

AUGUST 4, 2025

The Regular Meeting of the Lake Benton City Council was held on Monday, August 4, 2025 at 5:30 P.M. in the Lake Benton Area Community and Event Center. Mayor Patrick Haynes presided. Trustees Rosie DeZeeuw, Karen Lichtsinn, and Scott Christensen were present. City Attorney Mike Cable and Trustee Jon Olson were absent. City Administrator/Clerk Eileen Christensen, Kristina Hernandez with the Lake Benton Valley Journal, Sheriff Bob Bushman and Darcy Miller with Buffalo Ridge Insurance Agency were also present.

Mayor Patrick Haynes called the meeting to order. The Pledge of Allegiance was recited by all present.

Mayor Patrick Haynes 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 21, 2025 were reviewed. **MOTION** by Karen Lichtsinn, seconded by Rosie DeZeeuw to approve the minutes of the Regular Meeting of July 21, 2025. Motion carried.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

OTTERTAIL	\$ 2,551.49	ITC	\$ 400.63
RETHWISCH & SON	\$ 316.49	UTILITY CONSULTANTS	\$ 542.97
TRAVIS LUSTFIELD	\$ 282.00	PAT HAYNES	\$ 250.00
GARDEN GATE	\$ 400.00	TROY NORDMEYER	\$ 32.00
KYLIE ROCHEL	\$ 50.00	THOMAS PLUMBING	\$ 179.00
CENTER POINT	\$ 51.54	DANNY/MEGAN KROTZER	\$ 250.00
LYNN VANDERPLAATS	\$ 330.00		

MOTION by Scott Christensen, 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.

The next item of business was to review/act on granting an exemption for Nathan, Loren and Kimberly Konda to construct a Shouse (agricultural classification) in the Mork & Giles Addition. Nathan, Loren and Kimberly Konda mailed a letter to the Lake Benton City Council requesting the Council grant them an exemption to construct a Shouse. All property owners in the Mork & Giles Addition have been informed they must construct a residential home which does not include a Shouse. All property owners are aware of this and the Konda's were informed when they purchased the lots over two years ago. The Council discussed that if the City allows an agricultural classification this one time, then everyone will do it and it will open an assortment of problems. The Council also felt it was hard to make an exemption without more detail about the building. **MOTION** by Karen Lichtsinn, seconded by Scott Christensen to reject the Konda's exemption to construct a Shouse (agricultural classification) in the Mork & Giles Addition and authorized Administrator/Clerk Eileen Christensen to mail a letter to the Konda's informing them of the Council's decision. Motion carried.

The next item of business was to review/act on a Temporary On-Sale Intoxicating Liquor License for the Fire Department to serve alcohol at the Buffalo Ridge Pheasants Forever Banquet on September 13, 2025 at the Lake Benton Area Community and Event Center. **MOTION** by Rosie DeZeeuw, seconded by Karen Lichtsinn to approve the Temporary On-Sale Intoxicating Liquor License for the Fire Department to serve alcohol at the Buffalo Ridge Pheasants Forever Banquet on September 13, 2025 at the Lake Benton Area Community and Event Center. Motion carried.

5:40 PM PUBLIC HEARING

At 5:40 PM Mayor Patrick Haynes called for a motion to go into the Public Hearing to consider the revocation of the "on sale" and "off sale" licenses issued to Homers, LLC. **MOTION** by Scott Christensen,

seconded by Karen Lichtsinn to go into the public hearing to consider revocation of the “on sale” and “off sale” licenses issued to Homers, LLC. Motion carried.

Mark Homandberg, owner of Homers, LLC was invited to this evening’s hearing but was not present to address the Council. He was informed that on July 9, 2025, Homers, LLC liability insurance payment was due. It was not paid on that date, so the Insurance Service Agent requested a 10-day notice of cancellation from the Under Writer, which gave the insurance company until July 19, 2025 to cancel Homers, LLC liability insurance.

