

## AUGUST 7, 2023

The Regular Meeting of the Lake Benton City Council was held on Monday, August 7, 2023 at 5:30 P.M. in the Lake Benton Area Community and Event Center. Mayor Michael Carpenter presided. Trustees Rosie DeZeeuw, Karen Lichtsinn, Patrick Haynes, and Scott Christensen were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Sheriff Chad Meester, and Darcy Miller-Buffalo Ridge Insurance Agency were also present.

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

Mayor Michael Carpenter 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 17, 2023 were reviewed. **MOTION** by Rosie DeZeeuw, seconded by Scott Christensen to approve the minutes of the Regular Meeting of July 17, 2023. Motion carried.

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

BOLT'S LB GROCERY	\$	8.21	OTTERTAIL	\$	2,636.81
ITC	\$	391.87	VADIM	\$	3.84
QUARNSTROM/DOERING	\$	75.00	M & H COMMUNICATIONS	\$	469.00
L-P RURAL WATER	\$	5,180.99	RETHWISCH & SON	\$	389.41
STATION ONE	\$	333.50	GOPHER STATE	\$	9.45
CITY OF LAKE BENTON	\$	178.21	POSTMASTER	\$	177.48
S & E AUTO	\$	277.78	UTILITY CONSULTANTS	\$	427.84
TRAVIS LUSTFIELD	\$	32.00	PAT HAYNES	\$	250.00
MN LIFE	\$	5.10	SOUTHWEST SANITATION	\$	3,751.43
AVERA MEDICAL GROUP	\$	156.00	MEADOWLAND FARMERS	\$	212.22
TROY NORDMEYER	\$	32.00	BOB LICHTSINN	\$	120.00
S & K AUTO REPAIR	\$	121.50	KYLIE ROCHEL	\$	105.00
ONE OFFICE	\$	77.91	BUFFALO RIDGE NEWS	\$	390.60
THOMAS PLUMBING	\$	638.25	BIRDS & BLOOMS	\$	12.99
SURPLUS SERVICES	\$	6,300.00	AMAZON	\$	467.78
CENTER POINT	\$	49.14	DANNY/MEGAN KROTZER	\$	250.00
LYNN VANDERPLAATS	\$	472.50	ENVIRO-PUMP	\$	255.00

Mayor Michael Carpenter informed the Council that vendor number 372 to Surplus Services for \$6,300.00 is for a 2019 John Deere Disc Mower. In the past years the City had an arrangement with Lincoln County to use their disc mower to mow the sewer ponds and the right-of-way to the sewer ponds and the park north of the former Ridge where the City dumps their snow. Maintenance Supervisor Travis Lustfield talked to Mayor Michael Carpenter that he would like permission to bid on a cycle mower to mow these areas. Travis Lustfield and Todd Draper went to look at the item and Mayor Michael Carpenter gave Travis permission to bid on a disc mower through Minnbid State of Minnesota Surplus Services as the County is no longer letting the City use their disc mower.

**MOTION** by Karen Lichtsinn, seconded by Patrick Haynes 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.

### **LAW ENFORCEMENT UPDATE**

Sheriff Chad Meester informed the Council that he is stepping down from Lincoln County Sheriff and this will be his last Lake Benton Council meeting. Chad Meester expressed his gratitude to the Council

for the working relationship they created with Lincoln County Law Enforcement and the partnership has been transferred to his successor. Chad then presented the City and the Council with a plaque and stated that it has been a great pleasure to work with all the Council members and the Administrator/Clerk. The Council expressed the same.

The next item of business was to meet with Darcy Miller, Insurance Agent with Buffalo Ridge State Agency-Lake Benton, to review the 2023-2024 Insurance Renewal. The 2023 Insurance Renewal process needs to be completed by September 1, 2023.

