

MINUTES OF THE REGULAR MEETING OF THE BOARD OF ALDERMEN  
OF THE CITY OF OSAGE BEACH, MISSOURI

December 1, 2011

The Board of Aldermen of the City of Osage Beach, Missouri, met to conduct a regular meeting on Thursday, December 1, 2011, at 6:30 p.m. at City Hall. The following were present: Mayor Penny Lyons, Alderman Fred Catcott, Alderman Lois Farmer, Alderman Steve Kahrs, Alderman John Olivarri, Alderman Kevin Rucker and Alderman Ron Schmitt. City Clerk Diann Warner was present and performed the duties of that office.

**Mayor's Communications.**

Mayor Lyons announced that a ribbon cutting will be held on December 13, 2011 at 10:00 a.m. on the new Route 242 in Lake Ozark, followed by a ribbon cutting in Osage Beach at the Harley Davidson shop for the Highway 54 Expressway at the west end of the Osage Beach City limits.

**Citizens Communications.**

No one was present who wished to speak during this portion of the meeting.

**Consent Agenda.**

Alderman Olivarri moved to approve the consent agenda which includes minutes of the closed meeting held on November 3, 2011, minutes of the special meetings held on November 7, 2011, November 9, 2011, November 16, 2011; minutes of the regular meeting held on November 17, 2011, and the bill list as submitted. Alderman Schmitt seconded the motion which was voted on and unanimously passed.

**Unfinished Business.**

None

**New Business.**

**Public Hearing.**

City Planner Cary Patterson presented the following report:

The Lazy Days Condominium Homeowners are requesting annexation of the final portion of their development that falls outside of the City limits. The owners were under the impression that it had already been annexed some time ago but neither they nor the City Clerk's office could find any documentation that the acceptance had taken place. Much like the annexation of the Lazy Days Condominium property that was approved earlier this year, the conditions are as follows:

Annexation positives for the City:

1. At this point there doesn't seem to be a positive or a negative to the City as it pertains to this request for annexation as it appears that the City has approached the entire development as though it is in the City Limits as it pertains to the rates they pay for services and such. This is simply somewhat of a cleanup issue for the applicant in this case.

Policy Concerns:

As we are currently treating this area as if it is in this City, I see no policy concerns with the annexation of this piece of property.

No action is necessary at this time. An ordinance may be adopted if no written comments are received within fourteen days of the public hearing.

No one was present to speak in favor of or in opposition to the annexation; therefore the public hearing was closed at 6:35.

Proposed Contract Modification for Cove Road Reconstruction.

City Engineer Nick Edelman explained that the proposed contract modification is to finalize the as built quantities. This contract is a unit price contract and multiple line items vary from planned quantities. The concrete driveway extensions represented one of the largest changes from the contract bid schedule and additional gravel was required since homeowners had improved their properties after the survey was completed. This required additional quantities of gravel driveway that was not planned.

Also, included in the contract modification is lowering of the electrical service lines. This line was not at the correct depth and needed to be lowered to complete the roadway improvements.

If this modification is approved, a budget amendment follows to allocate the additional funds. The Engineering Department recommends approving the contract modification as written in the amount of \$25,329.39.

Alderman Olivarri moved to approve the contract modification in the amount of \$25,329.39 as recommended. Alderman Rucker seconded the motion which was voted on and unanimously passed.

Bid Award. City Park Storage Building

The following bids were received:

Rhad A. Baker Construction	Base	\$36,000.00
	Base and Additive	\$38,890.00
McAfee Construction	Base	\$41,171.00
	Base and Additive	\$43,474.00
Glascock Construction, Inc.	Base	\$29,840.00
	Base and Additive	\$29,940.00
Lucky Discount Lumber	Base	\$18,836.42
	Base and Additive	\$19,141.86
Wavco	Base	\$46,775.00
	Base and Additive	\$47,250.00
Septagon Construction	Base	\$51,300.00
	Base and Additive	\$51,800.00

Bids were opened on November 22, 2011. The low bidder is Lucky Discount Lumber with a bid of \$19,141.86. Funding for this project comes from account 10-10-773207. Mr. Edelman said that higher steel prices result in higher bids.

The Engineering Department has obtained favorable references with Lucky Discount Lumber on projects in the past with positive results and recommends awarding the City Park Storage Building project to Lucky Discount Lumber in the amount of \$19,141.86.

Alderman Rucker moved to award the bid to Lucky Discount Lumber in the amount of \$19,141.86. Alderman Farmer seconded the motion which was voted on and unanimously passed.

Bill No. 11-69. AN ORDINANCE OF THE CITY OF OSAGE BEACH, MISSOURI, AMENDING ORDINANCE 10.75 ADOPTING THE 2011 ANNUAL BUDGET, ALLOCATION OF ADDITIONAL FUNDS FOR NECESSARY EXPENSES.

