

**MINUTES**  
**Regular Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers – City Hall**  
**1090 E Union Street**  
**San Luis, AZ 85349**  
**Wednesday, April 10, 2019**  
**5:30 p.m.**

**NOTE:** Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03 (A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.

- 1. CALL TO ORDER/ROLL CALL** Mayor Gerardo Sanchez called the meeting to order at approximately 5:38 p.m.

**THOSE PRESENT:**

Board Member Maria Gonzalez  
Vice Chairman Emma Torres – Note: arrived at approximately 5:41 p.m.  
Secretary Maria Sabori  
Chairman Gerardo Sanchez  
Board Member Gustavo MacGrew

**OTHERS PRESENT:**

Kay Marion Macuil, City Attorney, Attorney for the Board  
Tadeo A. De La Hoya, City Manager  
Glenn Gimbut, Assistant City Attorney  
Janet Taylor, Acting Clerk of the Board  
Maria Munoz, Benefits Coordinator  
Susan Posada, Benefits Coordinator  
Monica Castro, Director of Finance  
Axel Chayra, IT Department  
Rob Flunker, EBSO Representative – by phone

- 1.A.** Oath of Office & Swearing in for Maria Gonzalez, Board Member, Maria Sabori, Board Member, and Gustavo MacGrew, Board Member.

Janet Taylor, Notary Public performed the Oath of Office & Swearing-In for the above mentioned Board Members.

Chairman Gerardo Sanchez, welcomed new Board Member/Trustee Gustavo MacGrew and explained to Mr. MacGrew what the Employee Benefit Trust was and how it worked. Chairman Sanchez thanked all the board members for their commitment.

Mr. MacGrew thanked the Chairman and stated it was an honor to serve on the board.

Comments on consent agenda language missing from the agenda. Item AJA. taken up first.

Glenn Gimbut, Assistant City Attorney gave a brief presentation of the history of the city's provision of health benefits to its employees, including the history of the city becoming a self-insurer, and the history of the establishment of the health benefit trust and the thinking behind it. He stated that the end result is that the city, through the trust, offers to its employees the best health benefit coverage of any employer in Yuma County save the Federal government, and yet it costs the City less per employee to provide those benefits than any other political subdivision in Yuma County. That if one looks at the Board, one notices that the folks who have been appointed are a cross section of business talent who are there for the purpose of attending to the business of the trust as professionals. Each brings something to the table so that at the end of the day the best decisions can be made for both the employees and the City.

## **2. CONSENT AGENDA**

### **2.A. MINUTES OF**

Regular board meeting held March 13, 2019

**MOTION:** Chairman Gerardo Sanchez and Secretary Maria Sabori to approve minutes. Motion passed unanimously.

#### **The vote was as follows:**

Chairman Gerardo Sanchez – Aye  
Vice Chairman – Emma Torres – Aye  
Secretary Maria Sabori – Aye  
Board Member Maria Gonzalez – Aye  
Board Member Gustavo MacGrew - Aye

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

**3.A.** Discussion and possible action on any and all matters regarding an amendment to current contract with Counseling & Family Resources, Ltd., for Employee Assistance Program Preferred (EAP) for coverage of all City Employees. **(Susan Posada, Benefits Consultant)**

Susan Posada, discussed the amendment to the current contract with Counseling & Family Resources, Ltd. for Employee Assistance Program Preferred (EAP) for coverage of all City Employees.

Board Member Emma Torres, stated that she valued the program because many of the issues are not because they are sick.

Ms. Posada, stated that she agreed and that right now the plan reads is that we do have mental health counselors for them but they have to pay their copay and when you have to go for six (6) visits it adds up to a family budget and if you look at the cost of an annual budget to benefit everybody they can take their child in, it is a beautiful benefit that most municipalities, counties and states have.

Maria Gonzalez, asked if this was a call-in only?

Ms. Posada, replied initially there would be a call-in but there are providers here in Yuma that we have identified and that is the reason we chose this company.

Secretary Maria Sabori, commented that at the last board meeting it was stated that it would go through the general budget but in this case it is going to fall under the trust?