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%. 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 for seasonal or temporary buildings (used less than 12 months) up to \$50,000.00. Changes in 2023 include a 30% co-pay will now apply for damage to metal roofing that is only cosmetic in nature. (Alters the physical appearance of the structure's roof but not result in damage that allows the penetration of water through the structure's exterior, result in the failure of the structure's exterior to perform its intended function to keep out elements over an extended period, or otherwise impair the structure's functionality.), and property coverage provides a special coverage grant for asbestos cleanup, abatement, and removal under a narrow set of conditions. It is subject to a \$250,000.00 per location limit.

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, the 2002 Elgin Street Sweeper, 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. 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. Changes in 2023 for members that purchase equipment breakdown coverage, coverage will automatically apply for equipment breakdown to solar generators, subject to a \$100,000.00 per occurrence sublimit. Equipment breakdown coverage previously excluded solar generators. The Council agreed to continue with the 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). 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 that 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 Council agreed to keep the City as the primary on the City's vehicles.

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-24, and first responders-10, the Mayor and four (4) Council members. The cost is \$10.00 per person with a total count of 42 individuals or \$420.00. 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 lost control action needed. The following clarifications will be made to the first-party cyber coverage: It is the intent for the first-party cyber coverage to apply if a disgruntled employee downloads a virus to a member's network or acquires and distributes sensitive data owned by the member. In conjunction, a clarification will be

placed in the faithful performance bond coverage to coordinate where coverage applies for this type of scenario; Explanatory language will be added that defines a “relief association”; The definition of “computer equipment” will refer specifically to computer equipment owned or leased by a member; and The “occurrence” date may include the date of a suspected cyber event.

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 \$2,500.00 per person, \$10,000.00 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. The liability coverage has an exclusion for damages arising out of services provided by several types of professionals such as dentists, doctors, pharmacists, and psychologists. There will be an exception for professional psychologist services if the psychologist is working within the capacity of an emergency technician, paramedic or first responder. Due to a requirement from the Trust’s excess liability reinsurer, there will be two new exclusions in the excess liability coverage. The first is for data security breach claims or any other claim for damages arising out of unauthorized intrusive codes or programming, such as computer viruses or hacking. This exclusion will not impact the primary liability coverage limits for a system security breach claim, which is subject to \$2 million per occurrence limit and \$3 million aggregate limit. The second is for claims arising out of or related to Per-and-Polyfluorinated Substances (PFAS) substances which are widely used in commercial and industrial applications including metal plating, carpeting, waterproof clothing, upholstery, food paper wrappings, cookware, cosmetics, and firefighting foam. The PFAS exclusion is not specifically called out in the Trust’s primary liability coverage, but there is an existing broad pollution exclusion in primary coverage that general precludes coverage for this type of claim.

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

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. **MOTION** by Karen Lichtsinn, seconded by Scott Christensen to leave the excess liability at \$1,000,000.00 Motion carried.

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. Independent review of bank statements, cancelled 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 \$50,000.00 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 and there are eight (8) deductible options. The City has not had a deductible in prior years. The Accident coverage for City volunteers is automatically covered under workers compensation. There is a nonsmoker credit for firefighters – the City must obtain a written statement of non-smoking firefighters and at least 90% must state that they do not smoke and have not 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 firefighters.

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

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 provide a quote to the Council on August 21, 2023. **MOTION** by Scott Christensen, seconded by Patrick Haynes to approve the review of the 2023-2024 insurance renewal. Motion carried.

The next item of business was to review/act on the repair of the balcony roof on the Opera House. At the last regular meeting of July 17, 2023 the Council was informed of the disrepair of the balcony roof of the Opera House and the balcony. The Opera House received a quote to replace the railing with a metal one and replace the balcony roof. After the hail damage on July 13, 2023, the City contacted the LMC to send an adjuster to look at the City's buildings for any damage, including the Opera House. The adjuster will not be in Lake Benton until August 10, 2023.