City Engineer Nick Edelman requested the budget be amended by increasing 20-00-773208 by \$25,330.

Mayor Lyons presented the first reading of Bill No. 11-69 by title only. It was noted that Bill No. 11-69 has been available for public review.

Alderman Olivarri moved to approve the first reading of Bill 11-69 as presented. Alderman Farmer seconded the motion which was vote on and unanimously passed.

Mayor Lyons presented the second and final reading of Bill No. 11-69 by title only. It was noted that Bill No. 11-69 has been available for public review.

Alderman Farmer moved to approve the second and final reading of Bill No. 11-69. Alderman Olivarri seconded the motion. The following roll call vote was taken to approve the second reading of Bill 11-69: "Ayes": Alderman Catcott, Alderman Rucker, Alderman Schmitt, Alderman Farmer, Alderman Olivarri, Alderman Kahrs. "Nays": None. Bill No. 11-69 was passed and approved as Ordinance No. 11.69.

Bill No. 11-70.

AN ORDINANCE OF THE CITY OF OSAGE BEACH, MISSOURI, ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012, AND ENDING DECEMBER 31, 2012, AND APPROPRIATING FUNDS PURSUANT THERETO.

City Administrator Nancy Viselli said Bill No. 11-70 reflects the budget as authorized by the Board during the review of the budget at the work sessions.

Mayor Lyons presented the first reading of Bill No. 11-70 by title only. It was noted that Bill No. 11-70 has been available for public review.

Alderman Farmer moved to approve the first reading of Bill No. 11-70 as presented. Alderman Olivarri seconded the motion which was vote on and passed with Alderman Kahrs expressing a negative vote.

City Treasurer Requests Reduction of Accounts Receivable for Enterprise Funds.

City Treasurer Karri Bell said that although some accounts will be written off the City's books, collections will be pursued through liens and collection services with the exception of bankruptcies.

History of Ambulance Write-offs for the last five years:

2010	\$ 82,562
2009	\$ 52,367
2008	\$ 60,506
2007	\$ 82,984
2006	\$137,960

Mrs. Bell recommended approval of the requested write-offs.

Upon an inquiry from Alderman Rucker, City Treasurer Bell will check to see if other ambulance services' write-offs are comparable to the City's.

Alderman Olivarri moved to approve the reduction of accounts receivables by \$58,521.15 in the Ambulance, and Water and Sewer receivables by \$3,517.24 as recommended. Alderman Catcott seconded the motion which was voted on and unanimously passed.

Authorization to Move City's Property and Liability Coverage.

In a previously submitted report, Human Resources Specialist Cindy Leigh said in comparison the coverage MOPERM and Midwest Public Risk (MPR) offer are very similar. There are areas where MOPERM is better such as defense costs are outside the limits and includes terrorist coverage. MPR defense costs are inside the limits however tax interruption is covered. MPR has a \$1,000 general liability deductible and MOPERM does not have a deductible. MPR has a \$2,500 property deductible and no coinsurance and MOPERM has a \$5,000 property deductible and a 90% coinsurance.

The request to move to MPR is not only cost related but concept related. MPR is a member driven public entity pool that provides Employee Benefits, Workers' Compensation, and Property and Liability coverage. It provides public entities an opportunity to be self-insured and at the same time share the risk with a pool of other public entities – Cities, Counties, School Districts, Fire and Ambulance Districts etc. The Board of Directors is voted by the members and members sit on the advisory committees. The City has been participating in MPR's Employee Benefits program since 2002 and the Workers' Compensation program since 2007. What is unique about Midwest Public Risk compared to other similar pools is the service it provides to its members. Members work together to implement policies and practices that will benefit the one goal all members have – the lowest possible cost for risk coverage.

MPR members dictate the coverage document. The current program has evolved at the request of the members. Example: Defense costs outside the limits were changed to inside the limits because defense costs were having a negative effect on the pool. Therefore members decided to change the coverage to encourage low cost defense fees.

Services offered to members at no additional cost regarding the risk management services are:

- Staff that is actively involved in keeping members cost to a minimum.
- Analysis of Losses and Claims

- Regulatory Awareness and Consulting
- Pre-litigation consulting for employment practices, law enforcement, and planning and zoning
- Employment practices review
- Membership scholarships for local and national conferences
- WeTip-Crime/Vandalism Reporting
- On Site Member Training
- Online training through LocalGovU
- Training Resource Library
- Risk Prevention Advisories – updated and current law standards
- Lexipol Law Enforcement Training Program
- Property Appraisals
- Loss control credit and recognition program. Members receive 3% of their contribution in a loss control credit account to be used for risk management programs and another 2% returned if the member meets the requirements of the Loss Control Program. MPR's current quote for 2012 would place \$4,644 in the City's loss control account. \$3,096 would be returned to the City if all the loss control requirements are met. A few items the City has purchased with workers' compensation loss control credits are head lamps for public works employees, fire extinguishers for vehicles, safety training, City Hall lobby AED, emergency response bags and training for all City vehicles, and fire resistant cabinets for hazard materials.

