

AUGUST 3, 2020

The Regular Meeting of the Lake Benton City Council was held on Monday, August 3, 2020 at 5:30 P.M. in the Lake Benton Area Community & Event Center. Acting Mayor Rosie DeZeeuw, Trustees Mark Dunn, Dave Enke, and Daryl Schlapkohl were present. City Attorney Mike Cable and Mayor Bob Worth were absent. City Administrator/Clerk Eileen Christensen, Sheriff Chad Meester, Mike Carpenter, Jess Gums and Vince Robinson-Lake Benton Area Foundation, Darcy Miller-Insurance Agent-Buffalo Ridge Agency-Lake Benton, and Shelly Finzen from the Lake Benton Valley Journal were also present.

Acting Mayor Rosie DeZeeuw called the meeting to order. The Pledge of Allegiance was recited by all present.

Acting Mayor Rosie DeZeeuw 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 20, 2020 were reviewed. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the minutes of the Regular Meeting of July 20, 2020. Motion carried.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

BOLT'S LB GROCERY	\$	16.64	OTTERTAIL	\$	2,658.79
RETHWISCH & SON	\$	5.54	THOMAS ELECTRIC	\$	431.19
POSTMASTER	\$	76.00	UTILITY CONSULTANTS	\$	578.50
TODD DRAPER	\$	32.00	PAT HAYNES	\$	250.00
MINNESOTA LIFE	\$	5.10	TROY NORDMEYER	\$	32.00
MN FIRE CERT BOARD	\$	240.00	ONE OFFICE SOLUTION	\$	198.50
BUFFALO RIDGE NEWS	\$	7.00	IREAD	\$	262.86
AMAZON	\$	437.65	DEMCO	\$	294.18

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

PUBLIC WORKS UPDATE

No report.

The next item of business was to meet with a resident regarding their nuisance property. The resident was requested to attend this evenings meeting but was not present. A Council member made note that the area beside the garage had been cleaned up and hauled away earlier today. **MOTION** by Dave Enke, seconded by Mark Dunn to table this item until the next regular meeting of August 17, 2020 after pictures have been taken. Motion carried.

The next item of business was to meet with the Lake Benton Area Foundation on park improvements at Lakeside Park. Jess Gums and Vince Robinson were in attendance to address the Council and provide an update on the improvements they would like the City to consider. Jess informed the Council the Foundation did a walk-thru with Maintenance Supervisor Todd Draper on July 13, 2020 and discussed various maintenance issues. The immediate items included lighting in which Maintenance Supervisor Todd Draper talked with Ottertail and is being updated; landscaping, signage, benches and tables for outside use, and in the future a swing set or playground equipment could be added.

The main issue is the shelter at Lakeside Park that needs a new floor and massive updating, and perhaps getting water to the shelter. The City may want to consider investing funds in

the current building or build a new one by applying for grants. The community needs Council support and other groups to evaluate ideas for improvements at the Lakeside Park area. Options were provided by Jess and Vince and the Council was on board with the ideas. Trustees Daryl Schlapkohl and Mark Dunn are the members of the Recreation/City Parks Committee and agreed to meet with the Foundation and Maintenance Supervisor Todd Draper in the near future to evaluate and discuss long term goals of Lakeside Park.

The next item of business was to meet with Darcy Miller, Insurance Agent with Buffalo Ridge State Agency-Lake Benton, to review the 2020-2021 Insurance Renewal. The 2021 Insurance Renewal process needs to be completed by September 1, 2020.

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. New for 2020 – blanket coverage for seasonal or temporary buildings (less than 12 months) up to \$50,000.00.

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. New for 2020 – Property coverage applies on a blanket basis for all mobile property subject to \$250,000 per unit limit (up from \$100,000). If a higher limit is needed on an individual unit it can be endorsed for an additional premium. The City does not have any mobile equipment scheduled over \$100,000. Also new for 2020 – Post-factory auto attachments which is damage to attachments or equipment that is added to auto's 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.

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 additional costs due to breakdown. The cost of this endorsement would be 7-20% of the City's property premium. In 2019, the quote for Equipment Breakdown coverage was \$838.00 (7%) which was good coverage for the sewer lift station and all equipment breakdowns. The City has a \$1,000.00 deductible. **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to approve adding the Equipment Breakdown coverage for a similar cost for approximately 7% of the total property value. Motion carried.

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. The 2009 Sterling Fire Truck is over ten (10) years old and that goes to ACV this year. The 2007 Ford Pickup does not have physical damage coverage. The Council agreed no coverage is needed on non-owned vehicles that are borrowed, rented or leased for City use.