Darrel Krotzer provided the City with two quotes: (1) to remove and dispose of the damaged roof/deck membrane and metal and install a new metal and asphalt roofing membrane to the balcony deck service for \$2,900.00. This is the same material already on the roof; and (2) to remove and dispose of the damaged roof/deck membrane and metal and install new Durolast roofing system over the entire balcony, and non-slip protective walk pads will be attached to the Durolast roof surface for \$3,665.00. Darrel informed me the Durolast is more durable and longer lasting and is easier to install. It is not known yet which quote insurance will approve. **MOTION** by Karen Lichtsinn, seconded by Scott Christensen to accept the proposal for the Durolast in the amount of \$3,665.00. Motion carried. Mayor Michael Carpenter informed the Council that he talked with Darrel Krotzer to check on the front base of the Opera House that is crumbling away from the building. Darrel will get back to the Mayor after he has reviewed the area.

Since the last meeting, the Opera House board contacted the Minnesota Historical Society inquiring if they could replace the current balcony wood railing with a metal railing. They were informed that, yes, they can use metal to replace the wood railing and recommended they take several photographs of the current railing to document the shape of the balusters (spindles) and the handrail in the case they decide to return to the current look. City staff was informed that the Opera House board will pay for the new railing.

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 16, 2023 at the Lake Benton Area Community and Event Center. **MOTION** by Rosie DeZeeuw, seconded by Patrick Haynes to approve the temporary on-sale intoxicating liquor license for the Lake Benton Fire Department to serve alcohol at the Buffalo Ridge Pheasants Forever Banquet on Saturday, September 16, 2023 at the Lake Benton Area Community and Event Center. Motion carried.

The next item of business was to review/act on a building permit for Emily Shumaker to install an 86' x 82' privacy fence in the backyard of her property at 604 Mork Street. Emily was given the setbacks in which to install the privacy fence and the \$25.00 application fee has been paid. There are no setback concerns and everything is in compliance with the Ordinance. **MOTION** by Karen Lichtsinn, seconded by Scott Christensen to approve the building permit for Emily Shumaker to install an 86' x 82' privacy fence in the backyard of her property at 604 Mork Street. Motion carried.

The next item of business was to review/act on a building permit for Travis Lustfield to install a utility shed on his property at 102 Grant Street. Travis was given the setbacks in which to install the utility shed and the \$25.00 application fee has been paid. There are no setback concerns and everything is in compliance with the Ordinance. **MOTION** by Rosie DeZeeuw, seconded by Patrick Haynes to approve the building permit for Travis Lustfield to install a utility shed on his property at 102 Grant Street. Motion carried.

The next item of business was to review/act on a Resolution Accepting Donations to the Library. The Library received a donation from Jeff and Pat Johnson for \$20.00 in memory of Darlene Carpenter. These donations will be designated for collections. Minnesota Statutes state the Library can accept donations for the benefit of recreational services. The Council needs to pass the resolution accepting the donation to the Library. **MOTION** by Patrick Haynes, seconded by Scott Christensen to approve the Resolution Accepting the Donation from Jeff and Pat Johnson for \$20.00 in memory of Darlene Carpenter to the Library. Motion carried.

Mayor Michael Carpenter informed the Council that he, Trustee Karen Lichtsinn, Administrator/Clerk Eileen Christensen, Maintenance Supervisor Travis Lustfield and Todd Draper met with Pat Carey and Scot Ledy with Banner Associates and Vince Robinson and Lisa Graphenteen with DSI earlier today regarding the 2027 MnDOT Highway 75 project. Trustee Karen Lichtsinn then informed the Council on what was discussed at the meeting which included receiving the preliminary design from Banner, funding options for both bonding and grants, and revisions can be made to the plans over the four years between now and 2027. When applying for funding, the City has the opportunity to incorporate additional items of infrastructure needs and streets and add it to the bond. Banner will put a preliminary proposal together and have it to the City the beginning of September.

