

MINUTES
Regular Meeting of Lake Shore City Council
Monday, December 15, 2025
6:00 PM Lake Shore City Hall

Mayor Andy Stewart called the December 15, 2025, Regular City Council meeting to order at 6:00 PM. The Pledge of Allegiance was recited.

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

APPROVAL OF MINUTES

MOTION BY WAYNE ANDERSON AND SECONDED BY DARCY PETERSON TO APPROVE THE NOVEMBER 24, 2025, REGULAR CITY COUNCIL MEETING MINUTES AS PRESENTED. MOTION PASSED.

REPORTS

Police Report – Police Chief Mike Heldt was absent.

Incident Report – In November 2025 there were 90 incidents in the city. There were 50 traffic-related incidents and 40 were miscellaneous department activity.

Nisswa Fire Report was included for review.

Mayor's Report – Andy Stewart referenced the letter from the Crosslake Mayor that the Council discussed at last month's meeting.

Council Members discussed whether the City of Lake Shore should sign the letter. After discussion, Mayor Stewart shared he would sign the letter.

Clerk/Treasurer's Report – Kathy Johansen

Financials – MOTION BY DARCY PETERSON AND SECONDED BY HENRY COTE TO APPROVE THE NOVEMBER FINANCIALS AS PRESENTED (CLAIM NUMBERS 43134 THRU 43218 AND NON-CHECK CLAIMS LISTED TO ATTACHED REPORT – TOTAL \$109,974.00). MOTION PASSED.

Pay Bills – MOTION BY DARCY PETERSON AND SECONDED BY WAYNE ANDERSON TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 43213 THRU 43254; AND CLAIMS 1623 THRU 1644 – TOTAL – \$70,923.09). MOTION PASSED.

City Clerk/Administrator – Laura Fussy

Discuss and Approve 2026 Levy – Laura Fussy's staff report indicated the following: The 2026 budget was distributed to the City Council.

1. Attached is the proposed final 2026 budget. **The City Council must discuss the budget and levy at the meeting. In addition, the council must invite and allow the public to speak about the budget and levy during the meeting. A motion is needed to approve the levy, a second motion is needed to approve the budget and lastly a motion to approve the COLA (3%) for city employees.**

2. The general levy is up 3.08% at 1,811,573.00 which is approximately \$54,000. The debt levy is at \$159,810.00 for a total levy of \$1,971,383.00 (total levy increase of 2.97%). The overall budget increase is 2.69%. The only adjustment made to the budget since the preliminary levy and budget were approved in September was \$3,000 for building repairs.

3. The budget has minor changes from last year. Listed below are some of the areas with changes:
 - A 3% cost of living increase for employees is shown for city staff.
 - Health Insurance for employees is up approximately 7% (our premiums are based on age).
 - Election: 2026 is an election year.
 - Audit: \$200 increase
 - Planning and Zoning Contract Labor - \$57,600 (\$60/hr @ 20hrs/week budgeted)
 - Fire - Based on the information from the City of Nisswa, they anticipate a 3.2% increase. The contract is based on property and building values and Lake Shore's share is typically about 32% of the entities served.

4. Roads: The city normally allocates between \$300,000-\$350,000 annually in capital outlay for road improvement projects. This year we increased the amount \$450,000 as we have had a change in staff which resulted in funds that could be redistributed to our road projects. After the completion of this year's projects, the balance between all road funds (includes past assessment accounts, small city aid and capital outlay) is anticipated to be approximately \$168,000. The Road Committee recommended chip sealing Gullwood Rd and Timber Lane, a 1.5 inch overlay of Hidden Lake Rd and Lost Lake Rd and reconstructing Birchwood Hills Road. The chip sealing is a maintenance budget item, and the miscellaneous items would also be considered a maintenance item and taken out of account 43101-310 (\$130,000).

5. Sewer: This year according to the Ehler's financial analysis, the user rate should increase 5% so the quarterly rate will be \$168.83 (staff suggests a rate of \$169.00) per equivalent resident connection (ERC). Andy has provided a list of improvements needed for the wastewater system. We have also increased the step station maintenance account as most of them are 30 years old.

6. Monetary Requests (civic contributions): A request from the Initiative Foundation has been made for \$1025.00 (included in the budget). The Food Shelf will also have an annual request along with the historical society.

