Town of Leeds

Special Meeting Agenda
Town of Leeds Town Council
Thursday, June 23, 2016

PUBLIC NOTICE is hereby given that the Town of Leeds Town Council will hold a **SPECIAL PUBLIC MEETING** on Thursday, June 23, 2016 at 11:00am. The Town Council will meet in the Leeds Town Hall located at 218 N Main, Leeds, Utah.

NOTE: IF YOU WISH TO SPEAK DURING CITIZEN COMMENT, PLEASE SIGN IN WITH THE RECORDER

Special Meeting 11:00am

1. Roll Call
2. Declaration of Abstentions or Conflicts
3. Consent Agenda
   a. Today's Agenda
4. Action Items
   a. Town of Leeds July 1, 2016 renewal of Liability Insurance Coverage
5. Citizen Comments: No action may be taken on a matter raised under this agenda item. (Three minutes per person).
6. Adjournment

Closed Meeting- A Closed Meeting may be held for the discussion of the character, professional competence, or physical or mental health of and individual as allowed by Utah State Law 52-4-205(1)(a); or for the discussion of pending or imminent litigation; as allowed by the Utah State Law 52-4-205(1)(c); or for the discussion of the purchase, sale , exchange, or lease of real property, including any form or a water right or water shares; as allowed by Utah Code 52-4-205(1)(d).

The Town of Leeds will make reasonable accommodations for persons needing assistance to participate in this public meeting. Persons requesting assistance are asked to call the Leeds Town Hall at 879-2447 at least 24 hours prior to the meeting.

The Town of Leeds is an equal opportunity provider and employer.

Certificate of Posting;

The undersigned Clerk/Recorder does hereby certify that the above notice was posted June 22, 2016 at these public places being at **Leeds Town Hall**, **Leeds Post Office**, the **Utah Public Meeting Notice website** http://pmn.utah.gov, and the **Town of Leeds website** www.leedstown.org.

Kristi Barker, Clerk/Recorder

Town of Leeds

Town Council Meeting for
June 23, 2016

1. Call to order:
   Mayor Peterson called to order the special meeting of the Leeds Town Council at 11:06am on June 23, 2016, at Leeds Town Hall, 218 N Main.

ROLL CALL:

	Present	Absent	
MAYOR: WAYNE PETERSON	x		
COUNCILMEMBER: RON CUNDICK	x		
COUNCILMEMBER: ANGELA ROHR	x		
COUNCILMEMBER: ELLIOTT SHELTMAN	x		
COUNCILMEMBER: NATE BLAKE	x		(Attended by phone)

2. Declaration of Abstentions or Conflicts: None.

3. Approval of Agenda:
   Councilmember Blake moved to approve today's agenda. 2nd by Councilmember Rohr. All voted "Aye". Motion Passed.

ROLL CALL VOTE:

	Yea	Nay	Abstain	Absent
MAYOR: WAYNE PETERSON	x			
COUNCILMEMBER: RON CUNDICK	x			
COUNCILMEMBER: ANGELA ROHR	x			
COUNCILMEMBER: ELLIOTT SHELTMAN	x			
COUNCILMEMBER: NATE BLAKE	x			

4. Action Items:
   a. Town of Leeds July 1, 2016 renewal of Liability Insurance Coverage.
      Mayor Peterson, the situation is, I was discussing our insurance and the action item is our renewal of our insurance which takes place on July 1. Following our last meeting, I was confirming the information that had been received from the Special Service District about single event coverage and indeed they would not provide it. We asked and had been told that; however, I was trying to find out if there were any circumstances and they said it is interesting that you bring that up about potentially increasing your coverage. They highlighted for us that as a Town, for over the past three years, for every dollar worth of premium that we have paid which would amount to about $27,000 dollars, they have paid out $1.20. So it is about $33,000 dollars that they have paid in claims. They have been driven by legal bills; there have been a couple of instances where people were injured in vehicle and bicycle accidents who filed against the Town. To my knowledge, they were not successful in getting any kind of settlement; however, we did accrue some legal fees for that and then the other was Jody Burnett for the Grapevine Wash situation had been being paid for by our insurer. So we have certainly been making some use for the insurance, but about 20 years ago, there was a tort

