

December 30, 2013

The Board of Aldermen, City of Kearney, Missouri, met in special session at Kearney City Hall, 100 East Washington, December 30, 2013 with Mayor Dane presiding. Members present were Jeff Couchman, Dan Holt, Gerri Spencer and Tom Patterson. Staff members present were Jim Eldridge, David Pavlich and Shirley Zimmerman.

Mayor Dane opened the meeting with the Pledge of the Allegiance.

PUBLIC REQUESTS & PETITIONS

APPLICATION FOR PACKAGE LIQUOR LICENSE Staff presented an application from Sohail Anwar for a package liquor license for a new store proposed to be located at 196 West 92 Highway in Kearney Commercial Center.

The applicant has a 3rd degree assault misdemeanor. Staff presented a statement of the circumstances emailed by the applicant at the recommendation of the City Attorney. The Police Department obtained the St. Joseph Police Department investigation report that was used by the prosecution in obtaining a plea bargain agreement.

Mr. Anwar said that he had been robbed by gun point and by knife point in his Stop-N-Go store in St. Joseph, in the months prior to the event. He points out that he has never had any other incidents in his lifetime. He has moved to Clay County for the specific purpose of operating this store.

Mayor Dane asked if the application has been signed by the Police Chief and City Staff. Staff said it has been signed by both.

Alderman Patterson asked Mr. Anwar if the situation could have been handled differently. Mr. Anwar said he had had the three previous robberies and he had kicked this person out of his store. The person returned and he felt threatened. He said the police were called and it was two to three months later when the prosecutor decided to file charges.

Alderman Spencer asked where Mr. Anwar was currently living. He said he resides in North Kansas City area.

Alderman Couchman asked if he would be in the store every day. Mr. Anwar said he would be there every day. He said if the business grew he might have one employee.

Alderman Couchman asked if he had other stores. He said he did own three stores in St. Joseph but had sold them and would only have the store in Kearney.

Mayor Dane said he didn't blame Mr. Anwar for defending himself. He said Mr. Anwar had said the gun wasn't loaded but then the report says there were shells in the chamber.

APPLICATION FOR PACKAGE LIQUOR LICENSE-CONT He asked why the eye witness said he put the gun to the forehead of the victim. Mr. Anwar said you can look at the video from the store and it never shows that happening.

Alderman Patterson asked if the license is issued, what would the protocol be to withdraw the license. Mayor Dane said if we receive nuisance complaints, fights occurring inside the building, etc. we can withdraw the license. We can also not renew the license at renewal time if we feel there are issues.

A motion was made by Alderman Holt and seconded by Alderman Patterson to approve the application from Sohail Anwar for a package liquor license for a new store proposed to be located at 196 West 92 Highway in Kearney Commercial Center. The motion carried unanimously.

2013 INSURANCE PROPOSALS Staff said they were asked to get a quote from MIRRA and see if it would be a better quote than our current insurance quote from Cretcher Heartland with One Beacon.

Staff said their quote is approximately \$37,000 less than Cretcher Heartland. We would have to move our Work Comp insurance to them. We have to give a 90 day notice with our current company Missouri Rural Services to move our coverage.

Mayor Dane said besides the difference in premium what are we giving up or losing in coverage.

Matthew Broderson, MIRMA said they are a municipal insurance risk pool consisting of approximately seventy municipalities including Maryville and Chillicothe. They are not an insurance company so the downside to risk pools is that members can be assessed additional premiums. They have been in operation since 1981 and have saved its membership over \$25 million in premium dollars.

Mr. Broderson said they are very selective in choosing cities. He said in order to control losses they require the municipality to be very proactive in safety.

Mayor Dane asked if they audit the City's practices. Mr. Broderson said they make five visits a year. They look at the last calendar year to determine the current rates. He said they decide about rate increases and it is very black and white.

Alderman Couchman asked Mr. Broderson to give two examples that they audit. He said driver record checks and inspect public facilities. He said all employees must attend safety meetings.

2013 INSURANCE PROPOSALS Mayor Dane said if we inspect the playground and there is no broken glass and next week a child gets cut on broken glass and files a claim are we liable. Mr. Broderson said if you have proof of inspections then the claim would be denied.

Mayor Dane asked if a person chooses to go ahead and sue the City would they represent the City. Mr. Broderson said yes.

Mayor Dane said if the City claimed the value of a building at 2.5 million and a storm wipes it out and the replacement cost is 3 million, will the company pay. Mr. Broderson said they pay up to 120 percent of scheduled value. He said the City would determine the cost to replace the building.

Alderman Couchman asked how they figure the rate. Mr. Broderson said they use payroll dollars to figure the rate. If you hire independent contractors they cover their own exposure.

Mayor Dane asked how long it takes to do a risk factor. Mr. Broderson said each department head does their own department.

Alderman Couchman asked how the work comp audit is done. Staff said it is done off payroll information.

Mr. Broderson said all buildings, playgrounds, etc. would have to be inspected once a month by City employees. You must keep paper records of all these inspections. The Police Department has to have a firearm training class. There are grant programs if you use all the safety measures to prevent loss.

Alderman Couchman asked if you add employees, buildings, etc if the rate raises. Mr. Broderson said they only change rates once a year.

Mr. Broderson said there is a member controlled board of directors. He said if there is a dispute you go to the CEO of company first and then if it's not settled it goes to the board of directors.

