

**BOARD OF PORT COMMISSIONERS
PORT OF REDWOOD CITY**

AGENDA SHEET

SUBJECT: MOTION APPROVING AGREEMENT FOR SERVICES (WORKERS' COMPENSATION COVERAGE) BETWEEN CITY OF REDWOOD CITY AND PORT OF REDWOOD CITY AND AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE AGREEMENT

DATE: April 12, 2006

ITEM NO.: VI-B

Submitted by: C. Hampton

AGENDA CLASSIFICATION

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Policies | <input type="checkbox"/> Leases |
| <input type="checkbox"/> Finance | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Legal | <input type="checkbox"/> Maintenance |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Other |

PROGRAM AREA

- | |
|---|
| <input type="checkbox"/> General Operations |
| <input type="checkbox"/> Marine Terminal Operations |
| <input type="checkbox"/> Yacht Harbor Operations |
| <input type="checkbox"/> Property Management |
| <input checked="" type="checkbox"/> Administration |

BACKGROUND

The Port has obtained its Workers' Compensation insurance coverage through the City of Redwood City for many years. The City is self-insured for the first "x" dollars of each claim, usually between \$350,000 and \$500,000. The City carries excess workers' comp insurance for any claim exceeding the self-insured retention.

The City has offered to continue providing workers' compensation coverage to the Port for FY07 and FY08 (see attached letter).

Shown below is a Port "premium" cost comparison and claims history.

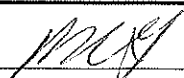
Fiscal Year	"Premium"	Proposed	Port Claims
FY05	\$ 34,845		\$ 61,439
FY06	\$ 37,283		\$ 21,081 (z)
FY07		\$53,826	Unknown
FY08		\$53,801	Unknown

(z) Through March, 2006

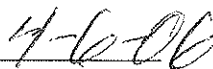
The proposed premiums for FY07 and FY08 have increased in part due the level of Port claims in FY05, the addition of the Assistant Manager of Operations position, and general increases in payroll. If the "premiums" were converted to a rate per \$100 of estimated Port payroll, the result would be a rate of \$5.88 for FY07 and \$5.60 for FY08.

It is staff's recommendation that the Port accept the City's offer of workers' compensation coverage for FY07 and FY08 at the proposed annual rates of \$53,826 and \$53,801 respectively.

