

AUGUST 1, 2022

The Regular Meeting of the Lake Benton City Council was held on Monday, August 1, 2022 at 5:30 P.M. in the Lake Benton Area Community and Event Center. Mayor Michael Carpenter presided. Trustees Rosie DeZeeuw, Mark Dunn, Patrick Haynes, and Daryl Schlapkohl were present. City Attorney Mike Cable and was absent. City Administrator/Clerk Eileen Christensen, Darcy Miller-Buffalo Ridge Insurance Agency, and Kristina Hernandez with the Lake Benton Valley Journal were also present.

Mayor Michael Carpenter called the meeting to order. The Pledge of Allegiance was recited by all present.

Mayor Michael Carpenter then asked if anyone in attendance had an item, not on the agenda, to bring up during the Open Forum part of the meeting. If so they had two minutes to state their concern. No items were brought forward at this time.

The minutes of the Regular Meeting of July 18, 2022 were reviewed. **MOTION** by Rosie DeZeeuw, seconded by Mark Dunn to approve the minutes of the Regular Meeting of July 18, 2022. Motion carried.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

ECOLAB	\$	105.00	OTTERTAIL	\$	2,914.00
QUARNSTROM-DOERING	\$	750.00	TODD DRAPER	\$	32.00
PAT HAYNES	\$	250.00	MN LIFE	\$	5.10
CHAMBER-CVB	\$	966.82	BIOAG	\$	1,103.77
TROY NORDMEYER	\$	32.00	KYLIE ROCHEL	\$	70.00
MAGAZINE LINE	\$	12.00	BUFFALO RIDGE NEWS	\$	51.60
CENTER POINT	\$	47.94	DANNY/MEGAN KROTZER	\$	250.00

MOTION by Mark Dunn, seconded by Daryl Schlapkohl to approve payment of the claims presented against the City of Lake Benton. Motion carried and the Mayor authorized the City Administrator/Clerk to make payment.

The next item of business was to review/act on rehab grant requests. Two payment requests were received for the Rehab Grant Program: Lead assessment to Scarcely in the amount of \$250.00, and Administration fees of \$1,000.00 to DSI. The total funds of \$1,250.00 were requested to be deposited into the account.

MOTION by Mark Dunn, seconded by Patrick Haynes to approve payment of the rehab grant checks presented. Motion carried.

The next item of business was to meet with Darcy Miller, Insurance Agent with Buffalo Ridge State Agency-Lake Benton, to review the 2022-2023 Insurance Renewal. The 2022 Insurance Renewal process needs to be completed by September 1, 2022. Mayor Michael Carpenter reminded the Council the City carries a \$1,000.00 deductible and requested Darcy to provide a quote for a \$2,500.00 and \$5,000.00 deductible for their next meeting of August 15, 2022.

Darcy reviewed with the Council there needs to be three lists of property provided. LMCIT will insure each building up to 150% of the appraised value, up to the total limits on the policy. Inflation guard is 1.5%. The buildings and contents have been reviewed by Eileen and Todd. Buildings are considered vacant when they are not used for 60 days or more. Value on a vacant building goes to market value and also has higher premium rates. The League should be notified if a building is vacant or has been sold. Newly constructed or newly acquired buildings with a value of less than \$5 million are automatically covered and do not need to be scheduled until next renewal. They will be covered up to 150% of purchase price or \$5,000,000 whichever is less. An estimated replacement cost figure should be sent to the underwriter. Buildings under construction, renovation or repair are automatically covered up to \$3 million and must be scheduled at next renewal. Blanket coverage for seasonal or temporary buildings (less than 12 months) up to \$50,000.00. A change in 2022 includes property rates will decrease about 7% on average but overall rates have been restructured for specific building types, so

some may go up and others down. Buildings with the largest increase will be City halls, fire stations, community centers, water and sewer, with the largest decreases will be on park property and property in the open.