Mr. Broderson said you become vested in the company. He said if over six or seven years there is excess funds in the company they refund to the members. If there is a loss than the rates are raised to cover the deficit.

Staff said we would stay within budget this year and next with these rates.

Alderman Spencer said these are two different companies and how they handle the business. She said it's like comparing apples to oranges. She said it appears MIRRA would be very time consuming for Staff.

2013 INSURANCE PROPOSALS Alderman Couchman asked who regulates the company. Mr. Broderon said they are audited by the Department of Insurance.

Alderman Patterson said in the email it said no claim handling was permitted by members. Mr. Broderon said as an example if you have a sewer backup and you decide to pay for damages then you are on your own.

Alderman Couchman asked how much notice we have to give if we wanted to leave. Mr. Broderon said we have to give notice by March 31st. He said you have to give 90 day notice but you don't get new prices til the May meeting.

Mayor Dane said he had some questions. He wanted to know what the average rate of increase was. Mr. Broderon said the cost has ranged from \$9.01 to \$9.76.

Mayor Dane asked about tail insurance for prior acts. Mr. Broderon said they would go back for five years with tail insurance.

Mayor Dane asked about covering rodeos, mud runs, demolition derby and Jesse James Festival where they serve alcohol. Mr. Broderon said special events are an exclusive in place unless they are ran by a contractor. He said tractor pulls, mud runs and demolition derby would all have to be insured thru the contractor. He said you can go thru Lockton if you want to purchase your own insurance.

Mayor Dane said we have had an umbrella policy with a one million dollar policy. Mr. Broderon said they don't offer that.

Mayor Dane asked Rex Sweetwood, Cretcher Heartland to speak.

Rex Sweetwood said MIRRA won't cover the entertainers at the Amphitheater. He said you will have to buy additional insurance to cover them. He said you also have other small contractors.

Staff said we cover all our small contractors. We cover the cleaning people, people who repair air conditioners/furnance, etc.

Rex Sweetwood said he got a revised quote from One Beacon and the difference is approximately \$28,700. He said we won't have to buy tail insurance and they guarantee their premium.

Staff said we pay Cretcher Heartland \$100 and they do all the contacting for the Certificate of Work Comp Insurance. Cretcher Heartland councils us on insurance and make us very conscience of safety.

Rex Sweetwood said he would need more time to completely look at MIRRA and know if we were getting the same coverage.

2013 INSURANCE PROPOSALS-CONT Alderman Couchman asked Mr. Sweetwood why there was such a big increase in their premium. He said it is the tornado and hail events such as Joplin that is shaking up the property insurance market.

Alderman Patterson asked if the overall increase is not caused by Kearney property losses. Mr. Sweetwood said the City had 106 percent loss for the last five years. He said the wind storm damage at the parks and the damage to the tower at Variform were big contributors.

Alderman Holt said the city uses lots of volunteers and we need to make sure they are covered. Mr. Sweetwood said the volunteer hours are covered by Missouri Rural Services.

Mayor Dane said he had asked Staff to chase down another quote because \$35,000 is a lot of money to save. He said at this time he would recommend that we stay with the current company. He said we need more time to work with MIRRA and see what they have to offer. He said we need to know more about coverage for the amphitheater and special events. He said he challenges Staff to pursue MIRRA and learn more about how they operate.

Alderman Patterson asked when the normal renewal times would be for MIRRA. Mr. Broderson said the normal renewal would be July 1 and Work Comp would be April 1.

A motion was made by Alderman Patterson and seconded by Alderman Spencer to stay with Cretcher Heartland, the current insurance provider. The motion carried by a vote of three to one with Alderman Couchman voting nay.

NEW BUSINESS

BID FOR WATER PLANT GENERATORS A Resolution, authorizing the City

RESOLUTION NO. 37-2013 Administrator to sign a contract for the water plant backup generators project and amending the Water Plant Capital Improvements budget, was presented and read by Title only.

Staff said one generator would be for the public works building to operate the high service pumps contained within. The high service pumps put water into the distribution system from the one million low elevation tank located at the plant.

The second generator will replace a smaller generator outside the water plant building and will be capable of fully operating the plant. Prior to this, we were unable to produce water during power outages.

A motion was made by Alderman Couchman and seconded by Alderman Holt to approve the Resolution authorizing the City Administrator to sign a contract with Yates Electric

BID FOR WATER PLANT GENERATORS for \$175,680 for the water plant backup **RESOLUTION NO. 37-2013** generators project and amending the Water Plant Capital Improvements budget. The motion carried unanimously.

CONVEYANCE OF RIGHT OF WAY TO MODOT A Resolution, dedicating

RESOLUTION NO. 38-2013 Meadowbrook Drive Right of Way to MoDOT for turn lane improvements, was presented and read by Title only.

Staff said the River Meadows subdivision sign is situated within this Right Of Way and must be removed by the City. The Homeowners Association is being contacted to propose the sign be relocated onto Home Association property situated on the North side of Meadowbrook Drive approximately 400 feet East of 33 Highway. We estimate the cost could be as much as \$20,000.

A motion was made by Alderman Holt and seconded by Alderman Spencer to approve the Resolution dedicating Meadowbrook Drive Right of Way to MoDOT for turn lane improvements. The motion carried unanimously.

ADJOURNMENT There being no further business on the agenda, a motion was made by Alderman Couchman and Alderman Patterson to adjourn. The motion carried unanimously.

Approved: _____ Attest: _____

Bill Dane, Mayor

Jim Eldridge, City Administrator