Susan Posada; Yes Maria, good question, and here is the reason because the way we have it right now the EAP for this program is only for public safety and the right thing was to pay for it out of the City. Because this will be for all employees, I do recommend that it is in the Trust. And after we are finished with this discussion, I would like to discuss what goes in the Trust.

Maria Gonzalez, so right now we do not have to approve anything right?

Chairman Sanchez, no it is going to be part of the package part of the overall package we approve. But keep this in mind it is only six thousand.

Susan Posada, okay in your packets this is the same one (Susan is holding up a paper from the packets handed out).

Kay Macuil City Attorney asked the Mayor if we could formally continue this item so we can be in the right place on the agenda.

Chairman Sanchez replied, so are we going to go to item 3B now? You want to continue item 3A.

Kay Macuil replied 3A

Chairman Sanchez, to entertain a motion to continue item 3A to our next scheduled meeting. Maria Gonzalez made the second. Chairman stated that the item is still open and no action was necessary that it just needed to be moved down to after 3B. Now we are going to open item 3B which is related to 3A. Point of clarification.

For clarification for trustees item 3A is still open we still need action, but item 3B is related to 3A also so we are proceeding to 3B, which will conclude 3A. Kay that was part of clarification, so we are on the same page.

Kay Macuil, yes that is fine.

**ITEM CONTINUED, see the motion at the end of these minutes**

**3.B.** Discussion and possible action on any and all matters regarding proposed changes to the employee benefit plans for the fiscal year starting July 1, 2019.  
**(Susan Posada, Broker and Consultant and Representative (s) from the Third Party Administrator EBSO)**

Susan Posada stated this is the big one and continued with; on page two (2) I wanted to explain what are the expenses that go into the trust. So you have the stop loss the third party administrator, you have the network fees from Blue Cross/Blue Shield you have the network fees for Siarmed. Broker fees flu shots, ACA reporting, claims utilization, Cobra fees, Healthiest You, EAP which we just talked about. And then we have what we call ACA fees and any other fees that are the trust fund balance.

Susan Posada continued with we will now discuss what is not included in the Trust, the Vision, the Voluntary Life, the Short Term Disability, Transwestern, and EAP for Public Safety and FMLA. Basically what it is going to boil down to is in this self-funding we have two things one is medical, and one is dental. The medical has more moving parts because all of these costs fall into it. The dental has some but is not as bad all the others are, costs that are in the Trust. We do not put anything except for how we fund our medical and how we fund our dental that is it. So when I get asked if we can put FMLA into the trust, I will come back with a no we can't do that. Or the EAP for Public Safety, I will say no we can't do that. And the reason is we want to protect the medical and dental trust. The two (2) reasons not to include those is they are not related to the benefit, or they do not benefit everybody — any questions about that?

Board Member Maria Gonzalez replied yes, I am sorry for my ignorance but what is an ACA reporting fee and what is an ACA fee?

Susan Posada, healthcare reform.

Kay Macuil replied, Obama Care

Susan Posada replied, we have healthcare reform, and that requires us to send out what is called a 1095 to each employee to give to the federal government when they do their taxes. So that is all reporting that is for that. ACA fees are fees we have to pay the federal government for having a self-funded plan.

Maria Gonzalez replied, got it.

Susan Posada continued with basically what that does is help people who do not have insurance get insurance.

Susan Posada continued with page three (3). The first one I put on there was the budget increase because I feel that if I put you at ease, you are going to listen to me a little bit better. These are going to be my recommendations; these are going to be the bottom lines. The other part is more detail oriented. So the City increase, which we are not part of okay, that only includes the vision increase of two (2) percent the City portion is four hundred and fourteen dollars \$414 that is it. For the trust it is the six thousand four hundred two dollars and twenty-four cents \$6, 402.24 and that is the EAP I was telling you about. Okay so rest at ease for the rest of the presentation.

Susan Posada continued with where it says plan changes, this is the biggest cost to be the stop-loss carrier and basically what that is, is refunding. We are buying insurance to fund our major claims. So anything that comes in above fifty thousand (\$50,000.00) the stop-loss carrier will pay for. So we have had just a few claims that were large and now we have eleven (11) claims that are large. So all of the sudden it just kind of popped. Right now we are paying four hundred thirty two thousand \$432,000.00 for the premium for anything above \$50,000.00. We pay the first and they pay the balance, it could be a million, two million.

