

**APPROVED** by the Employee  
Benefits Trust Board  
Date: August 01, 2018  
Clerk's Office: /s/ M. Lopez

**MINUTES**  
**Special Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers - San Luis City Hall**  
**1090 E. Union Street**  
**San Luis, AZ 85349**  
**April 11, 2018**  
**3:00 p.m.**

**1. CALL TO ORDER/ROLL CALL:** Chairman Gerardo Sanchez called the meeting to order at approximately 3:11 p.m.

**PRESENT:** Gerardo Sanchez, Chairman  
Emma Torres, Vice-Chairwoman-(participated via telephone;  
left the conference call at 4:09 p.m.)  
Maria Sabori, Secretary  
Maria Gonzalez, Board Member

**ABSENT:** Jose Andrade, Board Member

**OTHERS PRESENT:** Tadeo A. De La Hoya, City Manager  
Sonia Cornelio, City Clerk  
Carlos Cortes, Assistant Director of Finance  
Johnathan Dumadag, IT Department  
Olivia Jenkins, Human Resources Manager  
Monica Castro, Director of Finance  
Susan Posada, Benefits Consultant

**2. CONSENT AGENDA:**

**2. 1. Discussion and possible action on any and all matters regarding the approval of minutes for meeting held February 7, 2018.**

**MOTION:** Secretary Maria Sabori/Board Member Maria Gonzalez to approve the Consent Agenda as presented. Motion passed unanimously.

### **3. DISCUSSION AND POSSIBLE ACTION ITEMS:**

#### **3. 1. Discussion and possible action on any and all matters regarding the proposed employee benefit rates and contributions. (Susan Posada, Benefits Consultant and Olivia Jenkins, Human Resources Manager)**

Ms. Olivia Jenkins, Human Resources Manager, informed that she met with Ms. Susan Posada, Benefits Consultant, to review the state of the benefit trust account as well as changes to next year's employee benefits services. She stated that the changes for the stop loss renewal, medical and dental plan changes and rate recommendations for fiscal year 2018-2019 are as follows: Stop Loss Renewal for \$50,000.00; Rehabilitation Services, allow for a co-pay of \$30 and include 60 visits instead of the 20% deductible. This will encourage employees to seek rehab services. She mentioned that staff also would like to increase the annual out of pocket maximums both in U.S. as well as in the Mexico Medical plan; Mexico Dental Plan to decrease the co-pay for preventive services. Ms. Jenkins informed that the medical plan increase would be 5% and 3% for the dental plan. She mentioned that it is up to the trust if they would like to absorb that increase or pass it on to the employees.

Chairman Gerardo Sanchez asked what will be the benefit if the Stop Loss is increased to \$75,000.00 instead of the \$50,000.00 as recommended by staff.

Ms. Susan Posada, Benefits Consultant replied that if there are major claims and if the stop loss is increased to \$75,000.00 the trust will pay less in premium but the stop loss carrier would not pay anything until \$75,000.00 is reached. Ms. Posada made a presentation on the 2018 medical and dental plan benefits and changes. A copy of this presentation is on file with the complete agenda packet.

Chairman Gerardo Sanchez asked if the increase is passed to the employee how much would that be.

Ms. Jenkins replied that for US/Mexico insurance it will be an additional \$14.98 for employee plus spouse or children and \$22.91 for family; and for Mexico only the increase would be \$5.46 for employee plus spouse or children and \$7.97 for family.

Chairman Gerardo Sanchez stated that a 5% increase is not a lot. He mentioned that the board has been trying to minimize the impact to the families. All the decisions that the board had been making is based on their benefits. He asked if the employees get a

5% increase, can the medical increase be split in half, 2.5% for the employer and 2.5% for the employee.

Ms. Jenkins replied that she discussed this with Ms. Monica Castro, Director of Finance. She mentioned that it was discussed that the trust should absorb the increase if it can be afforded. She indicated that they also discussed the possibility of splitting the increase half and half, instead having the trust absorbing the 5% and the 3% increases. She explained that the 3% increase is optional as Ms. Posada informed that since the claims have been low the 3% is optional.

Ms. Monica Castro, Director of Finance, informed that the trust is in a very good position and is able to absorb the increase without affecting the employees. She mentioned that the trust has a very healthy balance and added that if something would happen the trust would have sufficient funds to absorb any eventualities. She commented that staff believes that there is no reason for the city to not support its employees to absorb the cost.

Ms. Posada explained that in the past there were large claims that the stop loss carrier reimbursed the trust for those claims. This year there were not large claims, but overall claims were high, but the trust is still in the safety figure.