Executive Director's Approval



Date



Department of Human Resources
1017 Middlefield Road
Redwood City, CA 94063



Telephone (650) 780-7281
FAX (650) 364-3539
TDD (650) 780-7265

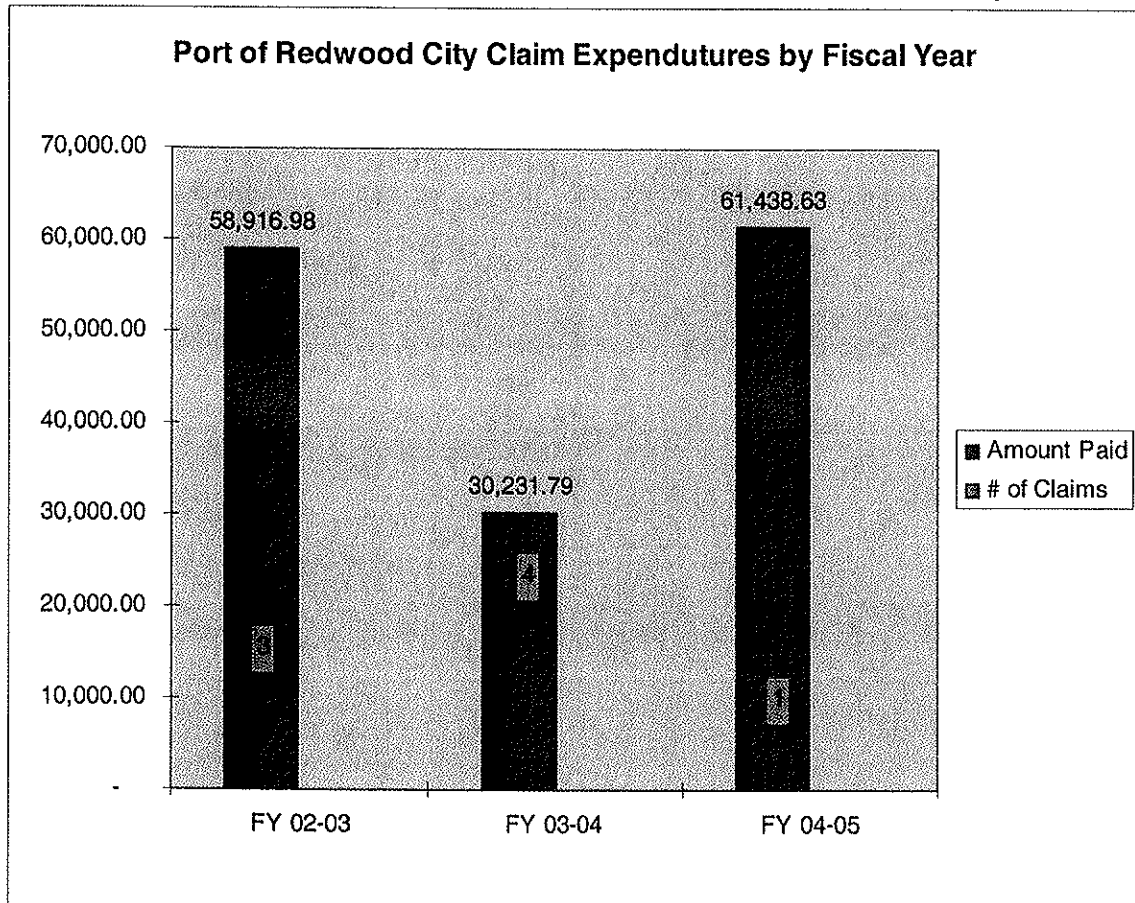
March 28, 2006 (Revised 04-03-06)

Mr. Michael J. Giari, Executive Director
Port of Redwood City
675 Seaport Boulevard
Redwood City, CA 94063

Dear Mr. Giari,

We are pleased to provide your agency Workers' Compensation coverage for the fiscal years 2006/2007 and 2007/2008.

The Port's highest expenditure area in fiscal year 04-05 was Indemnity (\$61,438.63) this includes all temporary and permanent disability benefits.



As in past years, the City will offer you Third Party Administrative services through Claims Management Inc. (CMI) and occupational medical services through Kaiser Occupational Clinic. Additionally, as stated in the Scope of Services, the City of Redwood City's Human Resources Department will provide you with metrics and data to secure your ability to manage your program locally. Together we can provide you with prompt and comprehensive services.

Again, thank you for the opportunity to serve the Port of Redwood City.

Respectfully,

A handwritten signature in black ink, appearing to read "Bob Bell". The signature is fluid and cursive, with the first name "Bob" and last name "Bell" clearly distinguishable.

Bob Bell
Human Resources Director

Cc: Cynthia Hampton, Director of Finance
Carolyn McLaurin, Management Analyst II

**CITY OF REDWOOD CITY
And
PORT OF REDWOOD CITY**

AGREEMENT FOR SERVICES

March 28, 2006

1. The City of Redwood City will provide the Port of Redwood City Workers' Compensation Insurance coverage and excess insurance coverage for the period of July 1, 2006 through June 30, 2008.
2. The City will provide Third Party Administrations support through Claims Management Inc. (CMI).
3. The City will provide claim support (claim, review, status, employee communication) through the Human Resources Department.
4. The City will provide annual statements regarding number of claims, claim expenditure, and injury analysis.

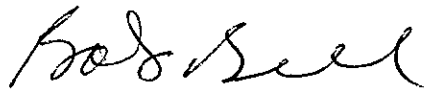
FEES

1. The above described services will be provided for the following amounts:

Fiscal Year July 1, 2006 through June 30, 2007 \$53,826
Fiscal Year July 1, 2007 through June 30, 2008 \$53,801

2. The Port will be invoiced monthly; payment will be due within 15 days of receipt of invoice.

The City of Redwood City and the Port of Redwood City approve the Agreement of Services and Fees.



**Bob Bell, Human Resources Director
City of Redwood City**

**Mike Giari, Executive Director
Port of Redwood City**