Susan Posada stated I am sorry I am in 2015 and should be over there where it is yellow where it is 2019, and it should say annual premium, but it is \$437,000.00, \$532,000.00 is where we are at. I am going to go into that just a little bit because I was able to decrease it by \$50,000.00 and that plays a big role. Now given that I say that here is the good news the bad news, we have gotten a really good rate but the way the stop-loss carrier works in their underwriting is they will look at the figures for the end of February. Then they come and give me an estimated bid, but our final bid could be higher than this which could reflect what is in the trust. So if in March and in February we have a tremendous amount of claims then that figure could go up. But at the end of February, it is locked in. In my experience in eight years, we have had very little changes when it comes back in March. But, I like to tell people that happens because the claims that are unheard of come in March and April. That is a moving number, but right now we are sitting really good. And that helps our cause tremendously.

Susan Posada continued with; if you look down on 2019 and the percentage rate increases, we have a stop-loss at 10.46 and no other increases except the network fees for Blue Cross/Blue Shield. Now, this one was a tough one. I wasn't very happy about this one initially they came in at a 17.50 percent increase which is a 9 percent increase for one year, and I was able to get them to commit to a two (2) year rate guarantee at 17.50. I have an email from them that says you are still way below because of the average for your account would be 21 percent. So throughout the years, we have done a really good job of keeping that rate down. And the more we keep it down the better it is in the future. That is basically all that in this and then I will bring it all together. I know there is a lot of moving pieces.

Susan Posada continued with the next page is

Chairman Sanchez commented before you proceed this \$16.00 this is a Blue Cross/Blue Shield network fee and that is per employee enrolled \$16.00 per month. So it is going to be going up from \$16.00 to \$17.00 per month so basically \$1.00 \$1.50 more.

Susan Posada replied yes it is a nine percent increase.

Chairman Sanchez asked, you have been able to guarantee that rate for two (2) years?

Susan Posada replied correct. So that is the only major change along with the stop-loss and this one, which I am very happy about. Now go onto the next page I brought this for demonstration purposes because I wanted you to see what is happening with our enrollment. In 2018 for the medical we had an average of members at five hundred sixty-nine (569) then it dropped down to five hundred (500) in 2019 and here is the reason we think. With healthcare reform and Medicaid expansion more people qualify for AHCCCS, and in the drop there, it is not of employees but of dependents which is really good for our plan because less costs come here. However, here is the trick we try and educate members so if they have AHCCCS they can still have our plan, and we become primary. But we try to educate them that they have AHCCCS to let AHCCCS know if they have another plan because they may not qualify at that point, but we have very little control of that. But if we have a major claim that comes in for a dependent who is on our plan and they have AHCCCS, then we are primary. We are the first person who has to pay. And, I wanted to point that out because I thought it was kind of interesting. So, Maria, you were around that time even though you are a young lady. At the bottom I put 2012, 2013. We had one hundred fifty-four (154) employees total today we have two hundred thirty-two (232). We had a total of five hundred seventy (570) dependents which didn't change for a long time until the law changed and now we are at five hundred eighteen (518). The changes to dental are insignificant.

So the next page is crazy because it has so much information. So I also printed it out for you on bigger paper. Remember I talked to you a few minutes ago about the stop-

loss. I wanted to give you the good news first. So basically what this does is this spreadsheet, and we don't have to go into a lot of detail, is that we have options. If you look at option three, at the very top, that is with a different carrier and this is where we were able to bring down the total cost of our plan significantly. If we go to seventy-five thousand (\$75,000.00) we can increase or decrease whichever way you want to look at it; however, then we have more exposure. So instead of fifty thousand (\$50,000.00) exposure, we are going to have seventy-five thousand (\$75,000.00). So that means for every person that reaches seventy-five thousand (\$75,000.00), we have that additional twenty-five thousand (\$ 25,000.00) per employee of exposure. And what I did for you (next page 6 please) - So 2017, 2018 we had five (5) large claims at the end of the fiscal year which was a total potential exposure of two-hundred fifty thousand (\$250,000.00) the premium was four hundred eighty-six (\$486) total the exposure for 2018/19 is fifty thousand (\$50,000.00), eleven (11) large claims we have exposure of five hundred fifty thousand (\$550,000.00) and the premium is four hundred thirty-seven (\$437). If we move that, if you take a look at the next column because there is eleven (11) claims we have an exposure of eight hundred twenty-five thousand (\$825,000.00) and the premium is only three hundred and thirty-three (\$333) for a difference of four hundred ninety-one (\$491). So, the reason I bring this up, we should take a look and see if we want to do this or not. But at this point I don't recommend it.

