

**JULY 15, 2019**

The Regular Meeting of the Lake Benton City Council was held on Monday, July 15, 2019 at 5:30 P.M. in the Heritage Center/City Office. Mayor Bob Worth, Trustees Rosie DeZeeuw, Mark Dunn, Dave Enke, and Daryl Schlapkohl were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Police Officer Dallas Cornell, Hunter Robinson-DSI, Chad Meester, Darcy Miller-Insurance Agent-Buffalo Ridge Agency-Lake Benton, and Shelly Finzen from the Lake Benton Valley Journal were also present.

Mayor Bob Worth called the meeting to order.

The Pledge of Allegiance was recited by all present.

Mayor Bob Worth 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.

Police Officer Dallas Cornell requested two minutes to read his resignation letter to the Council and the audience. Dallas truly wished the circumstances would have gone better. Dallas requested to have two or three Council members accompany him after the meeting to the police office to show them where the cell phone is located. City Attorney Matt Gross will be given the keys to the evidence locker, desk, cabinet and file cabinets. Dallas will also e-mail Matt Gross the usernames/passwords to the computers, cell phone and e-mails. Dallas wished the residents of this great city the best of luck in the future. Dallas Cornell's last day is effective 12:00 Noon on July 18, 2019. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to accept Police Officer Dallas Cornell's resignation effective 12:00 Noon on July 18, 2019. Motion carried.

The minutes of the Regular Meeting of July 1, 2019 were reviewed. **MOTION** by Daryl Schlapkohl, seconded by Rosie DeZeeuw to approve the minutes of the Regular Meeting of July 1, 2019. Motion carried.

The minutes of the Special Meeting of July 8, 2019 were reviewed. **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to approve the minutes of the Special Meeting of July 8, 2019. Motion carried.

**CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:**

ITC	\$ 421.13	USTI	\$ 1.28
LP RURAL WATER	\$ 4,876.67	RETHWISCH & SON	\$ 384.51
EXPRESSWAY-LB	\$ 482.01	GOPHER STATE	\$ 18.90
CITY OF LAKE BENTON	\$ 226.77	POSTMASTER	\$ 172.60
S & E AUTO	\$ 54.95	UTILITY CONSULTANTS	\$ 216.50
DOUBLE D GRAVEL	\$ 748.78	HEIMAN, INC.	\$ 406.95
SW SANITATION	\$ 3,937.58	XION TECHNOLOGIES	\$ 40.00
CARDMEMBER SRCVS	\$ 304.79	MEADOWLAND FARMERS	\$ 394.59
LARRY VANDEVENDEL	\$ 100.00	VERIZON	\$ 35.01

**MOTION** by Dave Enke, seconded by Rosie DeZeeuw 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.

**PUBLIC WORKS UPDATE**

Everything is going well at the DNR water access project.

The next item of business was to review/act on a building permit for the Lake Benton School to build a fence at 101 S. Garfield Street. The school personnel were given the setbacks from their property line on which they can install a fence. Maintenance Supervisor Todd Draper confirmed there were no setback concerns and everything is in compliance with the City's ordinance. The fee of \$25.00 has been paid. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the building permit for the Lake Benton School to build a fence at 101 S. Garfield Street. Motion carried.

Hunter Robinson with DSI was in attendance to present an update on the Small Cities Development Grant for the Rental Rehab Program. Hunter addressed the Council and congratulated Lincoln County and the Cities of Lake Benton and Tyler that were awarded a grant for the Rental Rehab Program. Hunter passed out a copy of the State Contract which requires the City keep track of the reports and forward them on to the State. Since Lincoln County received the grant, they hired DSI to do the reporting on their behalf. Hunter then passed out a copy of the Grant Administration Service Agreement between DSI, the County, City of Lake Benton and City of Tyler. A copy of the Affidavit was provided to be posted at City Hall.

