

**JULY 16, 2018**

The Regular Meeting of the Lake Benton City Council was held on Monday, July 16, 2018 at 5:30 P.M. in the Heritage Center/City Office. Mayor Bob Worth presided. Trustees Rosie DeZeeuw, Mark Dunn, David Enke and Daryl Schlapkohl were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Maintenance Supervisor Todd Draper, Police Chief Tony Sievert, Fire Chief Pat McCarthy, Darcy Miller, Insurance Agent for Buffalo Ridge State Agency-Lake Benton, Mike Carpenter, 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. No items were brought forward at this time.

The minutes of the Regular Meeting of July 2, 2018 were reviewed. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to approve the minutes of the Regular Meeting of July 2, 2018. Motion carried.

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

ITC	\$ 277.26	EILEEN CHRISTENSEN	\$ 16.35
USTI	\$ 1.20	QUARNSTROM/DOERING	\$ 1,408.20
M & H COMMUNICATIONS	\$ 479.00	L-P RURAL WATER	\$ 5,021.05
LAKE BENTON PARTS	\$ 83.52	LB HARDWARE	\$ 429.58
EXPRESS WAY	\$ 742.16	THOMAS ELECTRIC	\$ 801.82
GOPHER STATE	\$ 14.85	CITY OF LB	\$ 138.34
POSTMASTER	\$ 119.00	CHAMBER-CVB	\$ 361.11
KJERGAARD SPORTS	\$ 183.40	HEIMAN FIRE EQUIP	\$ 14.95
MEUSER LAW OFFICE	\$40,000.00	SW SANITATION	\$ 3,595.50
BANNER ASSOC.	\$ 4,200.00	CARDMEMBER SRVCS	\$ 625.41
MEADOWLAND FARMERS	\$ 80.18	VERIZON WIRELESS	\$ 35.39
ONE OFFICE SOLUTION	\$ 15.98	ERIC KAREN	\$ 2.63
NORTH SHORE ANALYT	\$ 305.00	CHUCK DEBATES	\$ 16.35
MIKE CZECH	\$ 100.00	ALPHA TRAINING	\$ 245.00
SHOWBOAT PAVILION	\$ 50.00		

**MOTION** by Dave Enke, seconded by Mark Dunn 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 awarding bids on the Harrison Street Water Main Improvement Project. Maintenance Supervisor Todd Draper informed the Council the bid opening was at 1:00 PM today and three bids were provided. The Engineer's estimated cost was \$86,000.00 excluding the Engineer's fees. The bids were as follows: D & G Excavating in the amount of \$87,525.00; Duininck, Inc. in the amount of \$164,624.00; and A & C Excavating in the amount of \$109,500.40. The date of completion is November 2, 2018. The City received a recommendation from Banner and City Attorney Mike Cable reviewed it, and presented a resolution awarding the bid to D & G Excavating from Marshall, MN. Todd will contact Banner and D & G Excavating to proceed with the preliminary meeting.

**MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to award the bid to D & G Excavating in the amount of 87,525.00 of Marshall, MN. Motion carried.

### **PUBLIC WORKS UPDATE:**

Maintenance Supervisor Todd Draper informed the Council that Thomas Plumbing will be here tomorrow to dig up the street on Parkview Drive to get the drain unplugged.

Maintenance Supervisor Todd Draper then explained that with the heavy and several rains this spring and summer, the City has experienced lift station issues. We were fortunate to be able to control the sewage from getting into homeowner's basements with the use of an 8" pump borrowed from A & C Excavating. Todd thought we may need to use it last week and the plan is to keep it through Friday of this week. Todd has been looking for used and inexpensive pumps to replace the older pumps. He found a 4" pump that will pump 500 gallons per minute and could replace the City's 2" pumps that are over 25 years old. The ideal pump would be a 5" pump on a trailer.