Chairman Sanchez replied, you don't recommend going to the seventy-five (\$75,000)?

Susan Posada, I recommend we stay and get the carrier that will give us the best. It is not just the carrier and the rate it is also what their contract is filled with. So it also has to do with contract. And we take a look at all of that and make sure. So (next page please and that is page 7). For a number of years we talked about not having the balance sheets, nor the financial statements for the trust. So what I did this year to get a better picture, is I took what was available in the trust checking as of February 28<sup>th</sup> and I took a look at the savings for a total of \$2.9 million, this is how much we have. When I first started we had \$1.3 million. The claims lag. Which means those are claims that have not hit yet. They have been reported but not hit yet. They haven't been paid for whatever reason \$489,000.00 incurred but not yet reported. That is just an estimate of what the potential liability would be if we terminate this contract. So this estimated total that is available is \$2.185 million. I want you to remember that figure because I'm going to come back down to it.

If you take a look at the very bottom (where I went through this with accounting on Monday) and what are the recommendations I would make. And even though I am going to show you all the details, I am not making any recommendations of any rate changes for the employees at all. But if we do that (and I will show you in a few minutes), if we do that, that means we are under funding the fund by \$139,000.00. And I will show you how I came up with that figure. I think there is plenty of money to under fund it for a year and not pass on any of the costs to the employees. Give me a minute, and I am going to bring it all together so you guys can see how and why I did what I did.

Pull the sheet that looks like this (Susan is holding up a sheet of paper). These are all the details of how we create rates. See the first page where it says based on maximum liability the second page is expected liability. So the 2 million six hundred and fifty thousand (\$2.65 million) is right now is what we are putting into the fund every year. So what this figure determines, if you look at all rates, the number of employees in the medical, the number of employees in the dental, the city puts in about \$220,000.00 depending on the number of employees in any one month. So our annual budget should be about \$2.6 or this is what it is for this year. So the premium for this year you can see is \$2.789. So technically, after all of the fees go into it, all of the fees, the factors for the stop-loss for the \$50,000.00, everything that is put in there that (because I am pretty stingy in putting any more cost in there) and all it does is add to the rate of the employee.

So technically, that equates to 5.2 percent that should be an increase of 2.5 to put into the trust. Going to the next tab, the 5.2 is there from the previous page, but I do not recommend any increases because there is plenty of funding in the trust. And the reason there is a lot of funding in the trust, well we have done a good job. Number two, we have had three really good years of claims experience. That trust fund that I told you was 2.9 at one point two years ago was 900,000.00 because we took some major hits. That is all we have now, we are a lot higher. This is how we manage it this is what we look at. You see the zero percent that would be zero for medical and zero for dental the rates will not change.

Maria Sabori Secretary, Susan I have a question. Under Siarmed audit fees, there is a fourteen thousand dollar (\$14,000) audit.

Susan Posada, yes, it is time for an audit

Maria Sabori, it is under the monthly premium so is that \$14,000 times twelve (12)?

Susan Posada, yeah it's okay because it's calculated. It doesn't matter because it is calculated right here in this 232 because it is added.

Maria Sabori, okay

Susan Posada, so basically what it is, we do not increase. This, you remember, I said we need \$2.789 million. If we do not increase it, we will have the two million six hundred and fifty (\$2.65 million). The difference of that is 139 it is on page 7, which is pretty good. It is 5 percent, 5.2 percent. Any questions so far? We are doing good?

Chairman Sanchez responded we are doing good.

