Agenda Item No.: **19.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: APRIL 16, 2008

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: MARK R. VINCENT ☒ **Consent** ☐ **Discussion**

SUBJECT:
Approval of and authorization for the Director of Finance to execute the City's required Letter of Credit (LOC) in the amount of $13,374,000 for workers compensation claims with Bank of America (Estimated fee of $39,000 - Employee Benefits Internal Service Fund)

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**
Amount: $39,000
Funding Source: Employee Benefits Internal Service Fund
Dept./Division: Human Resources

PURPOSE/BACKGROUND:
NRS 616B.300(2) requires that a "self-insured employer must, in addition to establishing financial ability to pay workers compensation claims, deposit with the commission a bond executed by the employer as principal, payable to the State of Nevada." The City recently went out to bid for the required LOC, with Bank of America submitting the lowest bid. The amount of the LOC ($13,374,000) is in compliance with the amount required by the Office of the Commissioner of Insurance.

RECOMMENDATION:
Staff recommends approval of and authorization for the Director of Finance to execute the City's required Letter of Credit (LOC).

BACKUP DOCUMENTATION:
1. Application and Agreement for Standby Letter of Credit from Bank of America
2. Supplemental Terms to Application and Agreement for Standby Letter of Credit

Motion made by GARY REESE to Approve Items 14-16, 18-23, 25-29, 31-36 and 38-57

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)