

Self-Insured Healthcare Trust Board

Goodyear City Hall - La Jolla Vista Conference Room 2nd Floor
1900 N. Civic Square
Goodyear, AZ 85395



Thursday, March 12, 2026

3:30 p.m.

Meeting Minutes

CALL TO ORDER

ROLL CALL

Present: Chair Michael Balsan; Boardmember Jennifer Preyer-Bonton; Ex-Officio Michael Shoemaker;
Committee Member Kathleen Koncel

Absent: Vice Chair Wade Foster

Staff Present: Human Resources Director Lyman Locket; Total Rewards Manager Chi Herrington; Benefits Analyst
Chanda Washington; Benefits Analyst Maria Carrillo

Attendees: Charlie Broucek, Sr. Vice President, Brown & Brown; Paula Campbell, Benefits Consultant, Brown &
Brown; Graham Davis, Underwriter, Brown & Brown

BUSINESS

1. APPROVE MINUTES

MOTION BY Committee Member Kathleen Koncel, **SECONDED BY** Chair Michael Balsan to APPROVE the draft minutes of the Self-Insured Healthcare Trust Board meeting held on November 12, 2025

AYE: Chair Michael Balsan, Boardmember Jennifer Preyer-Bonton, Ex-Officio Michael Shoemaker,
Committee Member Kathleen Koncel

Passed - Unanimously

2. Update on Medical and Dental RFP

Chi Herrington advised the Request for Proposal (RFP) has been pushed back a little bit. She explained the city has been working behind the scenes to secure the RFP committee. She advised the goal is to get representation from the city, including our Police and Fire Associations. Brown & Brown is also working on developing RFP questions and an announcement. She mentioned the city is hoping to have the RFP announcement out before the end of the fiscal year in June. Charlie Broucek from Brown & Brown mentioned ideally, they expect everything to be wrapped up around October or November. Committee member Kathleen Koncel asked if it is just medical and dental going to RFP. Chi indicated the supplemental life insurance would be included. Chi expanded further by saying the supplemental insurance is like the Aflac insurance that we are more familiar with. There was discussion about the growth of the city and how many new positions were added to the budget.

3. Review, discuss and take possible action on financials

Michael Shoemaker went over the financials with the board. He advised we started the fiscal year with \$7.8M in the reserve. There was \$1.6M change in net assets. As of December 31, 2025, we had \$6.2M in net assets. There was approximately \$800K in Cigna pharmacy rebates added back into reserve balance as incurred but not reported (IBNR) which increased the reserve balance to \$7M.

4. Review, discuss and take possible action on renewals

Graham Davis discussed the underwriting evaluation and projecting of the renewals. He explained to the board that Brown & Brown looks at using the claims experience over the last two years and the year-to-date claims of the current plan year. Graham went over the way that insurance carriers review claims data for projecting rate renewals and the method that Brown & Brown uses for reviewing claim data for projecting rate renewals. Graham discussed the normalization method and review the data that showed number of claims were less than expected in 2023/2024 plan year, but higher than expected in 2024/2025 and in the current plan year. He mentioned the membership of the plan has been increasing year after year. He explained that the city has two laser claims and explained the adjustment that was factored into the projections with the laser claims taken into account which brought the plan at 24% increase from where we were last year. Graham also went over the pharmacy projected claims at \$195.78 per member per month and showed the board there was a 24.9% increase in stop loss from the previous plan year. Graham discussed the different methods for projecting the renewals using the normalization method at 24% increase, blending method over 3-year time period comes in at 27.5% increase and rolling 12-month normalization at 23.3%.

Charlie Broucek went over the rate for plans information and discussed the proposed plan modifications. He reviewed with the board an all cities benchmark comparison that was done with peers and it showed the city's plans for out-of-pocket costs were richer than other cities. Brown & Brown looked at adjusting the out-of-pocket maximum to the average benchmarks and showed the savings on all three plans. Charlie went over the recommendations to adjust the out-of-pocket maximums to the average cities benchmark to lower the increase from 24% to 19.4% which would generate approximately \$800,000 in cost savings to the plan. Charlie also went over the dental rate renewal which is showing a 5% increase to the PPO dental plan and no changes to the HMO dental plan that is paid by the city. He explained that things have been trending up and there are challenges in the marketplace. Brown & Brown is seeing higher renewals than in previous years in unit costs and reimbursements, which increases the cost of healthcare overall.

Chi Herrington mentioned that Lyman Lockett talked to the executive leadership team and they would like to get feedback from the self-Insured Healthcare committee and then come back to the board to hear the feedback and vote on the rates.

5. Review, discuss and take possible action on setting rates for FY Plan Year for Medical and PPO Dental Plans

Chi explained there will be another meeting scheduled with this board to discuss the feedback that the self-insured healthcare committee had regarding the renewal rates. Therefore, we will be postponing this agenda item. At the next board meeting, the board will look to vote and finalize the renewal rates for medical and dental PPO for the upcoming plan year.

INFORMATION ITEMS

Comments, Commendations, Report on Current Events and Presentations by Board, Commission or Committee Members, or staff. The members may not propose, discuss, deliberate or take any legal action on the information presented pursuant to A.R.S. § 38-431.02.

FUTURE MEETINGS

Tentatively scheduled for November 12, 2026

Tentatively scheduled for a date the week of March 23rd that a majority of the board members can attend.

ADJOURNMENT

MOTION BY Chair Michael Balsan, **SECONDED BY** Committee Member Kathleen Koncel

AYE: Chair Michael Balsan, Boardmember Jennifer Preyer-Bonton, Ex-Officio Michael Shoemaker,
Committee Member Kathleen Koncel

Passed - Unanimously

There being no further business to discuss, Chairman Balsan adjourned the meeting at 4:30 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Board Chairman

Date: _____