Susan Posada continued with please take us to page 9. There was some question earlier about the cost of the ACA reporting, and I thought the best thing for me to do is

to get bids on this to make sure we are in line. EBSO is charging us \$3 per person, and they charge it monthly, and that is what the fee is. Basic would charge us instead of the 8,500.00 it would be \$26,000.00.

The problem that we had this year is, and it was really very difficult to move from MAYO to EBSO. I think you guys remember this conversation. MAYO dropped us like a hot potato, and they didn't even take care of any claims beyond 6/30, so it affected the employees. There was a letter that went from MAYO to each one of the providers letting them know who they needed to bill, but still, there were a few claims that did not get through. So what I did was, take a look at any denied claims. And I did it last month. And I came in, and I sat down with almost all the employees, as did Maria, that we didn't have any claim out there and to help get those processed.

EBSO does a much better job of doing what we call coordination of benefits, which helps our trust. But it is frustrating for the employee. And it is a requirement by the stop-loss carrier. So basically with coordination of benefits means is, if your husband or your spouse has another insurance we need to know who that is and what your date of birth is and your name because the primary will be the person that comes first. EBSO is doing a much better job than I think MAYO did. And that is what is causing some of the frustration we are trying to get through. But I think we are finally getting through that. Do you think we are finally getting through that? (Susan has turned to Maria Munoz and asked that question.)

Tadeo A. De La Hoya City Manager has asked Ms. Munoz to step up to the microphone please and no we are not getting through that. So can you explain why we are not getting through that as you expected we were?

Maria Munoz stated, we have reached out. Susan has sent me a list of about 15 to 20 employees that were either missing paperwork like the other insurance information. I reached out to them. I have emailed them, I have called them. Some of them have come in, and some have turned in that paperwork, but there is still a good amount, I would say maybe about 50 percent of them that don't comply we don't get any feedback from them.

Maria Gonzalez Board Member stated that that is too many.

Chairman Sanchez asked is it because they are not doing their part, or is it because the third party administrator is not doing their part? Why is it taking so long? Because I had that problem. My wife has always used our insurance. Then we get a letter that her claims were not being paid because of one, we needed to verify that since she is self-insured well self-employed they wanted to know who the other insurance was and we said there is no other insurance.

Susan Posada, once they find that out that there is no other insurance, they bug off, but they need to know that. Because if she did have another employer and she worked

than hers would be primary and yours would be primary for you. So that means if she has a really large claim and we are paying that it really should come from hers.

So that is what has happened, I think that the frustration is because possibly the mail is being opened when they get a letter that says we need to know whatever it is, fill it out and send it back to us. And number two, I really do believe that they are trying to do a much better job than MAYO is. And that is a stop-loss requirement we are liable for that.

Chairman Sanchez stated let's figure out how we can expedite this because this is way too many employees. We are already thinking about new plans, and they still have those issues.

Susan Posada, Maria has done a really good job. I came here and called each person, every single person I had a few that responded, and I sat there and helped them complete the coordination of benefits. I helped them, but she did even more because as they started to trickle in, she took all the information and would send it to me. So part of the problem, I think, is that MAYO really didn't do a good job and now we are having to pay the consequences of getting them to do that. And I apologize for that.

Rob Flunker EBSO representative by phone commented, in our experience the best time and place to collect that COB coordination of benefits information is during the open enrollment period when you are in front of all the employees. During last year's enrollment, we were able to collect some of it, but not every employee completed a COB form. So now we are playing catch up. Normally when we are switching groups from different TPAs, the prior TPA will supply all the COB information to us. But like Susan mentioned, that wasn't the case with what occurred with the transition from MAYO to EBSO.

Susan Posada commented, MAYO did us a disservice not providing that information we could not get it. I had a meeting and was listening to Edgar and Maria on Monday, and the reason I left this up is that I wanted to talk about the ACA reporting. What happened is MAYO sent the file over to EBSO. The file was horrible, but I didn't do that work because I don't have access to the employee information. They are the ones that did all the work to make sure it was cleaned up going forward they know now what to do to not create this craziness and it was created mostly because of the change. But I also think because we have had such a turnover in HR, it's been difficult and we have some really wonderful people in there right now. They are awesome but they need a little bit more experience. I have come down here to answer any questions and to be with them should they have any questions to the best that I could and I am always available for Maria, Edgar or Fausto. And it's not their fault really it just happened.

