

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING
OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **9th day of April, 2014**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 1st day of April, 2014.

AGENDA AS FOLLOWS:

1. Roll Call;
2. Pledge of Allegiance;
3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules;
4. Consideration of going into Executive Session to discuss management strategy;
5. Minutes of the March 12th, 2014 meeting of the Mayor and City Council;
6. Consideration of Claims;
7. Committee and Officer Reports;
8. Public Hearing to consider the Nine Stories Subdivision Preliminary Plat as presented by Steve Maguire;
9. Consideration of accepting the Nine Stories Subdivision Preliminary Plat;
10. Public Hearing to consider the de-annexation of the Hein property legally described as part of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15), North, Range Three (3), East of the 6th P.M., Butler County, Nebraska; LESS all real estate conveyed for road purposes, AND LESS THREE (3) TRACTS OF REAL ESTATE; The complete legal description for this property is found on the next page;

Mayor Alan Zavodny

Council President Gary L. Kroesing

Council member Michael E. Rogers

Council member Ruddy L. Svoboda

Council member William Scribner

Council member Gary D. Smith

Council member John P. Vandenberg

City Clerk Joan E. Kovar

11. Consideration of Ordinance No. 1203 to negate existing Ordinance No. 1086 that extended the boundaries and included within the corporate limits of, and annexed to the City of David City, Nebraska, part of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15), North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, LESS all real estate conveyed for road purposes,

AND LESS THE FOLLOWING THREE (3) TRACTS OF REAL ESTATE:

TRACT I: A tract of land located in the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, described as follows: Commencing at the Southeast Corner of said Northwest Quarter; thence westerly, 41.0 feet, on the south line of said Northwest Quarter, to a point on the westerly right-of-way line of Nebraska Highway No. 15; thence northerly, 321.00 feet, on said westerly highway right-of-way line, to the point of beginning, said point being 40.08 feet west of the east line of said Northwest Quarter; thence westerly, 340.00 feet, at a right angle to the last described line; thence northerly, 385.00 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15; thence easterly, 340.00 feet, at a right angle to the last described line, to a point on the westerly right-of-way line of Nebraska Highway Nebraska 15; thence southerly, 385.00 feet, on said westerly right-of-way line to the point of beginning, containing 3.00 acres, more or less.

AND

TRACT II: A parcel of land located in a part of the East Half of the Northwest Quarter of Section 18, Township 15 North, Range 3, East of the 6th P.M., Butler County, Nebraska, being more particularly described as follows: Commencing at the Northeast Corner of said Northwest Quarter; thence N90°00'00"W (assumed bearing) on the North Line of said Northwest Quarter, a distance of 89.01 feet to a point on the westerly right-of-way line of State Highway No. 15, said point also being the point of beginning; thence S06°11'15"E on said westerly right-of-way line, a distance of 221.29 feet; thence N90°00'00"W parallel with said North Line, a distance of 253.85 feet; thence 00°00'00"E perpendicular to said North Line, a distance of 220.00 feet to a point on said North Line; thence S90°00'00"E on said North Line, a distance of 230.00 feet to the point of beginning, containing 1.22 acres, more or less.

AND

TRACT III: A tract of land located in the Southeast Quarter (SE¼) of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, described as follows: Commencing at the SE corner of said NW¼, thence westerly, 41.0 feet, on the South line of said NW¼, to the Point of Beginning, said point being on the westerly right-of-way line of Nebraska Highway No. 15; thence northerly, 321.00 feet, on said westerly Highway right-of-way line; thence westerly 325.00 feet, at a right angle to the last described line; thence southerly, 321.57 feet, parallel with said westerly Highway right-of-way line, to a point on the South line of said NW¼, thence easterly, 325.00 feet, on the South line of said NW¼, to the point of beginning, containing 2.40 acres,

ALSO EXCEPT THE RAILROAD RIGHT-OF-WAY.

12. Consideration of accepting a bid for the City's General Liability Insurance;
13. Consideration of awarding a bid for the Downtown Redevelopment;
14. Consideration of the bids received for a Vacuum for the Swimming Pool;
15. Consideration of the request by Rich Ludvik d.b.a. Ka-Boomer's for a Fireworks permit.
16. Adjournment;

CITY COUNCIL PROCEEDINGS

April 9, 2014

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on April 3rd, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council members Gary Kroesing, Mike Rogers, Ruddy Svoboda, Gary Smith, and John Vandenberg. City Administrator Abbie Cornett, City Attorney Jim Egr, and City Clerk Joan Kovar were also in attendance.

Also present for the meeting were: Jeff Hilger, Mike Jones of Jones Insurance Agency, Pam Siroky of Agency One Insurance, Geneie Andrews and Steve Hecker of LARM (League Association of Risk Management), Park/Auditorium Supervisor Bill Buntgen, Water/Sewer Supervisor Gary Janicek, Carolyn Yates, Steve Maguire, Janis Cameron, and Banner Press Editor Larry Peirce.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny stated: "Let the minutes reflect that Council member Scribner arrived at 7:01 p.m."

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

Council member Rogers made a motion to go into executive session to discuss management strategy. Council member Kroesing seconded the motion. Voting AYE: Council members Scribner, Smith, Kroesing, Vandenberg, Rogers, and Svoboda. Voting NAY: None. The motion carried.

Mayor Zavodny stated, "At 7:02 p.m. we are going into executive session to discuss management strategy. Mayor Zavodny, all of the Council members, City Attorney Egr, City Administrator Cornett, and City Clerk Kovar went into executive session at 7:02 p.m."

City Attorney Jim Egr stated that a motion and second was not needed to come out of executive session. Therefore, Mayor Zavodny declared the City Council out of executive session at 7:25 p.m.

The minutes of the March 12th, 2014 meeting of the Mayor and City Council were approved upon a motion by Council member Smith and seconded by Council member Vandenberg. Voting AYE: Council members Scribner, Kroesing, Svoboda, Rogers, Smith, and Vandenberg. Voting NAY: None. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Kroesing seconded the motion.

Voting AYE: Council members Vandenberg, Svoboda, Rogers, Scribner, Smith, and Kroesing.
Voting NAY: None. The motion carried.

Mayor Zavodny called for Committee and Officer Reports.

Council member Kroesing made a motion to accept the committee and officers reports as presented. Council member Smith seconded the motion. Voting AYE: Council members Rogers, Scribner, Vandenberg, Svoboda, Smith, and Kroesing. Voting NAY: None. The motion carried.

At 7:29 p.m., Mayor Zavodny declared the Public Hearing open to consider the Nine Stories Subdivision Preliminary Plat as presented by Steve Maguire.

Steve Maguire stated: "I would like to bring one item to the attention of the council. On my plan, right at the west end of the cul-de-sac is where this plan shows the fire hydrant to be, and that is where the Planning Commission indicated it had to be but they kind of put a question mark behind it asking me to confirm that with Fire Chief Matt Hilger. Matt would prefer the fire hydrant be located along Oak Street, it doesn't make me any difference but I would like everybody here to be aware of it"

Water/Sewer Supervisor Gary Janicek stated: "It would probably be better by Oak Street than at the end of the cul-de-sac; along Oak Street gives better access to the fire hydrant for flushing and cleaning out."

Mayor Zavodny stated: "I spent a considerable amount of time reading this. Do we have sufficient easements; and with a couple of those lots are there going to be problems with natural water flow, that kind of thing?"