City Attorney Mike Cable prepared a letter to be mailed to Mark Homandberg, owner of Homers, LLC to be mailed to his home address in Garretson, SD, the address at Homers, LLC in Lake Benton, and requested a deputy hand deliver a letter directly to Mark at the bar and provide the City an Affidavit of Service of said letter. The letters were taken to the post office to be delivered certified mail on Monday, July 21, 2025, and the Sheriff’s office was provided with a letter to be hand delivered on Monday, July 21, 2025. However, City staff received an email from Mark’s insurance company that the payment due on July 9, 2025 did get paid but another payment was due on July 18, 2025 and has not yet been paid.

City Administrator/Clerk Eileen Christensen distributed a letter to the Council from the Minnesota Department of Revenue she received on August 1, 2025 requesting the City of Lake Benton to please revoke Homers, LLC On/Off Sale including Sunday licenses. The licenses must be revoked within 30 days unless the City receives a clearance certificate from the Minnesota Department of Revenue.

The next item of business was to review/act on the Resolution to revoke Homers, LLC on sale and off sale liquor licenses. **MOTION** by Karen Lichtsinn, seconded by Scott Christensen to approve the resolution to revoke Homers, LLC on sale and off sale liquor licenses immediately. Motion carried.

Mayor Patrick Haynes then called for a motion to leave the public hearing and go back into the regular meeting. **MOTION** by Karen Lichtsinn, seconded by Rosie DeZeeuw to leave the public hearing and go back into the regular meeting. 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 2025-2026 Insurance Renewal. The 2025 Insurance Renewal process needs to be completed by September 1, 2025.

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. The valuation on the property schedule list is the actual replacement value and not the 150% - on a lost LMCIT would go higher than the listed amount if it cost more to replace the damaged building. Inflation guard is 1.5%. 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 the next renewal. They will be covered up to 150% of the 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 the next renewal. Blanket coverage of \$50,000 applies to seasonal or temporary buildings (used less than 12 months).

Coverage of mobile equipment includes property that is moved from one location to another. For example: tractors, lawn mowers, backhoes, Fire Department gear, and First Responders equipment. Property coverage applies on a blanket basis for all mobile property subject to \$250,000.00 per unit limit. If a higher limit is needed on an individual unit it can be endorsed for an additional premium. The Fire Department’s Ranger falls under the mobile equipment blanket. Post-factory auto attachments which are damage to attachments or equipment that is added to autos that were not standard from the factory are covered under mobile property. The City has indicated in prior years that they want blanket coverage for anything under \$250,000.00 which includes the 2015 Case Tractor, and the 2018 Mower/Snow Blower.

Darcy asked the Council if they still want blanket coverage under \$250,000 and if there are any additional items that should be listed as Mobile Equipment. The Council then agreed to carry the blanket coverage under \$250,000.00. There are no other items over \$250,000.00 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. Coverage changes for 2024 included Property in Open (PIO) has broadened to include planters. There are no additional items that should be listed as Property in Open.

The flood hazard area is described as an area within a 500 year flood plain as mapped by NFIP. There are no City buildings in the flood hazard area; therefore the property is covered for flood and non-flood water damage and all buildings get a code "A". The default cost is a "C" for any newly acquired buildings and the City must prove the location is not in a flood plain to get the Code "A". 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 main costs that are covered would be repairing or replacement of equipment up to 150% of scheduled value of property, loss of income due to item breakdown, and other additional costs due to breakdown. The cost of this endorsement would be 7% of the City's property premium with a \$1,000.00 deductible. The Council agreed to continue with the Equipment Breakdown Coverage with a \$1,000.00 deductible.

Auto Coverage was the next item on the insurance renewal. Physical damage coverage applies automatically on a 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). 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 2019 Ford Pickup and the Pump/Trailer. All vehicles have physical damage coverage except the 2007 Ford Pickup. The 2009 Sterling Fire Truck is over ten (10) years old and is in ACV.

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. Employees private vehicles occasionally used for City business, LMCIT can be the primary on the liability instead of excess over their personal policy. The City currently does act as primary.

