

WORK SESSION

The Mayor and City Council of the City of Norfolk, Nebraska, held a work session in the Training Room, 309 North 5th Street, Norfolk, Nebraska, on Tuesday, August 13, 2019, beginning at 12:00 noon.

Mayor Josh Moenning called the meeting to order.

Roll call found the following present: Mayor Josh Moenning and Councilmembers Shane Clausen (12:25 p.m.), Gary L. Jackson, Jim Lange, Rob Merrill, Thad Murren, Dick Pfeil and Fred Wiebelhaus. Absent: Corey Granquist.

Staff members present were City Administrator Andy Colvin, City Clerk Beth Deck, Finance Officer Randy Gates, Risk Manager Lyle Lutt, Public Works Director Steve Rames and Senior Accountant Sheila Rios. Lynn Rex, League of Nebraska Municipalities, participated by telephone.

Sales Tax/LB 840 Economic Development Program

Colvin indicated that if elected officials want to put a sales tax/LB 840 economic development program on the ballot, \$30,000 needs to be budgeted in fiscal year 2019-2020 to hire a consultant to gather data and public input to utilize developing the ballot issues.

Merrill moved, seconded by Wiebelhaus to direct staff to budget \$30,000 in FY 2019-2020 to hire a consultant to utilize developing a sales tax/LB 840 economic development program to place on the ballot. Roll call: All Ayes. Nays. None. Absent: Granquist. Motion carried.

LARM Insurance

Lynn Rex, League of Nebraska Municipalities (League), updated elected officials on issues regarding LARM and the League. Rex said LARM is financially solid and secure and that Norfolk, as a founding member, would be walking away from a significant amount of money because of the long term investment in LARM (premium dollars) if elected officials decide to leave the insurance pool. LARM was formed in the 1980s because of the hard insurance market and has tailored programs for municipalities. Rex said “the same thing is happening now with insurance coverage with some municipalities bidding out insurance and not receiving any bids.” Rex said LARM is regulated by the Nebraska Department of Insurance and Norfolk “has played a critical role in the success of LARM.” The League is committed to restoring LARM to a member driven organization. Rex strongly encouraged Norfolk to stay with LARM because it provides solid risk management and solid loss control while properly managing claims.

Moenning said “that helps to give confidence” to elected officials.

Colvin said City staff recommend staying with LARM because there “hasn’t been any catastrophic failure that would drive a major change from decades of the City being with the pool for insurance” and requested direction from elected officials.

Gates said the discount options with LARM are:

3-year commitment with 180 day notice at a premium of \$841,467.69
2-year commitment with 180 day notice for a premium of \$850,325.24

Moenning feels “there is value in the pool concept but there is value regardless of the players to have a check valve”; however, Moenning “is comfortable staying in LARM but keeping options available.” Moenning feels reviewing insurance coverage every 10 years is reasonable.

Merrill and Lange feel a 3-year LARM commitment is the best option at this time. Lange said elected officials previously recommended reviewing insurance coverage every 8-10 years and a 3-year commitment would just be past 10 years since the last bidding of insurance.

Pfeil said “it is always good to go out for insurance but feels another 3-year commitment to get the maximum discount” is a good idea.

Merrill moved, seconded by Wiebelhaus, to take full advantage of the discount and extend the LARM insurance coverage for another three (3) years. Roll call: All Ayes. Nays: None. Absent: Granquist. Motion carried.

Council Priority Dollars

Colvin said property taxes fund council priority dollars and has been used “in different ways over the years.”

Gates said \$400,000 is received annually from tax dollars for council priority dollars. The funds are currently used as follows: (1) debt service on the Administration building, \$122,632; (2) park personnel, \$111,378; and economic development staff, \$54,612. The uncommitted amount is approximately \$112,000 per year. However, elected officials have committed all of the council priority dollars for FY 2019-2020.

Jackson and Clausen would like to have park personnel moved back to being paid out of general fund dollars.

Merrill would like to get all personnel costs paid from other funds and not council priority dollars.

Clausen moved, seconded by Lange, to direct staff to move park personnel out of council priority dollars and to take \$30,000 for the ballot issue consultant out of council priority dollars. Roll call: All Ayes. Nays: None. Absent: Granquist. Motion carried.

Clausen suggested elected officials have these types of discussions prior to budget review sessions.

There being no further business, the Mayor adjourned the meeting at 1:16 p.m.

Josh Moenning
Mayor

ATTEST:

Elizabeth A. Deck
City Clerk

(S E A L)