Coverage of mobile equipment includes property that is moved from one location to another. For example: tractors, lawn mowers, backhoes, Fire Department gear, and First Responders equipment. Property coverage applies on a blanket basis for all mobile property subject to \$250,000 per unit limit. If a higher limit is needed on an individual unit it can be endorsed for an additional premium. The Fire Department's Ranger falls under the mobile equipment blanket. Post-factory auto attachments which are damage to attachments or equipment that is added to autos that were not standard from the factory are covered under mobile property. The City has indicated in prior years that they want blanket coverage for anything under \$250,000 which includes the 2015 Case Tractor, the 2002 Elgin Street Sweeper, and the 2018 Mower/Snow Blower.

Darcy asked the Council if they still want blanket coverage under \$250,000 and if there are any additional items that should be listed as Mobile Equipment. The Council then agreed to carry the blanket coverage under \$250,000. There are no other items over \$250,000 that should be listed as Mobile Equipment.

Darcy continued on to review the Property in Open (PIO) which are items that are not buildings and do not move around. Automatic coverage applies for benches, picnic tables, fences, playground equipment, signs not part of a building, grills, garbage cans, statues, flagpoles, monuments, light poles and lighting systems other than street lights, portable toilets and water fountains. Some of the property in the open that are not covered even if the location is listed and must be endorsed for coverage to apply include bridges, docks and piers, underground cable or piping, tennis or basketball surfaces, walkways, hydrants, paved surfaces, trees or shrubs that are not within 100 feet of covered buildings. Street signs, street lights, traffic signals and fire hydrants are usually scattered around the City. The City can schedule as "citywide" for these types of property. There are no additional items that should be listed as Property in Open. A change in 2022 includes clarification on how dugouts and athletic surfaces are covered and a special endorsement is required.

The flood hazard area is described as an area within a 500 year flood plain as mapped by NFIP. There are no City buildings in the flood area; therefore the property is covered for flood and non-flood water damage and all buildings get a code "A". The default cost is a "C" for any newly acquired buildings and the City must prove the location is not in a flood plain to get the Code "A". The City does not have any buildings in the flood zone and therefore, there is no need for flood insurance.

The Equipment Breakdown Coverage was then reviewed. All lift stations would be covered if they are listed on the property schedule. The league will quote this and give the City the option to elect this coverage if requested. The City has not felt the need to purchase this coverage other years. The three main costs covered include: repairing or replacement of equipment up to 150% of scheduled value of property, loss of income due to item breakdown, and other additional costs due to breakdown. The cost of this endorsement would be 7% of the City's property premium. In 2021, the quote for Equipment Breakdown coverage was \$1,198.00 (7%) which was good coverage for the sewer lift station and all equipment breakdowns.

Auto Coverage was the next item on the insurance renewal. Physical damage coverage applies automatically on blanket basis to all vehicles that the City owns, leases, rents or borrows. The City needs to report to LMCIT vehicles on which the City does not want physical damage coverage and vehicles the City wants replacement cost rather than ACV (Actual Cost Value – Market Value). For replacement cost the vehicle should be less than 10 years old or we need approval from LMCIT. The Council agreed to continue replacement cost on the 2019 Ford Pickup and the Pump/Trailer. All vehicles have physical damage coverage except the 2007 Ford Pickup. The 2009 Sterling Fire Truck is over ten (10) years old and that is in ACV.

When a City employee or volunteer uses his/her own vehicle on City business that vehicle is not considered to be a borrowed vehicle and is not covered for physical damage. If the City impounds cars

they are not covered for physical damage unless reported to LMCIT and specifically scheduled. Employees private vehicles occasionally used for City business, LMCIT can be the primary on the liability instead of excess over their personal policy. The City currently does act as primary. The Council agreed to keep the City as the primary on the City's vehicles.

The City may want liability insurance placed on their vehicles and the Council has listed the following to be covered: Todd Draper, Eileen Christensen, Troy Nordmeyer, firemen-24, and first responders-10, the Mayor and four (4) Council members. The cost is \$10.00 per person with a total count of 42 individuals or \$420.00. If the City vehicles are used for personal use, LMCIT will cover the employee or any authorized other operator of the City vehicle for personal use provided that the use is within the scope of what the City has authorized. Employees need to understand if a vehicle is used outside of the scope of what the City authorizes, they and family members will not be covered by LMCIT auto coverage. The City has adopted a Personal Use Policy.