Maintenance Supervisor Todd Draper then informed the Council there is a landowner that lived here a while ago and is selling the home on Fremont Street to someone on contract for deed. The neighbor to the north of this individual moved in a garage and did not put a culvert in the driveway. Water is filling in the backyard of the concerned landowner's property who claims the City is responsible. This is not the City's responsibility, but rather the landowner to the north. Todd suggested that with the Harrison Street Improvement Project coming up, perhaps the City can fill in the area with a couple loads of dirt. The Council agreed this may help with the issue.

### **POLICE REPORT:**

Police Chief Tony Sievert requested Council approval to hire Guy Harding as a part-time officer for the City of Lake Benton. The Council had previously approved an additional 8 hours a week for a part-time officer and would like approval to hire Guy Harding. **MOTION** by Rosie DeZeeuw, seconded by Mark Dunn to hire Guy Harding as a part-time officer for no more than 8 hours a week. Motion carried.

Police Chief Tony Sievert updated the Council that the department received a newer PBT (Preliminary Breath Test) from Minneota for \$250.00. A new PBT would cost \$800.00 to \$1,000.00. **MOTION** by Rosie DeZeeuw, seconded by Mark Dunn to approve the police report. Motion carried.

### **FIRE REPORT:**

Fire Chief Pat McCarthy requested the Council approve supplying the Fire Department with a credit card to use at ExpressWay to fill the trucks after the gas station is closed. They had a fire call last Tuesday evening and did not return to town until 11:30 PM. They need to have their vehicles fueled in the case of a back to back call. City Administrator/Clerk Eileen Christensen requested Pat turn in all receipts when fueling with the card. **MOTION** by Mark Dunn, seconded by Dave Enke to authorize the City Administrator/Clerk supply the Fire Department with a credit card to purchase fuel at ExpressWay only when the gas station is closed and provide receipts to the City Administrator/Clerk. 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 2018-2019 Insurance Renewal. The 2019 Insurance Renewal process needs to be completed by September 1, 2018.

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.

The Lake Benton Area Community & Event Center was added at \$90,000 with \$25,000 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. 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 not to get 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. Darcy informed the Council the City has a 2007 Ford pickup that should be removed from the replacement cost. The Council agreed to continue replacement cost on the 2009 Sterling Fire Truck and the 2013 Ford Police Squad vehicle, and remove the 2007 Ford Maintenance pickup.

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.

The City may want liability insurance placed on their vehicles and the Council has listed the following to be covered: Todd Draper, Eileen Christensen, Tony Sievert, Troy Nordmeyer, Dallas Cornell, Jeff Conrad, Guy Harding, 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 46 individuals or \$460.00. 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 is covered under the general liability.

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 statement, 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 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. New for 2018 – OSHA requires that an employer provide diagnostic testing to an employee who has been exposed to, but hasn't contracted, an infectious disease such as AIDS, hepatitis, TB or anthrax. LMCIT does provide coverage for this testing and the limit is increased to \$5,000 per employee per infectious exposure incident. Darcy informed the Council there are two quotes available for a \$1,000 deductible and a \$2,500. The Council requested Darcy to get quotes for both a \$1,000 deductible and a \$2,500 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 6th or August 20th City Council meeting to review the final renewal insurance contract at that time.

Darcy informed the Council the City's Workers' Compensation increased \$9,500.00 due to the higher claims in 2016-2017. This increase also includes 2% overall to keep up with health costs.

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 set dates for the 2019 budget meetings. The Council agreed to meet Wednesday, August 15, 2018 at 5:30 PM.

#### **COMMITTEE REPORTS:**

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – The Chamber met last week. The Chamber received a grant from Glacier Lakes to update their website. Karen Lichtsinn is working with Teresa Schreurs to make the site more user-friendly. It is anticipated the website will be completed by August 31, 2018. It has been one year since they began the \$2.00 meals and will continue to have this one Thursday a month. The Opera House tickets for the summer musical are on sale. Saddle Horse Holiday went well. The Chamber discussed spreading the event out over the entire week instead of having most of the events in one day. The Te-Tonka-Ha schedule will be done this week. The Snippets are expected to be out on July 31, 2018 to include the Lake Benton Public School information for the new school year. The Lake Benton Public School open house is scheduled for Tuesday, August 21, 2018 with the dedication of the park equipment.