Mayor Michael Carpenter then informed the Council that both Banner Associates and DSI agreed to work with the City on the engineering and funding options. Mayor Michael Carpenter then read an excerpt from the March 5, 2019 Special City Council Meeting: *Pat Cary explained two alternatives the City can consider. Does the City want to dig up and replace the water lines, spot repair the sewer lines, and patch the surface so MnDOT can do the milling and ADA sidewalks in 2023. The second alternative to consider is does the City want to do full reconstruction of the water, sewer, sanitary sewer, and replace the manholes (that have existed since 1954 and are deteriorating), and MnDOT will do a full resurface and ADA sidewalks in 2027. MnDOT made reference to having unallocated funds in 2027 should the City commit to a full reconstruct. Should the City commit to a timeline by April 1, 2019, the City will have a good chance to be put towards the top of the list for the infrastructure reconstruction in 2027. The Council and attendees then discussed funding options that could include a USDA Rural Development Loan, grant options, and the Small Cities Program could help offset the assessment costs for the low to moderate income households.* **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to commit to MnDOT that the City would like to do a full reconstruction of the water, sewer and sanitary sewer for the planned Highway 75 Project in 2027.

Mayor Michael Carpenter then asked the Council if they want to set up a special meeting with Vince Robinson to explain bonding, grants and option for funding in September or October. The Council agreed and Mayor Michael Carpenter will talk with Vince to set a date to meet with Vince.

**COMMITTEE REPORTS:**

Trustee Rosie DeZeeuw – The Library board met and the patrons into the library is up from the previous year. The circulation stats which are material coming into the library and going out are up from the previous year as well. The Oz Brothers program presented on July 11, 2023 was well attended with 41 residents.

Trustee Karen Lichtsinn – No report.

Trustee Scott Christensen – The Fire Department had their meeting and did training on fighting fires on electric vehicles.

Trustee Patrick Haynes – The Opera House met and the production Mary Poppins went well with 2,064 seats being sold. The raffle they had during the play also went well. The board was very pleased that the Opera House truck driven in the local parades helped spread the word to individuals that did not know Lake Benton had an Opera House. The board is working on putting up wall paper on some of the walls and the director for the production Mouse Trap is from the Twin Cities. The board agreed on Mama Mia as the musical in 2024. The Tyler Arts Counsel is competing with the Lake Benton Opera House with duplicate productions, so they had to change their summer musical.

**MOTION** by Karen Lichtsinn, seconded by Scott Christensen to approve the Committee Reports. Motion carried.

**ADMINISTRATOR/CLERK REPORT:**

Danny Krotzer did some research on used dishwashers for the Event Center without any luck! A new dishwasher will cost \$4,861.00 plus chemicals and parts and will take 4-6 weeks for delivery. There is no cost on freight. **MOTION** by Scott Christensen, seconded by Rosie DeZeeuw to approve purchasing a new dishwasher for the Event Center for \$4,861.00 plus chemicals and parts. Motion carried.

Administrator/Clerk Eileen Christensen will be out of the office August 16-18, 2023. The public meeting on the County's future use of the Opioid Settlement funds is scheduled for August 16, 2023 at 10:00 AM at the Lincoln County Courthouse Commissioners Room and Eileen was planning to attend with Trustee Patrick Haynes. Due to her absence, she inquired if another Council member would like to attend with Patrick. Trustee Rosie DeZeeuw will attend in Eileen's place.

**MAYORAL REPORT:**

Mayor Michael Carpenter reminded the Council they recommended the City work with Lisa Willert with Lake Benton Realty to sell the remaining lots in the Mork and Giles addition. Two of the lots have been sold and someone is interested in two other lots. Mayor Michael Carpenter then recommended removing the sign from the area advertising the lots as most of them have been and will be sold.

**MOTION** by Karen Lichtsinn, seconded by Rosie DeZeeuw to authorize Maintenance Supervisor Travis Lustfield to remove the sign in the Mork and Giles Addition and store it in the Quonset. Motion carried.

The next regular meeting is Monday, August 21, 2023 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 Patrick Haynes and carried, the meeting adjourned.

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MAYOR

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ADMINISTRATOR/CLERK