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. Employees private vehicles occasionally used for City business, LMCIT has been the primary on the liability instead of excess over their personal policy. The City currently does act as primary. In the past, the City has listed the League as the primary on the City's vehicles. **MOTION** by Mark Dunn, seconded by Dave Enke to keep the League as the primary on the City's vehicles. Motion carried.

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. The Council agreed to purchase this coverage.

Darcy then informed the Council it was the recommendation of LMCIT for the City to adopt a Personal Use Policy but the City has no need to adopt a Personal Use Policy as no one uses a city vehicle outside the scope of what the City authorizes. 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.

New for 2020 is Cyber Security. For data security breach expenses, the standard limit is \$250,000 annual aggregate. The City can increase the limit to \$500,000 for additional premium. The Council agreed to remain at the standard limit.

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 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. The Council agreed to opt not to waive the limit of liability from \$500,000 per person.

The City purchased Excess Liability coverage for \$1,000,000.00 excess in prior years. The fireman's dance and parade are covered under the general liability. The Council agreed to purchase the Excess Liability coverage for \$1,000,000.00.

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. The Council agreed not to get additional coverage.

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 Council agreed to exclude this coverage for elected or appointed officials. 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 haven't 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.

Darcy asked the Council if there are any new projects for the upcoming year. This year the City is paving East Matthews Road from US Highway 14 to the newly improved Lake Benton Public Water Access and then to County Road 22; and the outfall structure replacement at the Wastewater Treatment Facility. Projects scheduled for 2021 include the street reconstruction on Oakwood Street and replacement of the water main on one block of Fremont Street.

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. No one wants to cover bouncy houses.

Darcy informed the Council there are two quotes available for a \$1,000 deductible and a \$2,500. The Council requested \$1,000 deductible.

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.

The next item of business was to review/act on an Engagement Letter with Consulting Firm CLA (Clifton-Larson-Allen) for Coronavirus Relief Fund Disbursements and Reporting. Administrator/Clerk Eileen Christensen informed the Council the Coronavirus Relief Fund (CRF) Task Force met last week to discuss the policies and procedures to be followed regarding the funding received by the City of Lake Benton. Eileen spoke with Lincoln County Auditor Deb Vierhuf who informed her that the County will be reviewing an engagement letter with Consulting Firm CLA (Clifton-Larson-Allen) to assist the County with their CRF funding and forwarded the information on to Eileen for the City to consider as well. A copy of the letter had been forwarded on to City Attorney Mike Cable for review.

MOTION by Mark Dunn, seconded by Dave Enke to approve the Engagement Letter with CLA (Clifton-Larson-Allen) and spend up to \$1,000.00 to assist the City with the Coronavirus Relief Fund disbursements; and authorize Administrator/Clerk Eileen Christensen to get additional information from CLA regarding costs for services. Motion carried.

The next item of business was to review/act on a proclamation to recognize American Wind Week. Administrator/Clerk Eileen Christensen informed the Council that American Wind Week is an annual celebration of wind power's emergence as a leading source of renewable energy. This year will be the fourth time the American Wind Energy Association has hosted the week, consisting of dozens of smaller, local events in wind-powered communities. Wind energy is the key to unlocking Minnesota's renewable energy potential while powering communities across the United States. On behalf of wind industry workers, citizens, and businesses that support further investment in wind power to sustain our future, they are writing to request that a proclamation be issued to recognize the impact wind energy has had in our state and local communities. This year's American Wind Week will take place August 9-15, 2020. **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to approve the Proclamation to Recognize American Wind Week August 9-15, 2020. Motion carried.

The next item of business was to set dates for the 2021 budget meetings. The Council agreed to meet Wednesday, August 12 and Thursday, August 13, 2020 at 5:30 PM.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – No report.

Trustee Dave Enke – The Library met last week and made the decision to open two (2) of the four (4) computer stations for patrons with restrictions. Plum Creek Library System applied for a grant for mobile hot-spots and was honored with the grant. Lake Benton has four (4) of the hot-spot devices for patrons to check out. Although the devices are not the best in Lake Benton due to the valley's and being serviced by A T & T. The board is searching for a new board member after Shelly Finzen gave her resignation from the board. Trustee Dave Enke will have more information on a new member at a later date.

Trustee Daryl Schlapkohl – No report.

ADMINISTRATOR/CLERK REPORT:

Affidavits for filing for City Council are available at the City office for anyone interested in applying for candidacy – Mayor (2-year term), and two Council members (4-year terms). The last date to file is August 11, 2020 at 5:00 PM. The filing fee is \$2.00.

Sheriff Chad Meester wanted to let the Council know Administrator/Clerk Eileen Christensen has been good to work with and the department appreciates her assistance, especially during the COVID-19 pandemic. Thank you, Eileen.

MAYORAL REPORT:

No report.

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

MAYOR

ADMINISTRATOR/CLERK