The limit on Underinsured/Uninsured is \$200,000. The City does not have a choice to not carry this on marked vehicles. In addition to the City, the following are also considered covered parties under LMCIT Auto Liability Coverage: 1) Any present or former elected or appointed official, employee or volunteer of the City with respect to any auto while being used for City business. 2) Other permissive uses of autos owned or hired by the City.

For data security breach expenses (Cyber Security), the standard limit is \$250,000 annual aggregate. The City can increase the limit to \$500,000 for additional premium. A change in 2022 includes Cyber Coverage Restructuring which is removing from property coverage to a new standalone coverage document. If the City wants to increase coverage to \$500,000 there will be an extra lost control action needed. The Trust will be developing these requirements in the coming year. Does the City want to increase or remain at the standard limit? The Council requested Darcy to provide information if the City chose to increase the limit to \$500,000.

The Joint Powers Entity coverage was approved as well as the Independent Administrative Boards coverage. The entity listed as additional insured on the City's policy last year was the EDA and the State of Minnesota. Any personal property of the EDA would not be covered unless the City specifies and requests this coverage. The Council agreed to include the EDA and the State of Minnesota on the policy and there is not any personal property that needs to be covered. The Council inquired if the Library needed by to included with the Joint Powers Entity. Darcy will check and report back to the Council.

The City automatically carries MED Pay at \$2,500 per person, \$10,000 per occurrence for non-negligent claims. The Council approved to keep the MED Pay on the policy. The City does not need to carry any liability for a Staff Attorney.

In past years, the City has always opted not to waive the limit of liability coverage to \$500,000 per claimant and \$1,500,000 per occurrence. The City has the option to waive the limit and this would increase the limit to \$1,500,000 per person and also excess liability of an additional \$1,000,000. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to opt to not to waive the limit of liability and authorize the Mayor to sign the form. Motion carried.

The City purchased Excess Liability coverage for \$1,000,000.00 excess in prior years (up to \$5,000,000 is made available). The fireman's dance and parade are covered under the general liability. The Council requested Darcy to provide information if the City chose to increase the Excess Liability for \$2,000,000.

The City has opted for \$300,000 bond coverage. Darcy informed the Council that MN Statutes state an EDA bond must equal at least "twice the amount of money likely to be on hand at any time" or \$300,000 – whichever is less. Starting on renewals after November 15, 2016 to write a bond of \$50,000 or more either of these actions needs to be performed: 1. Annual outside audit is performed, or 2. Independent review of bank statements, cancelled checks, and cash receipts is performed.

Automatic coverage is now included at no additional charge for the open meeting law defense cost reimbursement. Coverage is \$50,000 for each member at 100% coverage with \$250,000 annual aggregate limit. Any elected or appointed official of the City is covered. Excluded members are the EDA and joint powers boards. This does not cover Open Meeting Law fines or penalties.

The City has \$250,000 of coverage for crime losses which includes credit card fraud or crime losses by non-city employees, including theft by electronic means. Higher limits are available should the Council want to consider it. A change in 2022 includes a new sub-limit of \$50,000 for certain claims resulting from an employee's transfer of funds based on fraudulent instructions. All other crime coverage claims will be subject to the full per occurrence limit of \$250,000.

Last year there was an increase in total funding from \$3,000,000.00 to \$5,000,000.00. Darcy explained the extraordinary City expense coverage is offered automatically and does not have to be added on at renewal – if there is an extraordinary expense the City can request the League to pay up to \$250,000 and if the City repays it within one (1) year, there is no fee – but after that the interest is 3% up to five (5) years. This is designed to assist the City from unavoidably hit by unexpected expenses.

