Agenda Item No.: **50.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: NOVEMBER 20, 2013

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DAN TARWATER

☐**Consent** ☒ **Discussion**

SUBJECT:
Discussion and possible action to join the contract of the State of Nevada with Cochran Cannon Management Services Incorporated for third party administration of the Citys workers compensation program, first year third party administrator fees would be approximately $226,000 and $115,000 in subsequent years effective January 1, 2014

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☒ **Budget Funds Available**

Amount: $226,000
Funding Source: Workers Compensation Benefit Fund
Dept./Division: Human Resources/Risk and Benefits

PURPOSE/BACKGROUND:
The City of Las Vegas currently has a self-insured and self-administered workers comp program. The City has elected to move to a third party administrator to improve the efficiency and compliance of the program. The State of Nevada conducted a competitive bid process for a third party administrator for their workers compensation program and ultimately awarded that contract to CCMSI. Using the State of Nevada contract pricing, the TPA fees for the City of Las Vegas would be $226,000 the first year and $115,000 in subsequent years. These fees are more than offset by annual expense savings of approximately $928,162.

RECOMMENDATION:
Staff recommends approval to join the contract with CCMSI for TPA services.

BACKUP DOCUMENTATION:
1. Cost Comparison
2. Proposal from CCMSI
3. Narrative Analysis of Current Plan Issues

Motion made by STAVROS S. ANTHONY to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 2; Excused: 0
BOB COFFIN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-None); (Abstain-None); (Did Not Vote-RICKI Y. BARLOW, LOIS TARKANIAN); (Excused-None)

Minutes:
KELLY LEERMAN, Human Resources Manager, stated that staff worked with both brokers on this matter and determined that both would serve the City's needs. The savings expected is

$928,000 yearly, with it being somewhat higher in subsequent years. This savings was accomplished through staffing reductions. Currently approved positions will be eliminated, so no one will actually be displaced. The bulk of the savings comes from negotiating with the providers for worker's compensation bills.

COUNCILMAN BEERS regarded this venture as a budget risk; therefore, he requested it be monitored closely.