Agenda Item No.: **16.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: APRIL 15, 2009

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: CANDACE FALDER, ACTING

☒ **Consent** ☐ **Discussion**

SUBJECT:
Approval of and authorization for the Acting Director of Finance to execute the City's required Letter of Credit (LOC) in the amount of $5,106,000 for workers compensations claims with Wells Fargo Bank (Estimated fee of $20,000 - Employee Benefits Internal Service Fund)

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**

☐ **Budget Funds Available**

Amount: $20,000
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 Wells Fargo Bank submitting the lowest bid. The amount of the LOC ($5,106,000) is in compliance with the amount required by the Office of the Commissioner of Insurance.

RECOMMENDATION:
Staff recommends approval of and authorization for the Acting 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 Wells Fargo Bank
2. Wells Fargo Bank Term Sheet
3. Submitted after Meeting Wells Fargo Bank Term Sheet, Standby Letter of Credit and Application dated July 28, 2009

Motion made by STEVE WOLFSON to Approve Items 12-22, 24-37, 39-45 and 47-49

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2
DAVID W. STEINMAN, RICKI Y. BARLOW, STEVE WOLFSON, GARY REESE, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-LOIS TARKANIAN, OSCAR B. GOODMAN)