7. Upcoming items/improvements for future council consideration include:
 - Tree Replanting – Interlachen Road. A couple years ago, Kevin Egan approached the council regarding the number of dead/dying trees along Interlachen Road. The city worked in partnership with Cass County to remove the trees. Currently we are working with Sourcewell and Cass County to see if there are grant options available for replanting.

Laura Fussy presented the 2026 Levy and the Council had no further concerns.

MOTION BY HENRY COTE AND SECONDED BY WAYNE ANDERSON TO APPROVE THE 2026 GENERAL FUND OPERATING TAX LEVY OF \$1,811,573.00 FOR A 3.08% INCREASE; AND THE CERTIFIED LEVY OF 1,971,383.00 FOR AN OVERALL LEVY INCREASE OF 2.97%. MOTION PASSED.

Discuss and Approve 2026 Budget – The total budget is \$1,893,117.00. showing an overall budget increase of 2.69% increase from 2025.

The Council had no comments or concerns regarding the 2026 Budget.

MOTION BY DARCY PETERSON AND SECONDED BY HENRY COTE TO APPROVE THE 2026 CITY BUDGET AT \$1,893,117.00 AT A 2.69% INCREASE. MOTION PASSED.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO APPROVE THE 3% COST OF LIVING INCREASE FOR EMPLOYEES. MOTION PASSED.

Planning & Zoning Commission –

Approval of New/Alternate Planning Commission Members

Mayor Stewart shared that Jim Woll's term is expired so a new Chair will need to be appointed. The Planning Commission is recommending TJ Graber for Planning Commission Member and also recommending Steve Hensel for Planning Commission Alternate.

MOTION BY WAYNE ANDERSON AND SECONDED BY DARCY PETERSON TO APPROVE TJ GRABER AS THE PLANNING COMMISSION MEMBER AND STEVE HENSEL AS THE PLANNING COMMISSION ALTERNATE. MOTION PASSED.

October and November Minutes – Mayor Stewart mentioned Jim Woll's recommendation of hiring a permit compliance officer to monitor individual's building without permits.

Wastewater/Road Committee – Wayne Anderson shared there were no concerns regarding the Wastewater Report or the November Minutes.

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

November Minutes – Included for review.

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

Trail 77 –

Partial Pay Application #1 – Gull Lake Trail Phase 4A Floating Boardwalk System

Alex Bitter shared that Koschak is due the first half of payment so the materials can be ordered. Alex indicated there are no issues with the pay estimate but recommended that payment is contingent upon receiving all finalized bond and contract documents.

MOTION BY DARCY PETERSON AND SECONDED BY WAYNE ANDERSON TO APPROVE THE PARTIAL PAY APPLICATION #1 – GULL LAKE TRAIL PHASE 4A FOR \$198,872.50 CONTINGENT UPON RECEIPT OF ALL FINALIZED CONTRACT DOCUMENTS. MOTION PASSED.

Discussion followed regarding prepping the swamp to allow the area to freeze.

Personnel – Andy Stewart/Wayne Anderson/Darcy Peterson

Housekeeping Pay Increase – Laura Fussy shared the housekeeping employee has not had a pay increase since 2022 and is recommending an increase from \$15 to \$20 an hour.

MOTION BY DARCY PETERSON AND SECONDED BY HENRY COTE TO APPROVE THE HOUSEKEEPING PAY INCREASE FROM \$15 TO \$20 AN HOUR. MOTION PASSED.

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

City Engineer – Widseth – Alex Bitter shared a quick update on the bridge and mentioned all paperwork is at the County and also that Pebble Beach Road will be discussed tomorrow at the Roads/Wastewater meeting.

OLD BUSINESS – There was no old business.

NEW BUSINESS – There was no new business.

ANNOUNCEMENTS/PUBLIC FORUM –

Lake Shore Financial Audit – Laura Fussy shared that Clausen & Schiessl, CPA's Ltd will be performing the annual financial audit of the City's finances for year ending December 31, 2025, on Tuesday, January 13, 2026.

MOTION BY WAYNE ANDERSON AND SECONDED BY HENRY COTE TO ADJOURN THE DECEMBER 15, 2025, REGULAR CITY COUNCIL MEETING AT 6:21 PM. MOTION PASSED.

Transcribed by Kathy Johansen
Lake Shore Deputy Clerk