Trustee Dave Enke – The EDA met last week. The Showboat Pavilion is up and running after addressing some issues with the building. The first loan payment from the Showboat Pavilion was paid on time. The other outstanding loan issued by the EDA has been in arrears since April 2018 and is delinquent \$2,200.00. Gary Serie announced Lake Benton Hardware will be having a liquidation sale beginning August 1, 2018. If anyone knows of someone interested in the hardware business, please contact Gary Serie.

Trustee Daryl Schlapkohl – The Opera House met last week. The musical "Footloose" will have ten shows. The Opera House is applying for a SMAC Grant for \$20,000.00 to purchase spotlights, equipment and laptops. The Opera House got their new light and sound system installed. The Opera House had been struggling to get a new treasurer and they found an individual from Brookings, SD whose husband stars in several plays at the Opera House. She is doing a good job.

The Ad Hoc Committee for the Event Center is Wednesday, July 18, 2018 at 4:30 PM.

**ADMINISTRATOR/CLERK REPORT:**

Administrator/Clerk Eileen Christensen informed the Council the Community Center bathrooms and kitchen floor need to be thoroughly cleaned at least once a month. The volunteers for Senior Dining are not responsible for thoroughly cleaning the restrooms, just keep them tidy. Eileen contacted Kylie Rochel who vacuums the Community Center for \$40.00 a month and she said she would be willing to clean the restrooms and the kitchen floor once a month for an additional \$15.00 a month. As a public entity we need to maintain the image that our facilities are clean and maintained for renters.

Eileen then reminded the Council she will be taking vacation July 20-27, 2018. Rosie DeZeeuw will be in the office from 8:00 AM to 2:00 PM July 23-27, 2018.

**MAYORAL REPORT:**

Mayor Bob Worth informed the Council that he had good news. A few months ago he and City staff met with MnDOT to discuss the issue of why they don't have a plow housed in Lake Benton. After the meeting, Mayor Bob Worth met up with the representatives from MnDOT and asked them if they would consider renting or selling the building to the City. They told Bob it is a good possibility this can be done. Mayor Bob Worth and City Administrator/Clerk Eileen Christensen sent a letter to MnDOT along with pictures of the maintenance shop in late June. Eileen called MnDOT after the Fourth of July holiday and they assured her things would be moving along. The building will not be sold this year, but MnDOT will consider renting the building to the City for a very minimal cost. We will have more information on this issue at the next meeting of August 6, 2018.

Mayor Bob Worth then informed the Council he received a text message from Senator Bill Weber that he and Representative Joe Schomacker will be in Lake Benton and stopping at the Heritage Center/City Office on Wednesday, July 18, 2018 at 11:00 AM to discuss City issues to include funding and restructure of the sewer ponds, and discuss the Curly-leaf Pondweed in the lake. Those attending the meeting will include Mayor Bob Worth, Trustee Daryl Schlapkohl, Eileen Christensen, Scott Christensen representing the Sportsman's Club, EDA Chair Karen Lichtsinn, and Lonnie Willert. Bank President Brooks Bennett was asked to attend but he will be out of town.

On Thursday, August 9, 2018 at 1:30 PM, MnDOT Planning Director Lindsey Bruer and Megan DeSchepper, Senior Planner will be visiting with Trustee Daryl Schlapkohl, Todd Draper, and Eileen Christensen regarding the upcoming project in 2023 for medium mill and overlay, plus ADA on US Highway 14 and US Highway 75 in Lake Benton.

Affidavits of candidacy for the Mayor and two Council seats may be filed with the City Administrator/Clerk between July 31, 2018 and August 14, 2018. The filing fee is \$2.00.

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

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MAYOR

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ADMINISTRATOR/CLERK