

**City of Carson City
Agenda Report**

Date Submitted: April 8, 2008

Agenda Date Requested: April 17, 2008

Time Requested: 5 minutes

To: The Mayor and Board of Supervisors

From: Ann Silver, Director of Human Resources

Subject Title: Action to extend contract with Saint Mary's HealthFirst for medical and pharmacy insurance for an additional two (2) year period through June 30, 2012.

Staff Summary: Human Resources previously negotiated a three (3) year contract which began July 1, 2007, ending June 30, 2010 with future rate increases tied to claims' utilization. Human Resources proposes an extended contract for an additional two years with a zero rate increase for FY 2008-2009 and renegotiated increases for FY 2010, 2011, and 2012.

Type of Action Requested: (check one)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to extend the contract with St. Mary's HealthFirst for medical and pharmacy insurance for an additional two (2) year period through June 30, 2012.

Explanation for Recommended Board Action: The existing three (3) year contract with Saint Mary's HealthFirst assists the City in minimizing future cost increases and promoting strategic fiscal planning and stability in our employees' costs for dependent coverage.

Applicable Statute, Code, Policy, Rule or Regulation: We are bound by six (6) collective bargaining agreements to provide insurance benefits to our employees.

Fiscal Impact: The cost to the City for this renewal results in a net savings. Based on the current agreement with St. Mary's, the renewal rate, based on claims usage, would equate to a 6.00% increase or \$318,422. The City will realize a \$318,422 reduction with the approval of this extended agreement. The City will continue to provide a stable cost (subject to individual bargaining agreements) of coverage to any employee wishing to enroll one or more dependents.

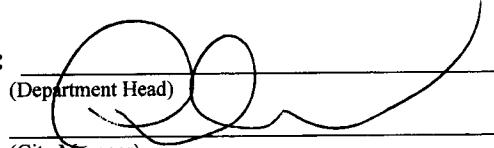
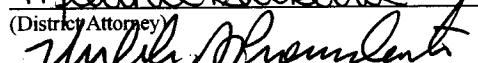
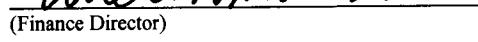
Funding Source: All Operating Funds

Alternatives: Remain with terms of current agreement or cancel agreement

Supporting Material:

Prepared By: Zee McClintock, Manager of Employee Benefits

Reviewed By:

(Department Head) 
(City Manager) 
(District Attorney) 
(Finance Director) 

Date: _____

Date: 4-8-08

Date: 4-8-08

Date: 4-8-08

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)