Elected and appointed officials are automatically covered under Workers Compensation unless the city directs LMCIT to exclude coverage for them. Deductible options can be applied per occurrence to medical costs only and there are eight (8) deductible options. The City has not had a deductible in prior years. The Accident coverage for City volunteers is automatically covered under workers compensation. There is a nonsmoker credit for firefighters – the City must obtain a written statement of non-smoking firefighters and at least 90% must state that they do not smoke and have not within the last six months. City Administrator/Clerk Eileen Christensen completed the Workers Compensation application and sent it in with the non-smoking forms from the firefighters. A change in 2022 includes Workers Compensation rates continue to rise with about a 10% increase for the coming year. The majority of PTSD costs are attributed to covering lost wages for employees who do not return to work after diagnosis. Job class adjustments will also be made.

The Special Event Exclusions include motor vehicle races, stunts, demolition derbies, carnival rides, rodeos, liquor and beer sales and fireworks. The rodeo is covered under a Special Event policy each year, and the beer sales at the Firemen's Dance are covered under a separate liquor liability policy each year.

The City pays the LMCIT twice a year for the coverage and Darcy asked if the City wishes to continue that and the Council agreed to pay twice a year. Darcy will get the quotes to Eileen for Council approval on August 15, 2022. **MOTION** by Patrick Haynes, seconded by Mark Dunn to approve the review of the 2022-2023 insurance renewal. Motion carried.

The next item of business was to discuss property nuisances. There are two nuisance properties in the City that need the Council's attention. The first is the house located at 205 E. Benton Street that has been in the process of being torn down for over a year and no work has been done on it for some time. The second is the property at 302 W. Benton Street where two vehicles have been parked beside the garage for some time without being moved. These vehicles may be inoperable or do not have valid or current registration. Mayor Michael Carpenter requested the Council members drive by and check these properties and this will be discussed at the next meeting of August 15, 2022.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – The Chamber met in July and the business of the month for August is Roggenbuck Tree Service. The meals-on-wheels are being provided by the Tyler Hospital which feeds approximately ten (10) individuals. The Chamber will meet with all the community entities involved with the Saddle Horse celebration to discuss changes that may take place next year if there will not be a horse show. The School open house is scheduled for Wednesday, August 24, 2022.

The Library met last week and the circulation stats are comparable to last year. The Slayton Library had a book cart for sale and the Friends of the Library purchased it for the Library. New audio visual equipment was purchased with Legacy funding. The last day for the Summer Reading Program (SRP) was Friday, July 29, 2022.

Trustee Patrick Haynes – The EDA met on July 20, 2022 and discussed the current 4-Plex units and new Duplex units. Vince Robinson informed the board the family interested in doing improvements to the pier are at a standstill with the DNR. The Hole-in-the-Mountain Greater Trails Commission is providing an on-line survey to users of the parks. The link can be found on the Lake Benton Chamber link.

Trustee Daryl Schlapkohl – No report.

MOTION by Mark Dunn, , seconded by Patrick Haynes to approve the Committee Reports. Motion carried.

ADMINISTRATOR/CLERK REPORT:

Affidavits of Candidacy for Mayor (2-year term), Trustee (2-year term), and two Trustees (4-year terms) will be available in my office August 2, 2022 through August 16, 2022. The filing fee is \$2.00.

MAYORAL REPORT:

Mayor Michael Carpenter reminded the Council that they previously agreed to purchase six (6) trees at the 4-Plex units. The plan was to plant one tree in the center, but there is a water shut-off valve located in that area so, it was decided to add an additional tree and put two trees in the area instead of one.

Mayor Michael Carpenter reminded the public to file for a Council seat. All the seats are up except Trustee Rosie DeZeeuw's seat.

Mayor Michael Carpenter informed the Council that he and Administrator/Clerk Eileen Christensen are working on the 2023 budget and will provide it to the entire Council to review at a special meeting. The budget needs to be certified by September 30, 2022.

The next Council meeting is August 15, 2022 at 5:30 PM. The Primary Election is a week from tomorrow (August 9, 2022). The EDA will be meeting next Wednesday.

There being no further business to come before the Council at this time, a **MOTION** was made by Rosie DeZeeuw, seconded by Mark Dunn and carried, the meeting adjourned.

MAYOR

ADMINISTRATOR/CLERK