Steve Maguire stated: "I don't think there is any issue with natural water flow on any of these. Let me walk through this design really quick. This is Oak Street and this will be called Dove Drive. Lot 5 can either access Oak Street or Dove Drive; Lots 4 + 3 is easy access off Dove Drive; Lot 2 is an irregular shaped lot to give you access to the cul-de-sac; Lot 1, 11, and 12 all access "M" Road; Lot 10 accesses off the cul-de-sac as well and a culvert will be put right here. I contacted the Corp of Engineer and they have indicated to me that they will give an approval on that as soon as I clear this hurdle and get the preliminary I submit this to the Corp and they will allow a culvert in there. Their only restriction is that it has to be equal to, or greater than, this culvert right here. Lot 10 is actually a huge lot but the easements make it appear smaller. Lots 6, 7, & 8 are the building that exist and those three units all currently have folks living in them. I do have purchase contracts signed with all of those people that will be finalized just as soon as we're done here and this can be platted. Lot 15 there is that gravel road, that's been in existence, that private drive. I think Mark Holoubek actually put that in when he was trying to control the property, or take ownership of the property. That private drive is designed to stay a private drive, it's designed to run all the way along; there will be a written easement between these three lot owners (Lots 13, 14, and 15) to get in and out. That will be a legal easement; Jackie DeWispelare is drawing it up already, so Lot 14 has access both ways out. So that's the general lay out of it, we end up with 15 different lots. Three of the fifteen have already been built on, I do have interested parties in Lots 2, 3, and 12. There is nothing signed yet because I don't have anything I can confirm to them. Two of the three are local looking to build new and Lot 2 the gentleman wants to relocate from Seward to David City. I visited with him last summer so he may have gotten tired of waiting on me and built in Seward. When I

requested this Subdivision to the Planning Commission I asked them to make an exception to the rules and allow Dove Drive to be a gravel street. When the Planning Commission forwarded it on to this group, they had indicated to me the only way they could forward it on is as a paved street. If it will be gravel that will be up to you folks to allow that to happen. On the Preliminary Plat, this line illustrates the one natural water way that goes through there. This one right here illustrates the other natural water way that goes through there. No part of the entire property is in a flood zone, so everything is clear there. We have widened some of the easements and we went ahead and did everything the Planning Commission asked us to do."

Mayor Zavodny stated: "We've been dry a couple of years but I've seen it flowing pretty heavily toward "M" Road."

Steve Maguire stated: "Everything that we are looking at building on is above "M" Road. If "M" Road filled and backed up all the way to here, we are still well below the flood range on any of these properties. If you shoot the elevation; if you look at this building here (the triplex) which is a good example of what you have out there. We're almost 15' – 20' above the easement and then that drops off substantially when it's down by the waterway. The waterways do carry a lot of water. If the Northwest Drainage Project is successful it may steal a little bit of the flow out of this side of the natural flow of water. This culvert, before the drainage project was put in, when we'd get a heavy rain, it always ran at 100 capacity; with the Northwest Drainage Project it will still run at 100% capacity; instead of running it now for one day it may very well run for three or four days. Quite frankly we can flood "M" Road by 2' or 3' and these homes are never in danger."

Mayor Zavodny stated: "Ok.....because I've seen the water go over "M" Road."

Council member Kroesing questioned: "No walk-out basements or anything? I've seen that whole gully level full."

Steve Maguire stated: "I can't tell you what somebody is going to build out there."

Discussion continued. The proposed lift station was discussed.

Water/Sewer Supervisor Gary Janicek stated: "Lift stations take maintenance. We have to get our big machine in there to get to it to clean it out, wash the floats off, wash the pumps off, we have to be able to have access to it."

City Administrator Cornett asked: "Do you have any concerns about the elevation of the lift station?"

Water/Sewer Supervisor Janicek stated: "It depends on where it's at, yes. The question I have with all of this is, does a city engineer need to look at this before anything's ok'd?"

It was noted that the City doesn't have a city engineer.

Mayor Zavodny stated: "That does raise a discussion we did have. We did require, after we had some issues with another subdivision, to say an engineer had to be retained and sign off on it, and that was the developer's issue, because you can't fire your engineer the day before you put in your lift station."

Council member Kroesing stated: "The last development, they fired their engineer and then everything went to hell in a hand basket."

Steve Maguire stated: "And again, an engineer is hired after this is done to draw up the final, put the elevations in on the new lift station, and then bring back the final plat".

Water/Sewer Supervisor Janicek stated: "Get more information on the height of the lift station, where it's going to be, I mean even get the size of the water lines to how many houses they are going to service to make sure they are adequate. There was also a question about dead end water lines and the possibility of looping them. Looping would feed the lines from two different directions rather than just one which helps flow, pressure, and everything around."

Discussion followed. As some of the council members were still concerned about water issues, Mayor Zavodny asked City Attorney Egr how much risk the City takes if water issues develop or someone decides to put in a walk-in basement and water starts coming into their family room?

City Attorney Egr stated: "That's a good question. There is always the possibility of that homeowner bringing an action against the city saying "you should not have approved the plat if you had knowledge that there was that potential there".

Mayor Zavodny asked: "Is there a way to protect us from that? Some type of an agreement?"

City Attorney Egr stated: "I don't think there is a "Hold Harmless Agreement" that will work."

Steve Maguire stated: "If somebody decides they are going to build on Lot 11 right here, the house will flood, if you put it here, you're fine. It's not in a flood zone but you will get water. When you have hills, water will channel and run. I have two hills on here, water will channel and run. If I was going to build on Lot 10 with anything of a sizable scale, I would probably do a slab on grade. Gary, your question of concern is rational; if somebody is going to build in the absolute stupidest spot on these lots, yeah you can do it but you're going to take on water, however, this is not in a flood plain, and it does not require flood insurance."

There being no further comments or questions, Mayor Zavodny closed the Public Hearing at 7:45 p.m.

Council member Kroesing stated: "You want "Dove Drive" graveled, and if we say okay to graveled, then we have to deal with Kozi Addition, Bemis Addition, Hildy Addition, and Lukassen Addition, because we told them they all had to pave theirs."

Council member Smith made a motion to accept the Nine Stories Subdivision Preliminary Plat with the stipulation that Dove Drive must be paved (cement/concrete). . Council member Rogers seconded the motion. Voting AYE: Council members Scribner, Kroesing, Smith, Rogers, and Vandenberg. Voting NAY: Council member Svoboda. The motion carried.

At 7:56 p.m., Mayor Zavodny declared the Public Hearing open to consider the de-annexation of the Hein property legally described as part of the Northwest Quarter (NW¼) of

Section Eighteen (18), Township Fifteen (15), North, Range Three (3), East of the 6th P.M., Butler County, Nebraska.

Mayor Zavodny stated: "There really is no down side in doing this. I had talked to R. J. Hein a few times about it and I don't think he has a strong feeling. We always have the ability to go back and do this again if there would be a development somewhere close where it would be beneficial for us to do that. Us trying to maintain that road, especially with the Co-op there and the size and number of trucks, we are just not equipped to do that. Sod is going through blades; you can do it one day and five trucks go over it and you have wash boards again. Does anyone from the public wish to comment on this?"

There being no further comments or questions, Mayor Zavodny closed the Public Hearing at 7:58 p.m.

Council member Smith introduced Ordinance No. 1203.

Council member Kroesing made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Smith seconded the motion.

City Clerk Kovar stated: "I want clarification on that and I want legal advice. In order to annex property you have to go through three separate readings, you cannot suspend the statutory rule, however, we are not annexing we are de-annexing. So, do we still have to go through three separate readings or can you suspend?"

City Attorney Egr stated: "I don't find anything in the Statute that says to de-annex that you have to go through that same process."

City Administrator Cornett stated: "I called Attorney Egr because the question came up and so he researched it for me. I couldn't find anything in State Statute on annexation but I figured I should double check."

City Attorney Egr stated: "I couldn't find any case law on this."

Voting AYE to suspend the statutory rule: Council members Rogers, Svoboda, Smith, Scribner, Vandenberg, and Kroesing. Voting NAY: None. The motion carried.

Council member Smith made a motion to pass and adopt Ordinance No. 1203 on the third and final reading. Council member Vandenberg seconded the motion. Voting AYE: Council members Kroesing, Scribner, Svoboda, Rogers, Smith, and Vandenberg. Voting NAY: None. The motion carried and Ordinance No. 1203 was passed on third and final reading as follows:

ORDINANCE NO. 1203

AN ORDINANCE TO NEGATE EXISTING ORDINANCE NO. 1086 THAT EXTENDED THE BOUNDARIES AND INCLUDED WITHIN THE CORPORATE LIMITS OF, AND ANNEXED TO, THE CITY OF DAVID CITY, NEBRASKA, PART OF THE NORTHWEST QUARTER (NW¼) OF SECTION EIGHTEEN (18), TOWNSHIP FIFTEEN (15), NORTH, RANGE THREE (3), EAST OF THE 6th P.M., BUTLER COUNTY, NEBRASKA; TO PROVIDE FOR AN

EFFECTIVE DATE OF THIS ORDINANCE; AND TO AUTHORIZE PUBLICATION IN PAMPHLET FORM.