The City may want liability insurance placed on their vehicles and the Council has listed the following to be covered: Travis Lustfield, Eileen Christensen, Troy Nordmeyer, firemen-23, and first responders-5, Library staff-3, the Mayor and four (4) Council members. The cost is \$10.00 per person with a total count of 45 individuals or \$450.00. If the City vehicles are used for personal use, LMCIT will cover the employee or any authorized other operator of the City vehicle for personal use provided that the use is within the scope of what the City has authorized. Employees need to understand if a vehicle is used outside of the scope of what the City authorizes, they and family members will not be covered by LMCIT auto coverage. The City has adopted a Personal Use Policy.

The limit on Underinsured/Uninsured is \$200,000.00. The City does not have a choice to not carry this on marked vehicles. In addition to the City, the following are also considered covered parties under LMCIT

Auto Liability Coverage: 1) Any present or former elected or appointed official, employee or volunteer of the City with respect to any auto while being used for City business. 2) Other permissive uses of autos owned or hired by the City.

For data security breach expenses (Cyber Security), the standard limit is \$250,000.00 annual aggregate. The City can increase the limit to \$500,000.00 for additional premium. Cyber Coverage Restructuring which is removing from property coverage to a new standalone coverage document. If the City wants to increase coverage to \$500,000.00 there will be an extra loss control action needed. The Trust will be developing these requirements in the coming year. The Council agreed to remain at the standard limit.

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 will 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 \$2,500.00 per person, \$10,000.00 per occurrence for non-negligent claims. The City can delete this coverage; however, this sometimes prevents a larger liability claim. The Council approved to keep the MED Pay on the policy.

In past years, the City has always opted not to waive the limit of liability coverage to \$500,000.00 per claimant and \$1,500,000.00 per occurrence. The City has the option to waive the limit and this would increase the limit to \$1,500,000.00 per person and also excess liability of an additional \$1,000,000.00.

The City purchased Excess Liability coverage for \$1,000,000.00 excess in prior years (up to \$5,000,000.00 is made available). The fireman's dance and parade are covered under the general liability. The Council agreed to leave the excess liability at \$1,000,000.00.

The City has opted for \$300,000.00 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 \$300,000.00 – whichever is less. Starting on renewals after November 15, 2016 to write a bond of \$50,000.00 or more either of these actions needs to be performed: 1. Annual outside audit is performed, or 2. An independent review of bank statements, cancelled checks, and cash receipts is performed.

Automatic coverage is included at no additional charge for the open meeting law defense cost reimbursement. Coverage is \$50,000.00 for each member at 100% coverage with \$250,000.00 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 \$250,000.00 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. There is a sub-limit of \$50,000.00 for certain claims resulting from an employee's transfer of funds based on fraudulent instructions. All other crime coverage claims will be subject to the full per occurrence limit of \$250,000.00.

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 \$250,000.00 per member per coverage term. 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. The City currently carries a \$0.00 deductible.

The Special Event Exclusions include motor vehicle races, stunts, demolition derbies, carnival rides, rodeos, liquor and beer sales and fireworks. The Saddle Horse Holiday 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.

Darcy then reviewed the property/casualty rates for 2025 which stated that rates will decrease by an average of 6.5%. One change the Council should be aware of is the nonsmoker credit. There is a discount in the workers' compensation rate for firefighters and police officers if members can assert 90% of their departments are nonsmokers. The rate credit will decrease from 10% to 5% because a recent evaluation shows members with "nonsmoking" departments have worse claim experience than "smoking" departments. Because of this, the nonsmoking credits were phased out and discontinued on January 1, 2025.

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. **MOTION** by Scott Christensen, seconded by Rosie DeZeeuw to opt to not waive the limit of liability from \$500,000.00 per person and authorize the Mayor to sign the form. Motion carried.

MOTION by Scott Christensen, seconded by Karen Lichtsinn to approve the review of the 2025-2026 insurance renewal and provide a quote to the City. Motion carried.

ADMINISTRATOR/CLERK REPORT:

No report.

MAYORAL REPORT:

Mayor Patrick Haynes informed the Council that he and Administrator/Clerk Eileen Christensen will be attending the League of MN Cities webinar titled Preparing for the new Paid Leave Law in Minnesota on August 20, 2025.

The next regular meeting is scheduled for Monday August 18, 2025 at 5:30 pm.

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

MAYOR

ADMINISTRATOR/CLERK