Hunter provided information on the Resolution Adopting Small Cities Development Grant Plans and Documents which included the following six documents: Certification for a Drug-Free Workplace; Excessive Force Policy; Residential Anti-Displacement & Relocation Assistance Plan; Program Income Plan; Section 3 and Women or Minority-Owned Business Plan; and the Fair Housing Plan. **MOTION** by Mark Dunn, seconded by Rosie DeZeeuw to Approve the Resolution Adopting Small Cities Development Grant Plan and Documents. 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 2019-2020 Insurance Renewal. The 2020 Insurance Renewal process needs to be completed by September 1, 2019.

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. The old Community Center and the Memorial have been removed. 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. The EMS Building was added at \$10,000.00 with \$10,000.00 of contents, and the Maintenance Building was added at \$10,000.00 with \$50,000.00 of contents.

Coverage of mobile equipment includes property that is moved from one location to another. For example: tractors, lawn mowers, backhoes, Fire Department gear, First Responders equipment, and radios in police car. Property coverage applies on a blanket basis for all mobile property subject to \$100,000 per unit limit. If a higher limit is needed on an individual unit it can be endorsed for an additional premium. New for 2019 regarding Street Sweepers, they have been classified as autos and in other cases as mobile property. To ensure consistency, any street sweeper required by the State to be licensed or registered or have a license plate, will now be classified as an automobile. The City's street sweeper is not required by the state to be licensed. The City does not have any mobile equipment scheduled over \$100,000. The City has indicated in prior years that they want blanket coverage for anything under \$100,000 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 \$100,000 and if there are any additional items that should be listed as Mobile Equipment. The Council then agreed to carry the

blanket coverage under \$100,000. There are no other items over \$100,000 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. However, new for 2018, because the equipment breakdown coverage is optional, a nominal amount of coverage - \$25,000 per occurrence, per location for artificially caused power surge claims is now included in the property coverage for those who have not purchased the equipment breakdown coverage. The Council agreed to request a quote for Equipment Breakdown coverage.

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). New for 2018 auto physical damage coverage ensures coverage of auto damages caused by a computer virus or hacking attack. 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 2009 Sterling Fire Truck, the 2019 Ford Pickup, and the 2019 Dodge Durango. The City removed the 2007 Ford Pickup last year. 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. New for 2019, a new auto liability rating method changing from a two-territory system based on geography (urban and rural) to a single statewide rating system. The Council requested a quote on the difference between the League being the primary or the excess.

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.

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 excess in prior years and approved to purchase this year. 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. Renewals after 1/1/2019 will see about a 1% average increase in overall work comp rates. 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 peace officers and firefighters – the City must obtain a written statement of non-smoking peace officers and 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 peace officers and firefighters.

Darcy asked the Council if there are any new projects for the upcoming year in which there are none.

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. Darcy will attend either the August 5th or August 19th City Council meeting to review the final renewal insurance contract at that time. Darcy will have a better idea of the insurance costs after she sends the information to the League.

The next item of business was to review/act on the water service connection fee increase. The City recently received a notice from the Minnesota Department of Health regarding the service connection fee increase effective January 1, 2020. The testing fee will increase from \$6.36 per household (\$0.53/month) to \$9.72 per household (\$0.81/month). Revenue from this fee is used to fund activities of MDH's Drinking Water Protection Program related to maintaining compliance with the federal Safe Drinking Water Act and protecting the health of all Minnesotans.

The Minnesota Department of Health is notifying the cities now so they can account for the change in their annual budget planning and to notify residents accordingly. This fee has not changed since 2005. **MOTION** by Daryl Schlapkohl, seconded by Rosie DeZeeuw to approve the water service connection fee increase per household from \$0.53 a month to \$0.81 a month effective January 1, 2020. Motion carried.