WHEREAS, Ordinance No. 1086 was introduced and passed on first reading on August 13, 2008, passed on second reading on September 10, 2008, and passed on third and final reading on October 8, 2008, annexing property described as part of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15), North, Range Three (3), East of the 6th P.M., Butler County, Nebraska; (EXHIBIT "A"); and

WHEREAS, the Planning Commission has made recommendation to the City Council that the above property be de-annexed; and

WHEREAS, the City of David City, has decided that it would be in their best interest to de-annex the property listed above from the corporate limits of David City, Nebraska.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

SECTION 1. THAT ORDINANCE NO. 1086 ANNEXING PROPERTY DESCRIBED AS PART OF THE NORTHWEST QUARTER (NW¼) OF SECTION EIGHTEEN (18), TOWNSHIP FIFTEEN (15), NORTH, RANGE THREE (3), EAST OF THE 6th P.M., BUTLER COUNTY, NEBRASKA; (EXHIBIT "A") IS HEREBY NULL AND VOID.

SECTION 2: That a certified copy of this Ordinance be filed on record in the offices of the County Clerk of Butler County, Nebraska.

SECTION 3: That said territory is hereby de-annexed from the City of David City, Nebraska.

SECTION 4: That any ordinance or section of any ordinance passed and approved prior to or subsequent to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

SECTION 5: This Ordinance shall be published in pamphlet form and shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED and APPROVED this 9th day of April, 2014.

Mayor Alan Zavodny

City Clerk Joan E. Kovar

EXHIBIT "A"

Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15), North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, LESS all real estate conveyed for road purposes,

AND LESS THE FOLLOWING THREE (3) TRACTS OF REAL ESTATE:

TRACT I: A tract of land located in the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, described as :follows: Commencing at the Southeast Comer of said Northwest Quarter; thence westerly, 41.0 feet, on the south line of said Northwest Quarter, to a point on the westerly right-of-way line of Nebraska Highway No. 15; thence northerly, 321.00 feet, on said westerly highway right-of-way line, to the point of beginning, said point being 40.08 feet west of the east line of said Northwest Quarter; thence westerly, 340.00 feet, at a right angle to the last described line; thence northerly, 385.00 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15; thence easterly, 340.00 feet, at a right angle to the last described line, to a point on the westerly right-of-way line of Nebraska Highway Nebraska 15; thence southerly, 385.00 feet, on said westerly right-of-way line to the point of beginning, containing 3.00 acres, more or less.

AND

TRACT II: A parcel of land located in a part of the East Half of the Northwest Quarter of Section 18, Township 15 North, Range 3, East of the 6th P.M., Butler County, Nebraska, being more particularly described as follows: Commencing at the Northeast Comer of said Northwest Quarter; thence N90°00'00"W (assumed bearing) on the North Line of said Northwest Quarter, a distance of 89.01 feet to a point on the westerly right-of-way line of State Highway No. 15, said point also being the point of beginning; thence S06°11'15"E on said westerly right-of-way line, a distance of 221.29 feet; thence N90°00'00"W parallel with said North Line, a distance of 253.85 feet; thence N00°00'00"E perpendicular to said North Line, a distance of 220.00 feet to a point on said North Line; thence S90°00'00"E on said North Line, a distance of 230.00 feet to the point of beginning, containing 1.22 acres, more or less.

AND

TRACT III: A tract of land located in the Southeast Quarter (SE¼) of the Northwest Quarter (NW¼) of Section Eighteen (18), Township Fifteen (15) North, Range Three (3), East of the 6th P.M., Butler County, Nebraska, described as follows: Commencing at the SE comer of said NW¼, thence westerly, 41.0 feet, on the South line of said NW¼, to the Point of Beginning, said point being on the westerly right-of-way line of Nebraska Highway No. 15; thence northerly, 321.00 feet, on said westerly Highway right-of-way line; thence westerly 325.00 feet, at a right angle to the last described line; thence southerly, 321.57 feet, parallel with said westerly Highway right-of-way line, to a point on the South line of said NW¼, thence easterly, 325.00 feet, on the South line of said NW¼, to the point of beginning, containing 2.40 acres,

ALSO EXCEPT THE RAILROAD RIGHT-OF-WAY.

Bids for the Property and Liability Insurance were received from Jones Insurance Agency, Agency One Insurance, and League Association of Risk Management. The City retained the firm of Charlesworth & Associates, LC, Insurance Consulting & Risk Management, to assist in a review of the bid proposals received and they provided a comparison.

Mayor Zavodny stated: "Item 12 – Consideration of accepting a bid for the City's General Liability Insurance. I want to start by saying thank you to the three firms that submitted. I thought everybody put a lot of work into it and did an excellent job so we do appreciate your efforts on that, so now what are your wishes on insurance?"

Council member Scribner made a motion to accept the bid of Agency One Insurance.

Mayor Zavodny stated: "It's been moved to accept the bid of Agency One Insurance, is there a second?" A little later Mayor Zavodny stated: "Again I will ask, is there a second to accept the bid of Agency One?"

Council member Vandenberg seconded the motion.

Council member Scribner stated: "I feel it's important that we keep our money here in David City. They employ people from David City, they supply sales tax to David City, they pay property tax in David City, they live in David City, they vote in David City, and that is my opinion."

Voting AYE to accept the bid of Agency One Insurance: Council members Smith, Scribner, and Vandenberg. Voting NAY: Council members Svoboda, Kroesing, and Rogers. The vote resulted in a tie. Mayor Zavodny stated: "I think that arguments were made for both, of whether to do this or not to do this, at the end of the day though I think our responsibility, first and foremost is to have good coverage at the best price to the taxpayer, and I respect all three votes one way on this and all three votes the other way on this. My gut feeling, and I have great feelings towards both of our local bidders, is that our best option is LARM, so I am going to vote "NO". The motion failed.

Council member Kroesing made a motion to accept the bid of LARM. Council member Rogers seconded the motion with the exception that it starts at 12:01 tonight. Council member Kroesing amended his motion to accept the bid of LARM effective at 12:01 a.m. Council member Rogers seconded the motion as amended.

Mayor Zavodny stated: "Moved and seconded, is there further discussion?"

Council member Scribner stated: "We sat in a meeting not three weeks ago and we dealt with Downtown Redevelopment and how important it is to keep your money local, how important it is to support your local businesses in this community, and I have to throw that out there again. We have people in this community that live in this community that rely on a job in this community that we could be giving money to from this community."

Mayor Zavodny stated: "And I will just go on record as saying if the bids were closer than they are now that would make a total difference to me. I just think there is too big of a gap. You have the product you are asking for with that much of a savings. I would like to keep it local too I just think there is too much of a price difference."

Council member Scribner stated: "Can you explain the different types of insurance. I would like the public to know that."

City Administrator Cornett stated: "That was in the letter that I provided from James Charlesworth, who analyzed all of the differences between a risk transfer and a shared risk. Basically you are pooling insurance with LARM with other communities. Risk Transfer, I think Mr. Jones very articulately explained you are transferring that risk to someone else. The reason the premiums are significantly lower is that there is no built in profit margin for the insurance company and LARM. LARM, if they have a surplus, redistributes money out. If they do have a deficit there is a reassessment of that. That is basically the difference; risk sharing versus risk transfer. Anyone who would like to see a copy of the study comparing the three policies that James Charlesworth analyzed, I can provide you with a copy of that."

Steve Maguire stated: "So what you are saying is that with the LARM policy you are in a pool and you are self-insuring. So the premium should be a lot less but you are taking risk."

City Administrator Cornett stated: "Yes, there are 90 cities have entered the pool as of last week."

Pam Siroky of Agency One Insurance asked: "So Alan, how much of a risk is the City willing to take because it concerns me. What if there is a natural disaster? We have tornadoes in this country we have several disasters; disastrous things that can occur. What if a Hallam occurs?"

Mayor Zavodny stated: "Those things have occurred and they were able to take care of them, that's part of the reason that any excess money certainly goes out. We take risks every day. Some people are going to feel we should have earthquake, well earthquake costs a lot and what are our changes? So we take the risk. We're going to take the chance; I think we've had one in my almost 52 years of being alive. Do we think it's enough to balance the extra money going out all the time for that? It's just bouncing everything. I studied the City's in it pretty hard. One of my concerns is most of them were smaller villages. There were some that are of similar size to us, so they have been growing, and it's just.....you're taking a risk."

