



Las Vegas

Agenda Item No.: 40.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF DECEMBER 7, 2011

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DAN TARWATER

☐ Consent ☒ Discussion

SUBJECT:

Discussion for possible action to approve the contract with Standard Insurance Company as the City's short-term disability plan, provided effective January 1, 2012 (\$94,000 - Self Insurance Internal Service Fund)

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount: \$94,000

Funding Source: Self Insurance Internal Service Fund

Dept./Division: Human Resources / Risk Management, Compensation and Benefits

PURPOSE/BACKGROUND:

As of January 1, 2012, in an effort to reduce the city's liability for accrued sick leave, the Executive/Appointive sick leave program will be revised to reduce the maximum number of hours that can be accrued. To ensure that this reduction in sick leave accrual does not negatively affect employees whose health requires extended leave, the city has chosen to purchase a fully-insured short-term disability (STD) policy. This policy will provide income protection at 70% of salary if an employee becomes disabled due to illness or injury, and is unable to work. Benefits will commence following a disability period of 14 days and will cease at 90 days, or before, if the individual is able to return to work. The plan will permit employees to utilize accumulated sick days to supplement the 70% benefit, up to 100% of pre-disability earnings. Placement with Standard Insurance, our long-term disability carrier, will facilitate the transition to long-term disability when an employee's absence exceeds 90 days.

RECOMMENDATION:

Approval to contract with Standard Insurance Company for short-term disability coverage for Executive and Appointive employees, effective January 1, 2012.

BACKUP DOCUMENTATION:

Lockton Short Term Disability Plan Memo date November 14, 2011

Motion made by STAVROS S. ANTHONY to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB COFFIN; (Against-None); (Abstain-None); (Did Not Vote-STEVE WOLFSON); (Excused-None)

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Minutes:

VICKI ROBINSON, Human Resources Manager, explained there will be another open-bid process in January. Due to changes in the accrual of sick leave, the short-term disability policy will provide income protection if employees experience a long-term illness. The contract is renewed annually and open to bid every year. She confirmed for COUNCILMAN ROSS the company is operated nationally and has a local contact.

COUNCILMAN COFFIN knows the reputation of the company.

TODD FARLOW, Las Vegas resident, received clarification that there are no local insurance companies, just local brokers.

ANTHONY HODGES, Las Vegas resident, voiced support for the City's decision.

See Item 9 for related discussion.