



MARANA HEALTH CARE BENEFITS TRUST BOARD

11555 W. Civic Center Drive, Marana, Arizona 85653
Second Floor Conference Center, September 14, 2026, at or after 3:30PM

Steve Crooks, Chair
Jannine Beyer, Secretary
Thomas Spindler, Trustee
Yiannis Kalaitzidis, Trustee

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Chair Steve Crooks called the meeting to order at 3:46 PM. **Chair Steve Crooks (Remotely), Secretary Jannine Beyer, and Trustee Yiannis Kalaitzidis**, were present, constituting a quorum.

Additional Town of Marana staff members present included Human Resources Director Curry C. Hale, Human Resources Deputy Director Jennifer Lindblom, Human Resources Manager Lisa Pederson, Finance Deputy Director Pete Saxton, Town Attorney Jane Fairall, and Assistant Town Attorney Savannah Merchant.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Chair Crooks**

APPROVAL OF AGENDA

Secretary Beyer motioned to approve the agenda. Trustee Kalaitzidis seconded the motion. Motion passed, 3-0

APPROVAL OF THE MINUTES

A-1 Approval of Summary Minutes of March 10, 2026 (Maureen Flores)

Trustee Kalaitzidis motioned to approve the meeting minutes. Secretary Beyer seconded the motion. Motion passed, 3-0.

DISCUSSION/POSSIBLE ACTION

- D1 Relating to Marana Health Care Benefits Trust Operations; presentation and discussion regarding the fiscal year 2025-2026 year-end review of the Town's medical and dental plans; discussion and possible direction regarding current reserve balances of the funds.

Presenter: John Hatz, Gallagher

Financial Position and Reserves

- Estimated required reserves were discussed, with approximately **\$1.13 million** identified for the referenced reserve component.
- As of **June 30, 2026**, the Town reported an overall fund surplus of approximately **\$4.3 million**, consisting of:
 - **Medical:** approximately \$3.5 million
 - **Dental:** slightly more than \$700,000

Medical Plan Performance

- Medical plan revenues exceeded expenses for the year.
- The favorable result was driven largely by **stop-loss reimbursements**, totaling slightly more than **\$1 million**.
- Gross medical claims were higher than originally expected; however, stop-loss insurance substantially offset the impact of the large claims.
- The presenter noted that stop-loss premiums are expected to be adjusted at the next renewal to reflect the carrier's experience and risk.
- Overall, the medical plan performed better than projected, resulting in a **slight surplus rather than the anticipated deficit**.
- A reserve investment had been planned for the fiscal year based on an expectation of a modest deficit. The better-than-expected performance may help offset that planned reserve drawdown.
- Further projections are expected to be reviewed at the **December meeting**.

Medical Plan Options

- The Town currently offers three medical plans: **Copper, Teal, and Heritage**.
- The Heritage plan is a high-deductible health plan paired with a health savings account.
- Loss ratios vary among the plans based on differences in benefit levels and the amount of financial risk assumed by participants.

Large Claims

- One individual medical claim reached approximately **\$900,000** during the plan year.

- This single claim accounted for more than **\$700,000 of the approximately \$1 million in stop-loss reimbursements.**
- The claim is ongoing and will be monitored closely.
- Because the ongoing claim is known, it should provide greater visibility for future budgeting and projections.

Dental Plan Performance

- Dental revenue figures were presented on a **12-month collected-revenue basis**, rather than reflecting the months affected by the premium holiday.
- This approach provides a clearer basis for future budgeting.
- The dental plan is expected to have **minimal rate impact in the future**, if any increase is needed.
- The two dental options, **Standard and Dental Plus**, were also reviewed.

Reserve Policy and Premium Holidays

- The reserve policy consists of **IBNR plus six months of estimated premiums.**
- Amounts above the required reserve level may be used to fund **premium holidays.**
- **Medical:** The plan is approximately at its targeted reserve level, with little excess available; there is not enough excess to support a full month of premium holiday at this time.
- **Dental:** The required reserve is approximately **\$210,000**, compared with approximately **\$700,000 in assets**, leaving roughly **\$500,000 above the minimum requirement.**
- The dental plan therefore remains in a position to continue offering premium holidays at appropriate times.

Action Items / Next Steps

- Continue monitoring the ongoing large medical claim and its impact on future plan costs.
- Monitor stop-loss renewal pricing and adjustments.
- Review updated medical and dental projections at the **December meeting.**
- Continue evaluating opportunities for dental premium holidays based on reserve levels.

Closing

- The presenter concluded the reserve discussion and invited questions.
- **No questions were raised**, and the discussion was concluded with thanks to John.

D2 Relating to the Marana Health Care Benefits Trust Operations; presentation, discussion, and possible direction regarding the medical and dental plans reserve fund investments, including an update on returns on investments to date.

Presenter: Pete Saxton, Deputy Finance Director

- **Investment Returns:** The Trust's investments generated an average return of approximately **3.67%** for the year. Despite market volatility, investment returns have remained stable. Staff indicated that, based on current information, they do not anticipate a decline in returns in the foreseeable future, while noting that market conditions can change quickly.
- **Dental Plan Reserve:**
 - Beginning investment balance: **\$701,000**
 - Investment earnings: **\$27,944**
 - Rate of return: **3.67%**
 - Ending investment balance: **\$729,776**
 - No funds were withdrawn from the investment account during the year.
 - The annual investment earnings of approximately \$28,000 are roughly equivalent to one month of dental premium revenue.
- **Medical Plan Reserve:**
 - Beginning investment balance: **\$3,094,000**
 - Investment earnings: **\$123,193**
 - Rate of return: **3.67%**
 - Ending investment balance: **\$3,217,298**
 - No funds were withdrawn from the investment account during the year.
 - The investment earnings represent approximately one week of medical payroll contributions.

Discussion:

Mr. Saxton invited questions from the Board. No questions were raised by the members present, including Steve Crooks.

Action:

No action or direction was requested or taken following the presentation.

EXECUTIVE SESSION

Pursuant to A.R.S. § 38-431.03, the Marana Health Care Benefits Trust Board may vote to go into executive session, which will not be open to the public, to discuss certain matters.

- E1 Executive Session pursuant to A.R.S. §38-431.03 (A), the Trust Board may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

****No Executive Session held.**

ADJOURNMENT

Secretary Beyer moved to adjourn the meeting. Trustee Kalaitzidis seconded the motion. Motion passed, 3-0. Meeting adjourned at 4:05 PM.

CERTIFICATION

I hereby certify that the forgoing are the true and correct minutes of the Marana Health Care Benefits Trust Board Meeting held on March 10, 2026. I further certify that a quorum was present.

Maureen Flores, Executive Assistant