MOPERM's Board of Trustees members are appointed by the Governor. MOPERM may provide a few services but MOPERM's staff is not actively involved with members to ensure practices and policies are efficient. We believe 2012 is the first year MOPERM has ever offered a renewal credit.

Airport liability is not compared because MOPERM and MPR can utilize the City's current provider Ace USA therefore the cost would be the same.

MPRs current financial condition is equal to that of an A+ rating with A.M. Best. This is the same as Travelers which is the property provider in MOPERM's quote.

Therefore with the cost savings combined with services offered it is recommended that the City move its property and liability coverage to Midwest Public Risk.

City staff is extremely pleased with the service provided by Midwest Public Risk as well as the concept of not being an insurance company but a self insured pool that is member driven. The philosophy of the self insured pool gives the opportunity for dividends returned to its members. The worker's compensation program has returned dividends to members in the amount exceeding \$7 million in recent years.

Melanie Matt, member services, and Kevin Parr, risk manager were present from MPR to answer questions. Steve Naught was present from Naught Naught Agency and said that their company has written policies for the City for twenty years and all values and limits contained in their quote are based on bid specifications provided in the past. Current claims to claims made policies are less expensive because those types of policies require the purchase of tail coverage.

Mr. Naught continued comparing the coverage with his company to MPR's. Ms. Matt compared coverage with MPR which is a self insurance pool to that of MOPERM which is traditional insurance coverage. MPR's quote for liability coverage on the property is based on 2010 values

and Naught-Naught's quote is based on 2012 property values. Ms. Matt said that the company would appraise the property in a few months to make sure the coverages are adequate, however MPR did not want to charge the City for something that is not needed.

Alderman Rucker said that being totally self insured in health, property and liability is risky and as he reviews the information, he said bids should have been solicited. He added that staff is great but none are insurance professionals and it would have been to the City's benefit to hire a consultant.

Alderman Rucker moved to maintain the insurance coverage with Naught-Naught and MOPERM. Alderman Schmitt seconded the motion.

Alderman Olivarri said that in an E-mail in July 2010, the consultant discusses taking a look at MPR. Alderman Rucker said that he would like to solicit bids and use a consultant next year and Alderman Kahrs added that bids should be taken for all types of insurance, including health insurance.

Alderman Catcott said that staff is good but they are not insurance experts. Alderman Schmitt said that based on what he has heard, he cannot support changing to MPR.

The following roll call vote was taken to remain with Naught-Naught Agency and MOPERM as follows: "Ayes": Alderman Rucker, Alderman Schmitt, Alderman Kahrs, Alderman Catcott. "Nays:" Alderman Farmer, Alderman Olivarri.

#### **Communications from Board Members.**

##### Alderman Rucker.

Kevin Rucker suggested that the sign ordinance be reviewed because more signage is needed since the one way couple has opened. Mayor Lyons commented that the sign ordinance could be a topic for the public forum next spring to get public input. City Planner Cary Patterson stated that much of the public right-of-way belongs to MoDOT and cannot be signed. The ordinance could be reviewed but he said that it would be challenging to allow off premise signs.

Alderman Rucker commented on water towers being allowed to place advertisements on them. City Planner Patterson said that if a facility is large enough to have their own water tower, they have enough primary signage to advertise on the tower.

Alderman Rucker suggested the City be more concerned about the appearance of rear properties on the expressway since they are now visible. City Planner Cary Patterson said that signage was allowed on the back side of Half Sauced and Auto Zone. He added that a 32 square feet reader board is allowed on the road to which a business has access. Mr. Patterson said that with the new expressway, there will different ideas on signage.

Alderman Catcott. Fred Catcott announced that he would like to have lights added to the water tower and have it painted next year.

Alderman Farmer. Lois Farmer commented that the Christmas tree in the foyer is beautiful.

#### **Staff Communications.**

Police Chief. Todd Davis announced that he and six other police employees passed a voluntary

physical agility test today.

Assistant City Administrator. Jeana Albertson announced that the water towers are on a repair and replacement cycle.

City Engineer. Nick Edelman announced that the Osage Beach Parkway Sidewalk Project and the Osage Beach Parkway Street Lighting Project from KK to Lazy Days are both out to bid.

There being no further business to come before the Board, the meeting adjourned at 8:10 p.m.

I, Diann Warner, City Clerk of the City of Osage Beach, Missouri, do hereby certify that the above foregoing is a true and complete journal of proceedings of the regular meeting of the Board of Aldermen of the City of Osage Beach, Missouri, held on December 1, 2011.

  
Diann Warner, City Clerk

  
Penny Lyons, Mayor

**APPROVED**  
12/15/11  
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