limitation in the State of Utah against Government of 1.5 million dollars. That has been indexed to grow over time and where we are today is there is a 2.6 million dollar tort cap, which says you cannot sue a Government for more than 2.6 million dollars per incident. There are exclusions to that, it can be on a Federal claim, so if we were accused of discriminating against somebody on one of the Federal categories there would not be a cap on that. It can't be for a wrongful death, so if there was a wrongful death that was being charged and attributed to the Town; the tort cap would not apply and then surprisingly in the past decade or so, the courts have ruled on Land Use in certain circumstances cannot be limited by the tort cap. As a result, there is probably a more meaningful exposure there then when they first put the tort cap into place because there are those three categories now where it can go above the 2.6 million, but what they were really wanting to talk to me about is it is a 2 million dollar liability cap, which is what we currently have, does not cover the tort cap. They have had many instances across the State where it would clearly make sense to settle, but because they as an insurance company are not the only ones that would be paying out money, there is a need to try to coordinate that with the local Municipality and they said it frequently results in the same settlement that was expected at the start and lots of additional bills in-between. So they would very much like to see higher coverage carried by a member. What they came back with is they are willing to quote for 5 million dollars liability. It is an annual, it's per event, but a single event would be allowed to consume the entire 5 million. I know with certain policies in the private sector you get into where there is a nice large number that you hear, but then you find out there is a much smaller number on a per incident basis. Here the entire coverage, both with our existing 2 million and the proposed 5 million, is available for the full insurance year and it could be if there is one large claim It would cover up to that amount for the entire individual claim, there is no individual claim cap, it's total insurance that we have.
Councilmember Rohr, just because we would have the 5 million, if there was a claim that wasn't in this category of no cap, the maximum would still be 2.6 right?
Mayor Peterson, it would be 2.6, but if we had another claim during the same year, then we would have none left if we had the 2.6 cap and we coved another $600,000, if there was another claim to the Town, we would be on the hook for the entire amount if we had a 2 million dollar policy. What we pay is $9,124.00, what is being offered for 5 million is $11,860.00, so it would be an increase of $2,736.00 and would bring our insurance coverage up by a factor of 2 ½ times from 2 million to 5 million.
Councilmember Cundick, they are not offering 3 million or 4 million, they are only offering 5?
Mayor Peterson, I did ask them about quoting a 3 million and they said they are not at this point interested in offering it to us. They said actually they would only consider that with someone who they thought was at a high risk. In the case with somebody that they view as a reasonable risk and even though we have had claims in the past 3 years, they are not the kind of claims that make them concerned as we go forward; so they were willing to go to 5 million with us and no they were not prepaid to offer, I did ask.
Councilmember Blake, that is what I carry on my company and I probably only have a 2 million dollar cap, I was a bit shocked at that.
Councilmember Cundick, I don't like paying insurance premiums, but I also don't like paying if we don't have insurance. I guess we are raising our premium by about 1/3, but we are increasing our coverage by more than double.
Councilmember Sheltman, who is the insurance through?
Mayor Peterson, it is with the Utah Local Governments Trust. The only things they insure are Municipalities and Public entities in Utah. Something else I will mention is, historically we have gotten back money on the premium we pay that has been about $1,000 a year, so close to 10%. My understanding on that is they do not discriminate on those who have had claims, it is

just the overall insurance risk that they have if there is not a large number of claims, they will rebate back a portion of the premiums paid as a dividend to the insurance holders. Councilmember discussed it further and the Mayor indicated the 4th of July fireworks would be covered under the policy as long as they are set off by a volunteer.

Mayor Peterson asked for a motion to approve renewal of our liability insurance with an increases limit of 5 million dollars for the fiscal year beginning July 1, 2016. Councilmember Rohr, I so move. 2nd by Cundick. All voted "Aye". Motion Passed in a Roll Call Vote.

ROLL CALL VOTE:

	Yea	Nay	Abstain	Absent
MAYOR: WAYNE PETERSON	x			
COUNCILMEMBER: RON CUNDICK	x			
COUNCILMEMBER: ANGELA ROHR	x			
COUNCILMEMBER: ELLIOTT SHELTMAN	x			
COUNCILMEMBER: NATE BLAKE	x			

Councilmember Blake left the meeting at 11:20am.

5. Citizen Comments: None.

6. Adjournment:
   Councilmember Cundick adjourned the meeting.
   Time: 11:21am

APPROVED ON THIS 13th DAY OF July, 2016

Wayne Peterson

Mayor, Wayne Peterson

ATTEST:

Kristi Barker

Kristi Barker, Clerk/Recorder