Mike Jones stated: "Well we're obviously not going to be a part of this discussion in terms of an award, so I am going to step up to the plate for Pam. If you go with LARM it is a big mistake, not just fiscally, morally and ethically it's a mistake. Now, to explain to you the fiscal part of it. There is the risk transfer which takes the monkey off your back for having followed through your fiduciary responsibility that you eluded to, to assure that there are no added tax dollars that could be tapped in the future not just for property losses, but if you read their documents it says you could be subject to an assessment into the future for "a n y t h i n g". Now, I would charge to you that if you choose to use risk sharing two things will happen. You're going to relinquish control. You've just given up the decision making ability that you have if you turn that over to the pool under the direction of the Department of Insurance. You have to now gain permission to make a change. As my representative that I elected, I don't want you to give up that ability. Number 2, in the event that there were assessments, and that is a strict feature as part of their plan, you also open yourself up for a potential lawsuit for failing to act in your fiduciary capacity because now a taxpayer or taxpayers could file action because you have now cost them more money through an assessment that could have been transferred with the other option through a private company. I think you're going to make a big mistake if you go with the pool. I will champion the private sector and Agency One's bid. I would hope she would do the

same if it was reversed. But I will certainly be one of those that will be watching if there would ever be, ever, ever, be an assessment because I think you are going to put the City in jeopardy of a suit."

Following much discussion, roll call was taken for the motion and second to accept the bid of LARM for the City's General Liability Insurance effective at 12:01 a.m. as follows. Voting AYE: Council members Rogers, Kroesing, and Svoboda. Voting NAY: Council members Scribner, Smith, and Vandenberg. Due to the vote resulting in a tie, Mayor Zavodny voted AYE and the motion carried.

Acceptance of the bid for LARM included the following:

RESOLUTION NO. 4 – 2014

WHEREAS, the Nebraska Legislature enacted the Intergovernmental Risk Management Act and the Interlocal Cooperation Act; and

WHEREAS, the City Council of the City of David City, Nebraska believes it is in the best interest of its citizens to join with other Nebraska municipalities in establishing a Risk Management Pool; and

WHEREAS, the Nebraska Municipal Risk Management Pool is established by municipalities for the benefit of municipal citizens;

THEREFORE BE IT RESOLVED, that the City Council of the City of David City hereby,

1. Approves the document entitled "Agreement for the Formation of the League Association of Risk Management";
2. Enters into the Agreement for participation in the League Association of Risk Management Pool; and
3. Authorizes the Mayor to execute the Agreement with the Pool on behalf of the municipality.

Passed and approved this 9th day of April, 2014.

Mayor Alan Zavodny

City Clerk Joan Kovar

League Association of Risk Management
2014 – 2017

RESOLUTION NO. 5 – 2014

WHEREAS, The City of David City, Nebraska, is a member of the League Association of Risk Management (LARM);

WHEREAS, Section 7.3 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Nebraska Director⁴ of Insurance at least 90 days prior to the desired termination given to and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM as provided in the attached letter.

BE IT RESOVED that the governing body of the City of David City, Nebraska, in consideration of the contribution credits provided under the LARM Board's plan, agrees to:

- Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2017.
(180 day and 3 year commitment; 5% discount)

Adopted this 9th day of April, 2014

Signature: _____

Title: Mayor Alan Zavodny

ATTEST: _____

Title: City Clerk Joan E. Kovar



CHARLESWORTH & ASSOCIATES, LC

Insurance Consulting & Risk Management

Bob Charlesworth, CPCU, ARM, ALCM, AIS
James Charlesworth, ARM
Connie Sargent, ARM
Joan Dostal, CPCU
Art Charlesworth, CPCU, CLU, ARM, *Founder*
Emeritus

P.O. Box 23588
Overland Park, KS 66283-0588
913-851-4730
Fax: 913-851-1993
www.charlesworth.net

April 4, 2014

Ms. Abbie Cornett
City Administrator
City of David City
557 North 4th Street
David City, NE 68632

Re: **Property & Liability Insurance**
May 1, 2014 – May 1, 2015

Dear Ms. Cornett:

The following is offered as an overview of the property and liability insurance marketing project. Our firm was retained by the City to assist in the review of proposals and preparing a comprehensive spreadsheet comparing coverages, conditions and premiums.

Background

Insurance Specifications were developed by the City outlining the current insurance program including additional underwriting information. Staff worked with five (5) Insurance representatives who had requested the Specifications.

Of the five (5) Insurance representatives, three (3) offered proposals for the City's consideration including the Jones Insurance Agency (incumbent); Agency One Insurance; and the League Association of Risk Management - an associational trust. Proposals were due in the office of the City Administrator by 2:00 pm, March 26, 2014. Each organization presented their program to the governing body during the Committee as a Whole meeting later that same evening. The following day, all proposal information was directed to our firm for review.

Analysis

A comprehensive spreadsheet was developed and reviewed with staff regarding proposed insurance products. The following is an overview of the options presented.

Berkshire Hathaway

Jones Insurance Agency proposed the Berkshire Hathaway renewal. Berkshire enjoys and AM Best rating of A++ which is the highest financial strength rating available. The proposed program includes protection designed to respond to reasonably foreseeable events and exposures and includes some excellent coverage features. However, like most programs, there are improvement opportunities. Although our firm did not conduct a comprehensive risk analysis, if the City elects to remain with this program, we would encourage the following coverages be addressed.

- Property ordinance and law coverage is limited to \$50,000
- Property debris removal limit of \$10,000
- Extra Expense only coverage – no business interruption protection
- Mechanical Breakdown coverage limited to the Power Plant
- \$25,000 in general liability protection for the spraying of chemicals
- \$100,000 in general liability protection for claims alleging the failure to supply utilities
- The \$1,000,000 general aggregate limit for the professional errors and omissions coverage is equal to the per-claim limit. Any claim payments will erode the available future per-claim limit.
- E&O policy does not include plaintiff fees when awarded by the court
- Limited coverage for attached emergency equipment on vehicles

The annual premium for the Berkshire Hathaway program, including the Cincinnati Insurance Company mechanical breakdown and the ACE airport liability, is \$152,131. This represents only a 2% increase and includes additional coverage such as earthquake and terrorism. As a fully insured program, there is no risk of assessment.

Employers Mutual Casualty

Employers Mutual Casualty (EMC), has been proposed by Agency One. This is a fully insured product with and AM Best rating of A. There is no risk of assessment. The EMC program provides excellent coverages and conditions at a competitive premium. Coverage includes protection designed to respond to reasonably foreseeable events and exposures, including full limits for sewer backup liability and limited coverage non-monetary demands such as declaratory judgment and injunctive relief. EMC also has a workers' compensation dividend program based on company-wide loss experience. These are excellent policy features.

If the City selects this program, we would encourage the following coverages be addressed.

- Mechanical Breakdown coverage limited to the Power Plant
- \$0 in general liability protection for claims alleging the failure to supply utilities

EMC has a long standing reputation as a leader in municipal insurance products. The total premium for the EMC program, including the Travelers mechanical breakdown and the Global Aerospace airport liability, is \$146,708.

League Association of Risk Management

League Association of Risk Management (LARM) is an associational trust owned by the members who share the risk among other public entities in Nebraska. LARM's board is made up of actual members of the trust itself. This is an assessable trust and requires a 90-day written notice of withdrawal to be submitted to LARM management, all LARM members and the Nebraska Department of Insurance. LARM does not maintain any financial strength rating from AM Best or any other recognized rating agency.

LARM was certified by the State of Nebraska as a property and liability self-insurance pool in 1995. Since that time, they have never assessed their members. Dividends were paid in 2010 and 2011. LARM also provides risk management and loss control services to its members. Similar services may be available from insurance companies and insurance agents.

If the City selects this program, we would encourage the following coverages be addressed.

- \$15,000 per building / \$75,000 per occurrence limit for sewer backup liability claims. Although full liability limits were requested, they were not offered. It should be noted that this coverage that is only payable if the City is negligent and found to be legally liable for the resulting damage.
- We would also suggest the City consider increasing the ordinance and law limit for the value of undamaged portion of a building to \$2,000,000 for an additional premium of \$560.

LARM does offer some favorable coverage terms. These include full blanket limits for mechanical breakdown losses and a \$1,000 per occurrence deductible including all City locations (not limited to the Power Plant); first dollar defense coverage for covered professional liability claims; catastrophic deductible cap for comprehensive automobile physical damage.

