GEVIK TO APPROVE THE JULY FINANCIALS AS PRESENTED (CLAIM NUMBERS 43639 THRU 43727 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$513,120.33). MOTION PASSED.

Pay Bills – MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 43702 THRU 43727; AND CLAIMS 1767 THRU 1779 – TOTAL – \$421,944.20). MOTION PASSED.

City Clerk/Administrator – Laura Fussy

CTAS General Fund Balance Adjustment – Laura Fussy reported a \$581.97 discrepancy between the General Fund and the bank statement due to a CTAS software update. The discrepancy resulted from several voided checks that were not credited back to the General Fund within the CTAS accounting software.

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO APPROVE BALANCING THE GENERAL FUND IN THE AMOUNT OF \$581.97. MOTION PASSED.

Date of Special Budget Meeting – Laura Fussy recommended setting a date for the upcoming budget meeting. The Council set the date for the morning of September 16, 2026.

Planning and Zoning Commission – Darcy Peterson turned the appeal discussion over to Nicole Hausmann.

Appeal – Zorbaz on Gull Lake – Nicole Hausmann referenced the appeal information provided in the packet. Nicole Hausmann recommended the Council hearing from individuals in the audience, including the resident making the appeal, the authorized agent for Zorbaz, or Chad from Widseth. Nicole Hausmann also highly recommended consulting with the city attorney before taking any affirmative action on the appeal.

Tim Moore introduced himself as the resident who requested the appeal and explained that his intent was not to stop the Zorbaz project or to accuse Widseth of doing anything wrong. His intent was to point out that city procedures, rules and regulations have not been followed in this project and he would appreciate a response to his appeal letter.

Mayor Stewart commented that the city attorney will be drafting a formal response to the appeal letter within the next month.

Mike Lovelace informed the Council that he would be happy to provide additional information, if needed.

Chad Conner shared that Widseth is doing their due diligence to meet conditions and address items of concern in the project. Chad offered to answer any questions and informed the Council that Widseth is prepared to make revisions to the plans, if necessary.

Mayor Stewart questioned Tim Moore on what his goal is with the appeal, as he felt the goal wasn't clear.

Tim Moore responded that the issue is that the City is not following its prescribed procedures and rules.

MOTION BY ANDREW STEWART AND SECONDED BY DARCY PETERSON TO TABLE A DECISION ON THE APPEAL UNTIL THE SEPTEMBER COUNCIL MEETING PENDING COMPLETION OF A REVIEW OF THE CITY ATTORNEY'S RESPONSE LETTER TO THE APPEAL. MOTION PASSED.

July Minutes and Permit Summary – The July minutes and Permit Summary were included for review.

Nicole Hausmann shared that she has been compiling information regarding the zoning inspector position versus conducting an after-the-fact or post-construction survey. Nicole has reviewed how other cities address these matters and informed the Council that the Planning Commission/Board of Adjustment is currently considering the goals and expectations for the position. The matter is expected to be brought before the Planning and Zoning Commission at the September meeting for further discussion.

Mayor Stewart mentioned that if a new position is created, the City will need to add it into the 2027 budget.

Wastewater/Road Committee – Wayne Anderson was absent.

Pay Estimate #1 – 2026 Street Improvements – Anderson Brothers Construction

Alex Bitter referenced Pay Estimate #1 - 2026 Street Improvements. Alex pointed out the project is about finished and has gone well. The project is tracking approximately \$6-\$8,000 over budget from a construction standpoint. Alex recommends that we pay Anderson Brothers for the work that has been completed.

Alex Bitter shared that residents have indicated they don't want the chip sealing due to feeling that children will not be playing out on the street like they are now without the chip sealing. Alex explained to residents that it is a standard practice done by a lot of cities and this process helps the City to protect its assets.

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO APPROVE THE PARTIAL PAYMENT ESTIMATE #1-ANDERSON BROTHERS CONSTRUCTION IN THE AMOUNT OF \$284,436.74 AS PRESENTED. MOTION PASSED.

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

Alex Bitter shared that we're in the peak season using the system and the levels are being monitored.

July Minutes – The July minutes were included for review.

Park and Recreation Committee – Henry Cote was absent.

Building & Grounds Committee – Vern Gevik reported that there was no meeting in July and a meeting will be held once the committee receives the proposal being prepared by Widseth.

Trail 77 –

Pay Estimate #2 – Gull Lake Trail 4A – Anderson Brothers

Alex Bitter reported that work was somewhat slow through mid-July and the first part of August due to waiting for the development and approval of a large change order. The \$97,114.46 pay estimate primarily reflects work associated with that change order.

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO APPROVE PAY ESTIMATE #2 – GULL LAKE TRAIL 4A TO ANDERSON BROTHERS IN THE AMOUNT OF \$97,114.46. MOTION PASSED.

Personnel – Andy Stewart/Darcy Peterson had nothing to report.

City Attorney – Gammello - Pearson – Tom Pearson was absent.

City Engineer – Widseth – Dave Reese/Alex Bitter – Alex Bitter shared that Cass County did not approve funding for the roundabout project at County 29 and Jacobs Road so the project will move forward as a resurfacing.

Alex Bitter mentioned a letter should be arriving regarding the funding approval for the bridge at Fritz Loven Park.

OLD BUSINESS – There was no old business.

NEW BUSINESS –

Sourcewell Community Impact Grant/Resolution 2026-08-01

Laura Fussy presented Resolution 2026-08-01 to apply for grants to help fund new accounting software and an updated website design.

MOTION BY DARCY PETERSON AND SECONDED BY VERN GEVIK TO APPROVE RESOLUTION 2026-08-01 FOR APPLICATION TO THE SOURCEWELL COMMUNITY IMPACT GRANT PROGRAM. MOTION PASSED.

ANNOUNCEMENTS/PUBLIC FORUM – There were no announcements or public forum.

MOTION BY VERN GEVIK AND SECONDED BY DARCY PETERSON TO ADJOURN THE REGULAR CITY COUNCIL MEETING OF AUGUST 24, 2026, AT 6:27 PM. MOTION PASSED.

Transcribed by Kathy Johansen
Lake Shore City Clerk