The next item of business was informational to advertise for bids to lease the City's farm land on the north end of town. City Administrator/Clerk Eileen Christensen informed the Council the lease will expire February 29, 2020. The farm land will be up for a three year lease beginning March 1, 2020 and ending February 28, 2023. Tom and Mary Gunnink leased the property from the City March 1, 2017 through February 29, 2020. City Administrator/Clerk Eileen Christensen informed the Council she would like to run an ad in the newspaper on August 21, 2019 and September 4, 2019 as well as advertise on the local access channel and post on the website for bids on leasing the farm land. The bids will be due September 30, 2019 and can be opened at the regular meeting of October 7, 2019. Eileen requested permission from the Council to contact legal counsel regarding any additional paperwork that may need to be completed before the ad is run and the bids are opened. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to approve publishing the ad on August 21, 2019 and September 4, 2019, putting it on the local access channel and posting it on the website, as well as to grant City Administrator/Clerk Eileen Christensen permission to contact legal counsel regarding additional paperwork needed to be completed before running the ad for bids on leasing the farm land. Motion carried.

The next item of business was to review/act on a temporary on-sale liquor license for the Fire Department. The Lake Benton Fire Department is requesting a Temporary On-Sale Liquor License (24-hour-\$50.00) to serve alcohol at the Pheasants Forever Banquet on Saturday, September 14, 2019 at the Lake Benton Area Community and Event Center. A club, charitable organization, religious organization or a non-profit organization within the City can receive an on-

sale temporary liquor license up to twelve (12) times a year. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the temporary on-sale liquor license (24-hour/\$50.00) to the Lake Benton Fire Department to serve alcohol at the Pheasants Forever Banquet on Saturday, September 14, 2019 at the Lake Benton Area Community and Event Center. Motion carried.

The next item of business was to set dates for the 2019 budget meetings. The Council agreed to meet Monday and Tuesday, August 12th and 13th at 5:30 PM with alternate dates of August 20th and 22nd at 5:30 PM.

**COMMITTEE REPORTS:**

Trustee Mark Dunn – Mark requested to clarify that the evidence locker and cabinets are sealed and no one can enter those areas. Dallas Cornell reiterated that Legal Counsel will assist with the evidence locker and there are no pending cases outstanding for the Police Department. It was suggested to change the locks on the Police Office door and keep the keys at the City office. No one is to enter into the Police Office without Trustee Dave Enke with them.

Trustee Rosie DeZeeuw – The Chamber met last week and the \$3.00 meal was held last week. There were not as many seniors eating due to other summer activities. The next \$3.00 meal is scheduled for August 8, 2019 featuring a magic show by the youth. The Landscaping committee met a couple weeks ago and will be meeting again this week. The Yard of the Week is going well and will continue through Labor Day. The Chamber received a lot of good feedback regarding the Saddle Horse Holiday activities being held at the School playground. The Tonka Ha details are underway and after this year, they will move the celebration back to the second weekend and begin having it every other year (during odd number years). The NAPS distribution was done a couple weeks ago with 16 people signed up. The next NAPS distribution is scheduled for July 25 with 18 people signed up.

Trustee Dave Enke – The EDA met last week and discussion took place on the Tom Gow property across the street. Tom will be invited to the next EDA meeting to discuss the land and lot values. The board also discussed refinancing the loan payment on the 4-Plex II at the same rate of 3.75% or make the balloon payment due November 1, 2019. More information will be forthcoming after the EDA meets again. The television the Council gave to the EDA has been donated to the Opera House.

Trustee Daryl Schlapkohl – No report.

**ADMINISTRATOR/CLERK REPORT:**

A copy of a letter regarding the Annual Benton-Fremont/Te Tonka Ha Rendezvous to be held August 2-4, 2019 was included in the Council's packet.

**MAYORAL REPORT:**

Mayor Bob Worth informed the Council the City is in mediation with Work Comp regarding former Police Chief Thor Tollefson. The amount to be settled will not be out-of-pocket expenses, but rather it could raise the work comp rates. Mayor Bob Worth apologized to Dallas Cornell for any misinterpretations.

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.

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MAYOR

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ADMINISTRATOR/CLERK