The LARM program includes protection designed to respond to reasonably foreseeable events and exposures. They have a long standing reputation as a leader in municipal risk transfer solutions and their program has historically provided a measure of stability in the always uncertain insurance marketplace. The total estimated premium for the LARM program is \$110,994 based on a three-year membership commitment. In addition, there would be a one-time charge of \$6,000 to cover prior acts associated with the professional / employment practices liability and the law enforcement liability. We would encourage the City to purchase this additional protection since the LARM program is offered on an "occurrence" basis (date of the occurrence triggers coverage) and the current program is written on a "claims made" basis (date the claim is made triggers coverage).

Summary

Our firm has had the opportunity to work with numerous insurance representatives over our 37 year history. We would like to publicly commend all of the participants who have demonstrated professionalism that is a complement to the industry. This is a complex project as their assistance has been invaluable.

It is difficult to compare the value of a fully insured / non-assessable product serviced by a local agent, with the potential savings of a risk sharing and assessable associational trust. There is a clear distinction between the two, and effectiveness of the program you select will only be determined in the future based on the developed total cost of risk (premiums, deductibles, uninsured, underinsured and

self-insured). As a consultant to the City, my knowledge about the City's risk is limited to information gathered during this short project.

No two risk transfer programs are the same and only the City can determine which option is in the overall best interest of the organization. We hope the information provided assists the governing body in their decision.

Respectfully,

A handwritten signature in black ink, appearing to read "James Charlesworth", with a stylized flourish at the end.

James Charlesworth, ARM

JC/cs

Encl.

DRAFT

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:
CARRIER:

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A
League Association of Risk Management

PREMIUM SUMMARY -

PROPERTY:	\$	70,495	\$	62,230	\$	71,080
EARTHQUAKE:	\$	3,560	\$	2,700		Included
BOILER & MACHINERY:	\$	13,992	\$	19,746		Included
INLAND MARINE:	\$	2,497	\$	4,175	\$	450
GENERAL LIABILITY / EBL:	\$	9,944	\$	3,604	\$	9,669
PUBLIC ENTITY MANAGEMENT LIABILITY:	\$	3,242	\$	2,683	\$	2,803
EMPLOYMENT PRACTICES LIABILITY:	\$	Included		Included		Included
LAW ENFORCEMENT LIABILITY:	\$	144	\$	2,298	\$	560
AUTOMOBILE:	\$	9,815	\$	9,693	\$	8,310
CRIME:	\$	219	\$	356		Included
TERRORISM (OPTIONAL):	\$	1,767		Included		Included
UMBRELLA:	\$	7,810	\$	9,550		Included in primary limits
WORKERS' COMPENSATION:	\$	27,366	\$	28,135	\$	23,964
AIRPORT LIABILITY:	\$	1,280	\$	1,538	\$	2,070
TOTAL:	\$	152,131	\$	146,708	\$	116,836

(Est. three year discounted premium is \$110,994)

PRIOR ACTS COVERAGE - POL/EBL	Not Applicable	Not Applicable	\$	6,000
PRIOR ACTS COVERAGE - LEL	Not Applicable	No Charge		No Charge

(1-Year Extended Reporting \$5,836)

EXPIRING PREMIUM:	\$	147,636
-------------------	----	---------

THIS "SPREADSHEET" IS OFFERED ONLY FOR THE PURPOSE OF OVERVIEWING THE PROPOSALS PRESENTED BY THE INSURANCE REPRESENTATIVES. REFERENCE TO THE ACTUAL INSURING AGREEMENTS, BY-LAWS AND TRUST AGREEMENTS SHOULD BE MADE FOR DETERMINING SPECIFIC COVERAGES, CONDITIONS AND EXCLUSIONS. THE PREMIUM SUMMARY DOES NOT REFERENCE OPTIONAL COVERAGES AND/OR LIMITS OF COVERAGE THAT MAY HAVE BEEN OFFERED.

PROPERTY

INSURER & BEST RATING:	Berkshire Hathaway A++: XIV	Employers Mutual Casualty A:XIII	League Association of Risk Management
LIMIT:	\$34,563,033 Blanket Buildings \$865,005 Blanket Contents	\$19,555,305 Blanket Bldg & Contents (Subject to evaluation of all Replacement Costs)	\$49,362,096 Blanket Bldg & Contents
ANY LOCATIONS NOT INCLUDED IN BLANKET:	No	Yes, Power Plant is specifically scheduled on Commercial Output Policy -- \$15,969,733	No
COINSURANCE:	No	No	No

CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

PROPERTY (Continued)

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A

League Association of Risk Management

INCL. PROPERTY IN THE OPEN:	Yes, within 1,000 of described premises	Yes	Yes, \$100,000 Limit
INCL. OUTDOOR PROPERTY:	Yes, \$25,000 limit	Yes	Yes, \$100,000 Limit (Shared w/prop in open)
POOL AGGREGATE LIMIT:	N/A	N/A	\$800,000,000
RISK OF DIRECT PHYSICAL LOSS:	Yes	Yes	Yes
AGREED AMOUNT:	Yes	Yes	No coinsurance applicable
REPLACEMENT COST:	Yes	Yes	Yes
90-DAY NON-RENEWAL:	No, 60 Days	Yes	Yes
INCLUDE PROPERTY OF OTHERS:	Yes	Yes, \$50,000 Limit	Yes
INCLUDE EMPLOYEE PERSONAL EFFECTS:	Yes	Yes, \$50,000 Limit	Yes
REBUILD AT OPTIONAL LOCATION IF TOTAL LOSS:	Yes	No	Yes
PROPERTY IN TRANSIT LIMIT:	Yes, \$5,000 Limit	Yes	Yes, \$50,000 Limit
INCL. BUILDING ORDINANCE & LAW:	Demolishing of Undamaged -- \$50,000 Replacement of Undamaged -- Building Limit Incr. Cost of Construction -- \$50,000 (Can be increased for add'l premium)	Demolishing of Undamaged -- Building Limit Replacement of Undamaged -- Building Limit Incr. Cost of Construction -- Building Limit	Demolishing of Undamaged -- \$500,000 Replacement of Undamaged -- Incl. in dem. Incr. Cost of Construction -- Incl. in demolition (Increase Replacement of Undamaged to \$2,000,000 - \$560 Additional Premium)
INCL. POLLUTION CLEANUP FROM AN INSURED LOCATION FROM A COVERED PERIL:	Yes, \$25,000 Limit	Yes, \$50,000 Limit	Yes, \$20,000 Limit
INCL. DEBRIS REMOVAL:	Yes, \$10,000 Limit	25% plus additional \$50,000	Yes, \$500,000 Limit
INCL. ARCHITECT & ENGINEERS FEES:	Yes	Yes, if authorized	Yes
INCL. OWNED & NONOWNED FINE ARTS:	Yes, \$5,000 per item, \$50,000 per premise	Yes, \$50,000 Limit	Yes
ACCOUNTS RECEIVABLE LIMIT:	\$100,000	\$200,000	\$500,000
INCL. NEWLY CONSTRUCTED / ACQUIRED LOCATIONS:	\$500,000 Building \$250,000 Contents 30 Days to Report	\$1,000,000 Building \$ 500,000 Contents 120 Days to Report	\$1,500,000 Building & Contents Combined 90 Days to Report
COVERAGE FOR TREES, SHRUBS, ETC.:	\$25,000 Limit	\$50,000 Limit (\$1,000 any one plant)	\$10,000 Limit

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY: Jones Insurance Agency
CARRIER: Berkshire Hathaway A++:XIV
PROPERTY (Continued)
Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII
N/A
League Association of Risk Management

INCLUDE DATA & MEDIA:	Yes, Per Schedule	Yes	Yes, \$500,000 Limit
SEWER & DRAINS BACKUP:	Yes, \$50,000 Limit	Yes	Yes
INCL. EQUIPMENT BREAKDOWN:	Yes(Excluding the Power Plant--see Boiler Section)	Yes	Yes
VALUABLE PAPERS & RECORDS:	Yes, \$100,000 Limit	Yes	\$250,000 Limit
TERRORISM (OPTIONAL):	Included (\$1,183 Premium)	Included	Included
DEDUCTIBLE:	\$1,000 Per Occurrence	\$5,000 Power Plant / \$1,000 All Other	\$1,000 Per Occurrence
PROPERTY ANNUAL PREMIUM:	\$70,495	\$62,230	\$71,080

