



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: September 17, 2019

DATE: September 3, 2019

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Cindy Vance, Chief Fiscal Officer
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THROUGH: Charles A. Moore, Fire Chief

SUBJECT: Recommendation to authorize Truckee Meadows Fire Protection District (TMFPD) to pay Workers' Compensation Heart and Lung Claims invoice dated June 30, 2019 from the City of Reno in the amount not to exceed \$43,499.06 per the Reno-TMFPD Interlocal Agreement, subject to a final determination based on a review by our independent actuary to determine what percentage of this amount the district is liable to pay. So-called "heart and lung" workers compensation claims are a special category for which firefighters are eligible under state law (NRS chapter 617 and related provisions) if they satisfy service requirements and suffer from certain heart or lung conditions. Eligible personnel are entitled to lifetime medical care and benefits and can elect total disability if a physician determines they can no longer serve as a firefighter as a result of the condition. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

Recommendation to authorize TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated June 30, 2019 from the City of Reno in the amount not to exceed \$43,499.06 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary.

PREVIOUS ACTION

The Board of Fire Commissioners approved the Reno-TMFPD Interlocal Agreement which sets forth the requirement for the TMFPD to pay a percentage of workers' compensation heart and lung claims based on the number of years the employee was a TMFPD employee.

The BOFC approved the TMFPD to pay Workers' Compensation Heart and Lung Claims starting in FY17 through FY18, subject to review by our independent actuary.

On December 18, 2018, the BOFC approved the TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated October 22, 2018 from the City of Reno in the amount not to exceed \$40,343.75 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary.

On April 16, 2019, the BOFC approved the TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated February 28, 2019 from the City of Reno in the amount not to exceed \$34,862.34 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary.

On May 21, 2019, the BOFC approved the TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated April 19, 2019 from the City of Reno in the amount not to exceed \$52,262.85 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary.

BACKGROUND

The Reno-TMFPD Interlocal Agreement sets forth the option for the TMFPD to buyout its workers' compensation liability at the end of a five year period which is a liability still in existence even after the Reno/TMFPD Interlocal Agreement has expired since it pertains to workers' compensation claims made during the period of the Agreement. Per the Agreement, by buying out FY 11/12 claims, the TMFPD will have no further liability for any workers' compensation claims for FY11/12 or prior years except for heart and lung claims.

It is the District's position that the District is only liable for heart and lung claims with a loss date after June 30, 2012 and that the buyout in connection with the TMFPD's separation from Reno Fire in 2012 included all workers' compensation claims presented prior to FY11/12. At this time, the District does not dispute liability for heart and lung claims presented after June 30, 2012. The District disputes liability for heart and lung claims with loss dates prior to June 30, 2012 which have been included in the invoice dated April 19, 2019 from the City of Reno. Hence the subjection of this payment authorization to a final determination to be made based on the independent actuary's analysis to determine what percentage of this invoice the district is actually liable to pay.

The City of Reno is aware that an independent actuary has been contracted to review the Interlocal agreement, previous buyouts of workers' compensation claims, and current Workers' Compensation Heart and Lung Claims invoices. TMFPD has made partial payments on previous invoices for the claims and plans to make a partial payment on the current invoice, the remaining portion will be accrued for payment pending final review by the independent actuary.

FISCAL IMPACT

Adequate funds have been accrued and budgeted within the District's Workers' Compensation Internal Service fund to pay approved invoices.

RECOMMENDATION

Staff recommends the authorization for TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated June 30, 2019 from the City of Reno in the amount, not to exceed \$43,499.06 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary.

POSSIBLE MOTION

Should the Board agree with staffs' recommendation, a possible motion could be:

"I move to authorize TMFPD to pay Workers' Compensation Heart and Lung Claims invoice dated June 30, 2019 from the City of Reno in the amount, not to exceed \$43,499.06 per the Reno-TMFPD Interlocal Agreement, subject to review by our independent actuary."