Mr. Tadeo De La Hoya, City Manager, commented that Council has been very supportive of the salary adjustment project. He stated that it is fair for the employee, for this year, that the trust absorbs the 5% increase due to the fact that staff is still working in the employee salary survey project. He mentioned that he would not like to go back to where employees were responsible for some increases done to the insurance without any salary increases. He commented that in the next years if there are any increases then it would have to be partially paid by the employee and the trust. He added that this year it will be recommended that the trust absorbs the increase, and it will also be noticed that the recommendation will be different in years to come.

Ms. Castro added that this had been thoroughly discussed that the benefits increase be transferred over to employees in the future.

Ms. Jenkins informed that insurance premium for single employees is covered by the city by 100% and for family is covered by 73%. Staff has looked at other options to distribute the rates differently and start having the single employees contribute to the

health insurance. She added that there are other options that the trust will have to discuss in the future.

Mr. De La Hoya mentioned that the benefits plan is great, that if it was converted into money, the employees with family coverage, those employees will be receiving \$7.50 an hour more. He stated that he has asked Human Resources to communicate to employees during the open enrollment about increases and other changes.

Chairman Gerardo Sanchez stated that this year since the employees have not received a salary increase, the trust should absorb the 5% increase in the medical and the 3% increase for dental benefits. He asked how are the co-pays determined.

Ms. Jenkins replied that a fee schedule had been created and depending on the work needed, then the appropriate co-pay will be applied.

**A. MOTION:** Board Member Maria Gonzalez/Secretary Maria Sabori to approve the Stop Loss Renewal to remain at \$50,000.00. Motion passed unanimously.

**B. MOTION:** Chairman Gerardo Sanchez/Board Member Maria Guzman to change the rehabilitation services from 20% deductible to \$30.00 copay, subject to appropriate City Council action. Motion passed unanimously.

**C. MOTION:** Chairman Gerardo Sanchez/Board Member Maria Gonzalez to decrease SIARMED Dental copay as presented by schedule, subject to appropriate City Council action. Motion passed unanimously.

**D. MOTION:** Chairman Gerardo Sanchez/Secretary Maria Sabori to increase 5% for the medical plan and 3% for the dental plan, that it be absorbed by the City of San Luis Benefits Trust Fund, subject to appropriate City Council action. Motion passed unanimously.

**3. 2. Discussion and possible action on any and all matters regarding the City of San Luis Employee Benefit Trust owners and signers replacements due to changes in city personnel and the Third Party Administrator.**

Ms. Olivia Jenkins, Human Resources Manager, informed that staff and consultant are requesting the board to consider replacing some members who are listed as owners and signers for the Trust Fund. She stated that due to the transition of the Third Party

Administrator (TPA) and city staff, it is necessary to change/update some of the members to reflect current personnel changes and TPA representative. She informed that staff recommends the following replacements: Mark A. Matthias from Mayo Clinic needs to be replaced with a new representative from EBSO (TPA), once Ms. Posada gets the name of the new authorized signer; Ralph Velez was the City Manager for the City of San Luis needs to be replaced by Mr. Tadeo A. De La Hoya, City Manager; Ketié St. Louis was the Director of Finance to be replaced by Ms. Monica Castro as the new Director of Finance; and Maria Sabori was the representative from Human Resources and also serves as the Secretary for the board to be replaced by Kassandra Ramirez. She asked the board to make the motions as recommended by staff with the exception of Mark A. Matthias, which will remain pending from Ms. Posada for the new TPA representative. Ms. Jenkins informed that all payment authorizations are done electronically and Ms. Maria Sabori is the person that signs off on all of them, the board might not need a representative from EBSO if electronic transfers will be done. She asked the board to approve the recommendation and add Ms. Kassandra Ramirez as the HR Benefits Coordinator.

Chairman Gerardo Sanchez stated that Maria Sabori can stay as a signer.

**B. MOTION:** Gerardo Sanchez/Board Member Maria Gonzalez to remove Ralph Velez and Ketié St. Louis, as signatories to the Trust accounts. Motion passed unanimously.

**A. MOTION:** Gerardo Sanchez/Board Member Maria Gonzalez to authorize as signatories to the trust accounts, Tadeo A. De La Hoya, Monica Castro and Kassandra Ramirez. Motion passed unanimously.

#### **4. EXECUTIVE SESSION**

There was no executive session held during this meeting.

#### **5. ADJOURNMENT**

**MOTION:** Board Member Maria Gonzalez/Secretary Maria Sabori to adjourn the meeting at approximately 4:17 p.m. Motion passed unanimously.



### **Certification of Council Minutes**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City of San Luis Employee Benefit Trust held on April 11, 2018. I further certify the meeting was duly called and held and that the quorum was present and that the board approved these minutes at their special meeting held on August 1, 2018.

Dated this 29<sup>th</sup> day of August 2018.

/s/ Melissa Lopez, Deputy City Clerk