EARTHQUAKE:	Full Limits	\$500,000 Per Loss / Aggregate	\$1,000,000
DEDUCTIBLE:	10%	1% of Building Value	\$1,000 Per Occurrence
ANNUAL PREMIUM:	\$3,560 Additional Premium	\$2,700 Additional Premium	Included (automatic)
EARTHQUAKE OPTION:	N/A	N/A	\$49,362,096 Limit (\$11,057 Additional)
FLOOD:	Not Offered	Building limit	\$1,000,000
EXCLUDES:		Zone A and power plant	Zone A
DEDUCTIBLE:		\$500,000	\$1,000
ANNUAL PREMIUM:		\$29,800 Additional Premium	Included
FLOOD OPTION:	N/A	N/A	\$19,362,096 Limit (\$13,269 Additional)

BUSINESS INCOME / EXTRA EXPENSE

LIMIT:	\$50,000 Per Premise/\$200,000 Per Occurrence	\$500,000 Blanket All Locations	\$500,000 Blanket All Locations
COMBINED B/E/E FORM:	Extra Expense Form	Yes	Yes
RISK OF DIRECT PHYSICAL LOSS:	Yes	Yes	Yes
COINSURANCE:	None	None	None
ORDINARY PAYROLL:	No Business Interruption Coverage	Included	Included
PERIOD OF INDEMNITY:	No Time Limit	No Time Limit	No Time Limit
EXTENDED PERIOD OF INDEMNITY:	No Time Limit	No Time Limit	No Time Limit
AUTOMATIC COVERAGE AT ANCILLARY LOCATIONS:	Yes	No	Yes
DEDUCTIBLE:	Included in property	Included in property	Included in property
ANNUAL PREMIUM:	Included	Included	Included

**CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015**

AGENCY:

CARRIER:

BOILER & MACHINERY

Jones Insurance Agency

Berkshire Hathaway A++:XIV

POWER PLANT ONLY

Agency One Insurance

Employers Mutual Casualty (EMC) A :XIII

POWER PLANT ONLY

N/A

League Association of Risk Management

INSUROR & BEST RATING:	Cincinnati A+:XV	Travelers A+:XV	LARM
COMPREHENSIVE FORM:	Yes	Yes	Yes
INCLUDE PRODUCTION MACHINERY:	Yes	Yes	Yes
ALL LOCATIONS:	No, Power Plant Only	No, Power Plant only	Yes
LIMIT PER ACCIDENT:	\$5,000,000	\$5,000,000	Policy Limits
BLANKET:	Yes	Yes	Yes
SPOILAGE LIMIT:	Not Noted	\$25,000	Not Noted
DATA OR MEDIA LIMIT:	Not Noted	\$25,000	\$100,000
EXPEDITING EXPENSES LIMIT:	\$100,000	\$100,000	\$500,000 Per Accident
AMMONIA CONTAMINATION LIMIT:	\$100,000	\$100,000	\$100,000
WATER DAMAGE LIMIT:	\$50,000	\$25,000	\$100,000
HAZARDOUS SUBSTANCES LIMIT	\$100,000	\$100,000	\$20,000
NEWLY ACQUIRED LOCATIONS:	Not Noted	\$1,000,000 Building / 90 Days to Report	\$1,500,000 Building / 90 Days to Report
DATA RESTORATION:	\$50,000	\$25,000	\$500,000
REPAIR/REPLACEMENT COVERAGE:	Not Noted	Yes	Yes
AGREED AMOUNT:	Not Noted	N/A	N/A
B&M DEDUCTIBLE:	\$5,000 Minimum(see schedule)	\$5,000 Minimum (see schedule)	\$1,000
BOILER & MACHINERY PREMIUM:	\$13,992	\$19,746 (\$19,995 with BI for the full period of recovery)	Included

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

INLAND MARINE

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A
League Association of Risk Management

RISK OF DIRECT PHYSICAL LOSS:	Yes	Yes	Yes
VALUATION :	Actual Cash Value	Actual Cash Value	Actual Cash Value
90 DAY NON-RENEWAL:	No, 60 Days	Yes	Yes
COINSURANCE PROVISION:	None	100%	Not Applicable

CONTRACTOR'S EQUIPMENT

LIMITS:	\$613,032 Scheduled Equipment	\$591,732 Scheduled Equipment \$10,000 -- Unscheduled Equipment \$500 -- Unscheduled Max per Item	As Requested in RFP
DEDUCTIBLE:	\$500 Per Occurrence	\$500 Per Occurrence	\$1,000 Per Occurrence
CONT. EQUIPMENT PREMIUM:	\$2,497	\$3,665	Included

MISCELLANEOUS PROPERTY

LIMITS:	\$55,192 EDP \$5,000 Transit \$10,000 Static Display Aircraft	\$55,192 EDP \$10,000 Static Display Aircraft \$2,500 Per Occurrence	\$55,192 EDP \$10,000 Static Display Aircraft \$1,000 Per Occurrence
DEDUCTIBLE:	\$250 Per Occurrence	Included	\$450
MISC. PROPERTY PREMIUM:	Included	\$510	

TOOLS

LIMITS:	\$33,534 Electric Department \$10,000 Unscheduled Tools \$500 Unscheduled Max Per Item	\$0 -- Scheduled Tools \$10,000 -- Unscheduled Tools \$500 -- Unscheduled Max per Item	As Requested
DEDUCTIBLE:	\$500 Per Occurrence	\$500 Per Occurrence	\$1,000 Per Occurrence
MISC. PROPERTY PREMIUM:	Included	Included	Included

CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:
CARRIER:

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A
League Association of Risk Management

GENERAL LIABILITY

INSURER & BEST RATING:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XIII	League Association of Risk Management
COMMERCIAL GENERAL FORM:	Yes	Yes	Manuscript
OCCURRENCE COVERAGE:	Yes	Yes	Yes
LIMITS -	\$1,000,000 Each Occurrence \$1,000,000 Personal / Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products / Comp. Ops. Aggregate \$100,000 Fire Damage Legal \$5,000 Medical Payments	\$1,000,000 Each Occurrence \$1,000,000 Personal / Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products / Comp. Ops. Aggregate \$100,000 Fire Damage Legal \$5,000 Medical Payments	\$5,000,000 Each Occurrence \$5,000,000 Personal / Advertising Injury \$5,000,000 General Aggregate \$5,000,000 Products / Comp. Ops. Aggregate \$100,000 Fire Damage Legal \$5,000 Medical Payments
SHARED AGGREGATE LIMIT:	No	No	No
LIABILITY POOL AGGREGATE:	N/A	N/A	N/A
DEDUCTIBLE:	\$250 per claim/\$2,500 per occurrence-- Drift Liability	None	None
INCL. TORT LIABILITY ENDORSEMENT:	Yes	Yes	Yes
INCL. SEXUAL ABUSE:	Yes	Yes	Yes, defense is included
INCL. INDEPENDENT CONTRACTORS: (Vicarious liability of City)	Yes	Yes	Yes
SUPPLEMENTARY DEFENSE COSTS:	Yes	Yes	Yes
INCL. SPECIAL EVENTS:	Depends on the event	Yes, with prior approval from carrier	By endorsement
FELLOW EMPLOYEE EXCLUSION:	Deleted	Deleted	Deleted
90-DAY NON-RENEWAL:	No, 60 Days	Yes	Yes
INCL. PROFESSIONAL SERVICES FOR EMPLOYED PROFESSIONAL ENGINEERS AND ARCHITECTS:	Yes	Yes	Yes
INCLUDE EMT PROFESSIONAL:	Yes	Yes	Yes
INCLUDE PARAMEDIC PROFESSIONAL:	Yes	Yes	Yes

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY: Jones Insurance Agency		Agency One Insurance		N/A	
CARRIER: Berkshire Hathaway A++:XIV		Employers Mutual Casualty (EMC) A:XIII		League Association of Risk Management	
<u>GENERAL LIABILITY(Continued)</u>					
EXCLUDE AIRPORT OPERATIONS:	No	Yes		Yes	
EXCLUDE LAW ENFORCEMENT:	Yes	Yes (Can be removed)		Yes	
INCLUDE LIABILITY ARISING FROM THE SPRAYING OF CHEMICALS:	Yes, \$25,000	Yes		Yes, \$300,000 Limit	
INCL. SEWER BACKUP CLAIMS:	Yes, \$1,000,000 Limit	Yes		\$15,000 Per Bldg./\$75,000 Per Occ. \$5,000 Ded. Per Bldg./\$25,000 Per Occ.	
INCL. WATERCRAFT:	Yes, under 26'	Yes		Yes, under 26'	
INCL. CEMETERY LIABILITY:	Yes	Yes		Yes	
INCL. LIQUOR LIABILITY:	Not Included / Quote Pending	Not Included / Quote Pending		Not Included / Quote Pending	
INCL. ELECTRIC UTILITY:	Yes	Yes		Yes	
INCL. FAILURE TO SUPPLY:	Yes, \$100,000 Limit	No		Yes	
PREMIUM SUBJECT TO AUDIT:	Yes	Yes		No	
G.L. ANNUAL PREMIUM:	\$9,944 (Plus \$584 TRIA)	\$3,604		\$9,669	
<u>EMPLOYEE BENEFIT LIABILITY</u>					
COVERAGE FORM:	Claims Made (5/1/2004 Retro Date)	Claims Made (No Retro Date)		Occurrence	
LIMITS:	\$1,000,000 Each Claim \$1,000,000 Aggregate	\$1,000,000 Each Claim \$2,000,000 Aggregate		\$5,000,000 Each Claim \$5,000,000 Aggregate	
DEDUCTIBLE:	\$1,000 Per Claim	\$1,000 Per Claim		\$2,500 Per Claim	
E.B.L. ANNUAL PREMIUM:	Included	Included		Included	

CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

**PUBLIC ENTITY MANAGEMENT LIABILITY /
EMPLOYMENT PRACTICES LIABILITY**

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A

League Association of Risk Management

INSURER & BEST RATING:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XIII	League Association of Risk Management
FORM:	Claims Made (5/1/1987 Retro Date)	Claims Made (05/01/1987 Retro Date)	Occurrence (see notation)
LIMITS OF LIABILITY:	\$1,000,000 Each Wrongful Act \$1,000,000 Aggregate	\$1,000,000 Each Wrongful Act \$2,000,000 Aggregate	\$5,000,000 Each Wrongful Act \$5,000,000 Aggregate
DEDUCTIBLE:	\$2,500 Each Claim	\$2,000 Each Wrongful Act	\$2,500 Each Claim
\$0 DEDUCTIBLE FOR EXPENSES:	No, Subject to Deductible	No, Subject to Deductible	Yes
WRONGFUL ACT COVERAGE:	Yes	Yes	Yes
DEFENSE COST ARE SUPPLEMENTAL:	Yes	Yes	Yes
"PAY ON BEHALF OF INSURED":	Yes	Yes	Yes
INSURER'S DUTY TO DEFEND:	Yes	Yes	Yes
INCL. CITY ATTORNEY:	Yes	No	Yes
INCLUDES DISCRIMINATION:	Yes	Yes	Yes
INCL. SEXUAL HARASSMENT (NO B.I.):	Yes	Yes	Yes
INCL. WRONGFUL TERMINATION:	Yes	Yes	Yes
INCL. FAILURE TO PROMOTE:	Yes	Yes	Yes
INCL. EEOC / NEOC MEDIATION DEFENSE & SETTLEMENTS:	Yes	Yes	Yes
INCL. BACKWAGES & BENEFITS:	No	No	Yes
PLAINTIFF FEES COVERED AS "DAMAGES" IF SO AWARDED:	No	Yes	50%, \$25,000 Deductible
INCL. DEFENSE FOR CRIMINAL ALLEGATIONS UNTIL FINDING OF FACT:	Yes	Yes	Yes
INCLUDE ADVISORY BOARDS:	Yes	Yes	Yes
INCLUDE LAND USE, PLANNING AND ZONING CLAIMS:	No, will pay 90% of defense costs	No	No(Claim must seek monetary damages)
INCLUDES COVERAGE FOR NON-MONETARY DEMANDS:	No	Yes, Limited Defense	No
ANNUAL PREMIUM:	\$3,242 (1-Year Extended Reporting @200% \$5,836)	\$2,683	\$2,803 3-year prior acts coverage \$6,000)

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:
CARRIER:

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A
League Association of Risk Management

LAW ENFORCEMENT LIABILITY

INSURER & BEST RATING:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XII	League Association of Risk Management
FORM:	Claims Made 5/1/1987 Retro Date	Occurrence	Occurrence
LIMITS OF LIABILITY:	Endorsement to E & O Coverage	\$1,000,000 Occurrence \$2,000,000 Aggregate	\$5,000,000 Occurrence \$5,000,000 Aggregate
SHARED AGGREGATE LIMIT:	Yes	No	No
DEDUCTIBLE:	\$2,500 Per Claim	\$2,500 Per Claim	\$2,500 Per Claim
\$0 DEDUCTIBLE FOR EXPENSES:	No, Subject to Deductible	No, Subject to Deductible	Yes
SUPPLEMENTAL DEFENSE COSTS:	Yes	Yes	Yes
PLAINTIFF FEES COVERED AS "DAMAGES" IF SO AWARDED:	No	Yes	Yes
INCLUDE AUTHORIZED MOONLIGHTING:	Not Noted	Yes	Yes, Subject to UAW review
INCL. DISCRIMINATION:	Yes	Yes	Yes
INCL. VIOLATION OF CIVIL RIGHTS:	Yes	Yes	Yes
INSURER'S DUTY TO DEFEND:	Yes	Yes	Yes
"PAY ON BEHALF OF INSURED":	Yes	Yes	Yes
INCL. INTENTIONAL ACTS TO PROTECT LIFE AND/OR PROPERTY:	Not Noted	Yes	Yes
ANNUAL PREMIUM:	\$144	\$2,298	\$560

3-Year Prior Acts Included
Prior Acts to 5/1/1987 Included

CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

AUTOMOBILE

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A

League Association of Risk Management

INSURER & BEST RATING:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XIII	League Association of Risk Management
LIABILITY LIMITS :	\$1,000,000	\$1,000,000	\$5,000,000
INCL. TORT LIABILITY ENDT:	Yes	Yes	Yes
UNINSURED/UNDER. MOTORIST:	\$100,000 Each Occurrence	\$100,000 Each Occurrence	\$100,000 Each Occurrence
MEDICAL PAYMENTS:	\$5,000 All Vehicles	\$5,000 All Vehicles	\$5,000 All Vehicles
SYMBOL ONE "ANY AUTO" LIABILITY:	Yes	Yes	Per Schedule Incl. Hired and Non-Owned
EMPLOYEES AS INSURED:	Yes	Yes	Yes
FELLOW EMPLOYEE EXCLUSION:	Deleted	Included	Deleted
INCL. NECESSARY INTENTIONAL ACTS:	Yes	Yes	Yes
FLEET BASIS COVERAGE (NO REPTG REQUIREMENTS - SUBJECT TO AUDIT):	Report Changes	Yes	Report Changes
LIABILITY DEDUCTIBLE:	None	None	None
AUTO LIABILITY ANNUAL PREMIUM:	\$6,186	\$5,948	\$2,921

AUTO PHYSICAL DAMAGE

PER SCHEDULE:	Yes	Yes	Yes
AUTO PHYSICAL DAMAGE DEDUCT -	\$500 Comprehensive \$500 Collision No catastrophic deductible available	\$500 Comprehensive \$500 Collision No catastrophic deductible available	Deductibles vary--see proposal \$2,500 Catastrophe Deductible
INCL. EMERGENCY EQUIPMENT ATTACHED TO VEHICLES:	No	Yes	Yes
INCL. DAMAGE BY FREEZING:	No	Yes	Yes
FLEET BASIS COVERAGE (NO REPTG. REQUIREMENT - SUBJECT TO AUDIT):	Report Changes	Yes	Report Changes
PHYS. DAMAGE ANNUAL PREMIUM:	\$3,379	\$3,745	\$5,389

HIRED PHYSICAL DAMAGE

LIMIT:	\$25,000	\$25,000	No limit per vehicle
DEDUCTIBLE:	\$0 Comprehensive \$250 Collision	\$500 Comprehensive \$500 Collision	\$250 Comprehensive \$500 Collision
ANNUAL PREMIUM:	\$250	Included	Included

CITY OF DAVID COUNTY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

Jones Insurance Agency
Berkshire Hathaway A++XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A:XIII

N/A

League Association of Risk Management

CRIME COVERAGE

INSURER & BEST RATING:	Berkshire Hathaway A++XIV	Employers Mutual Casualty A:XIII	LARM / CNA
90-DAY NON-RENEWAL:	No, 60 Days	Yes	Yes
EMPLOYEE DISHONESTY:			
FAITHFUL PERFORMANCE OF DUTY:	Yes	Yes	Yes
LIMIT:	\$100,000 Per Loss	\$100,000 Per Loss	\$100,000 Per Loss
DEDUCTIBLE:	\$0	\$1,000	\$0
ANNUAL PREMIUM:	\$219	\$356	Included

FORGERY & ALTERATION:

LIMIT:	Not part of Specifications / Quote Pending	Not part of Specifications / Quote Pending	\$100,000
FORGERY & ALTERATION DEDUCT:			\$1,000
FORGERY ANNUAL PREMIUM:			Included

THEFT, DISAPPEARANCE & DESTRUCTION:

LIMITS:	\$10,000 Limit Inside \$10,000 Limit Outside	N/A	\$100,000 Limit Inside \$100,000 Limit Outside
INCL. COURIER SERVICE:	Yes		Yes
TD&D DEDUCTIBLE:	\$500		\$1,000 Per Occurrence
TD&D ANNUAL PREMIUM:	Included		Included

COMPUTER FRAUD:

LIMIT:	Not part of Specifications / Quote Pending	Not part of Specifications / Quote Pending	\$100,000 Per Occurrence
COMPUTER FRAUD DEDUCT:			\$1,000
INCLUDE WIRE TRANSFERS:			No
FRAUD ANNUAL PREMIUM:			Included

FUNDS TRANSFER COVERAGE:

LIMIT:	Not part of Specifications / Quote Pending	Not part of Specifications / Quote Pending	\$100,000 Per Occurrence
FUNDS TRANSFER DEDUCT:			\$1,000
FUNDS TRANSFER PREMIUM:			Included

**CITY OF DAVID CITY, NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015**

AGENCY:

CARRIER:

UMBRELLA LIABILITY

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A

League Association of Risk Management

INSURER:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XIII	N/A - \$5,000,000 Primary Limit
FORM:	Umbrella	Excess	
LIMITS OF LIABILITY:	\$5,000,000 Each Occurrence \$5,000,000 General Aggregate	\$5,000,000 Each Occurrence \$5,000,000 General Aggregate	
PROGRAM IN EXCESS OF:			
GENERAL LIABILITY:	Yes	Yes	
AUTOMOBILE LIABILITY:	Yes	Yes	
EMPLOYEE BENEFIT LIABILITY:	Yes	Yes	
PUBLIC OFFICIAL LIABILITY:	Yes	Yes	
LAW ENFORCEMENT LIABILITY:	Yes	Yes	
EMPLOYMENT PRACTICES LIABILITY:	Yes	Yes	
INCL. FOLLOWING FORMS:	Yes	Yes	
SUPPLEMENTAL DEFENSE COSTS:	Yes	Yes	
PAY ON BEHALF OF:	Yes	Yes	
INCL. TORT CLAIMS ENDT:	Yes	Yes	
DROP DOWN COVERAGE:	Yes	Yes	
POLICY IS TO BE "NON-AUDITABLE":	Yes	Yes	
UMBRELLA ANNUAL PREMIUM:	\$9,064	\$9,550	
		(\$4,000,000 limit - \$8,534)	

WORKERS COMPENSATION

INSURER & BEST RATING:	Berkshire Hathaway A++:XIV	Employers Mutual Casualty A : XIII	LARM
COVERAGE "A" STATUTORY:	Yes	Yes	Yes
EMPLOYERS LIABILITY LIMITS:	\$500,000 Each Accident \$500,000 Disease, Each Employee \$500,000 Disease, Policy Limit	\$500,000 Each Accident \$500,000 Disease, Each Employee \$500,000 Disease, Policy Limit	\$500,000 Each Accident \$500,000 Disease, Each Employee \$500,000 Disease, Policy Limit
DIVIDEND PLAN:	Yes	Yes, EMC has paid dividends 16 of the last 20 years	Per Board Approval
LOCATION OF CLAIMS ADMIN.:	Omaha, NE	Omaha, NE	Lincoln, NE
EMF UTILIZED:	0.79	0.79	Not Noted
WORK COMP PREMIUM:	\$27,366	\$28,135	\$23,964

CITY OF DAVID C., NEBRASKA
PROPERTY AND LIABILITY INSURANCE
MAY 1, 2014 - MAY 1, 2015

AGENCY:

CARRIER:

AIRPORT LIABILITY

Jones Insurance Agency
Berkshire Hathaway A++:XIV

Agency One Insurance
Employers Mutual Casualty (EMC) A :XIII

N/A

League Association of Risk Management

INSUROR:	ACE USA	Global Aerospace	Chartis
LIMITS:	\$5,000,000 Each Occ. BI/PPD \$5,000,000 Aggregate Prod./Comp Ops \$3,000 Med Pay / Each Person	\$5,000,000 Each Occ. BI/PPD \$5,000,000 Aggregate Prod./Comp Ops \$5,000 Med Pay / Each Person	\$5,000,000 Each Occ. BI/PPD \$5,000,000 Each Occ. Prod./Comp. Ops. \$5,000,000 Aggregate Prod./Comp Ops \$5,000 Med Pay / Each Person \$5,000 Med Pay / Each Accident
SUPPLEMENTARY DEFENSE COSTS:	No	No	Yes
INCLUDE COVERAGE FOR AIRSHOWS:	No	No	Yes
TERRORISM COVERAGE:	Not Noted	Included	Included
ANNUAL PREMIUM:	\$1,280 (Hangarkeepers quote pending)	\$1,538 (\$500,000 Per Aircraft / Occurrence Hangarkeepers - \$882 Additional)	\$2,070 (Hangarkeepers quote pending)

Mayor Zavodny stated that the Council had the presentations of the Downtown Redevelopment at the Committee of the Whole Meeting on March 26, 2014.

Council Member Smith made a motion to award the bid to Olsson Associates for a Redevelopment Plan. Mayor Zavodny asked four (4) different times for a second to the motion, and then declared that the motion died for lack of a second.

Council member Scribner made a motion to accept the bid of Leo A. Daly for Professional Consulting Services for preparation of a Downtown Redevelopment Plan. Council member Svoboda seconded the motion. City Administrator Cornett stated: "One item of clarification, David Levy with Baird Holm that worked on the plans and set in on the Committee of the Whole meeting asked me to contact Leo Daly because there was a section that had not been included on T.I.F. (Tax Increment Financing) in regards to the T.I.F. Plan. Leo Daly said that will be included at no extra charge; that was an oversight." Voting AYE: Council members Kroesing, Vandenberg, Rogers, Svoboda, and Scribner. Voting NAY: Council member Smith. The motion carried.

Park/Auditorium Supervisor Bill Buntgen presented the following bids:

**DAVID CITY AQUATIC CENTER
VACUUM BIDS**

NAME-CO.	MACHINE	VACUUM	HOSE	POLE	MANIFOLD	BID
RECREATION SUPPLY	1½ HP 115V 155 SF Elec	\$2,436.00	\$160.00	\$145.00	\$223.00	\$2,964.00
LINCOLN AQUATIC	1½ HP 115V Electric	\$2,573.00	\$189.75	\$203.75	\$210.50	\$3,176.00
WMS AQUATICS	1½ HP 115V Electric	\$2,425.85	\$121.04	\$145.00	\$212.85	\$2,995.74
ACCO	1½ HP 115V Electric					\$3,435.00
RECREONICS	1½ HP 115V Electric	\$2,506.64	\$210.45	\$172.25	\$258.82	\$3,148.16

Council member Scribner made a motion to accept the bid of Recreation Supply in the amount of \$2,964.00 for a Vacuum for the David City Swimming Pool. Council member Rogers seconded the motion. Voting AYE: Council members Smith, Svoboda, Vandenberg, Rogers, Kroesing, and Scribner. Voting NAY: None. The motion carried.

Council member Smith made a motion to approve the request by Rich Ludvik d.b.a. Ka-Boomer's for a fireworks permit to sell permissible fireworks at 1510 4th Street between June 25th and July 4, 2014. Council member Scribner seconded the motion. Voting AYE: Council members Svoboda, Smith, Kroesing, Rogers, Vandenberg, and Scribner. Voting NAY: None. The motion carried.

There being no further business to come before the Council, Council member Kroesing made a motion to adjourn. Council member Rogers seconded the motion. Voting AYE: Council members Svoboda, Smith, Kroesing, Scribner, Rogers, and Vandenberg. Voting NAY: None. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:20 p.m.



CERTIFICATION OF MINUTES
April 9, 2014

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of April 9, 2014; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan E. Kovar, City Clerk