Monica Castro Finance Director, on that part of the EBSO I just want to bring attention that Susan is right HR is going through a very difficult moment they are very short in staff. What I noticed is that there is not an agreement and we would appreciate if we

could be sent contract agreement with the scope of services because there were several misunderstandings. What is EBSOs responsibility, what are we paying for. Because we are paying \$8,000.00 a year, but it really seems that all the workload fell on HR. And at that point, is when I started asking where is the agreement can we check that we are really getting what we are paying for? So that would be my only recommendation is to make sure that we have our scope of services to make sure we are getting the services that we are paying for.

Susan Posada, I actually sent that to you two months ago. I will resend the email to you.

Monica Castro, we reviewed it, and there was nothing about that ACA services.

Susan Posada, Rob while you are there can you send that to me and Monica?

Rob Flunker, the service agreement?

Susan Posada, yes

Rob Flunker, yes

Susan Posada, and make sure it includes the ACA reporting and the responsibilities.

Susan Posada, it would be very difficult for EBSO to correct those forms, they don't have the data of who works here and who doesn't work here, what their addresses are, and unfortunately that did not go over well not accurately from MAYO to the city. What Edgar said to me in the meeting, and Maria, correct me if I am incorrect, he said Susan we feel like we have corrected, going forward we know what needs to go in, and we don't think there is going to be as much work after that. Is that what he said?

Maria Munoz Benefits Coordinator, yes that's correct. Like Susan explained and Edgar agrees with me because we were in the same meeting. We had a hard time trying to get all this information in very minor information it was accuracies like middle initial that kind of thing. It actually took us about two full days, and after that, we were still correcting information. I think in the future it will help since all the information has been updated. It would have been a lot easier if we would have sent a census report from the city to EBSO and had them actually update that information.

Tadeo A. De La Hoya City Manager, so in short I have said this in our meetings, not private meetings but not public forum, I guess, the sales pitch from EBSO was too good that we just listened to what they were going to do as compared to just looking at the document. Because it was exhausting, we had to close HR for 3 days even though EBSO isn't 100 percent at fault but I guess we just.

Chairman Sanchez, and this occurred when?

Maria Munoz, the checking, the revising, this was last month so a month ago maybe

Chairman Sanchez, why wasn't this done before?

Susan Posada, because this is when the reporting starts to take place

Chairman Sanchez, so it's the timing?

Susan Posada, yes, the federal government needs it by a certain date to be sent out to all the employees kind of like a 1099. So that is the reason they did it.

Chairman Sanchez, and last year MAYO did it?

Susan Posada, no.

Tadeo A. De La Hoya, no

Maria Sabori Secretary, no, it was done internally.

Tadeo A. De La Hoya, it was done by HR. We saw the fee of \$700.00 a month, and we heard you are not going to have to worry about it. We are going to do it for you. Then I said just go for it. And that is basically what happened. But EBSO didn't have the right information. MAYO didn't send the report, and I don't know the scope of services that are listed in the agreement sent to Monica.

Maria Gonzalez Board Member, so who dropped the ball?

Tadeo A. De La Hoya, I don't want to call it someone dropped the ball. Again, we heard a sales pitch; it's like you selling me a car without a navigation system, and I didn't know, and I wanted one, it was one of those.

Chairman Sanchez, this is what happens when you assume something. We need clarification at all times. It doesn't matter what a salesperson tells you it doesn't matter. Monica, I agree we need it in writing. We were short staffed, and it caught us off guard. It is unfortunate, but we got it done. We want to make sure it doesn't happen again. We want to make sure we have all the same data, and this is what happens when you assume something is going to be provided or there is a lack of communication, or there is no communication between parties. So it is very important since HR is short staffed that this doesn't happen again okay.

Maria Munoz, I agree sir

Tadeo A. De La Hoya, so Maria I would take the blame for it publicly because I heard \$714.00 a month there are going to do it so I said do it, and not have it in house. So as a habit just do it in house.

Susan Posada, if you want to do it in-house, it is not set in stone

Chairman Sanchez, this is not going to happen again

Tadeo A. De La Hoya, that was the whole point of not doing it in-house not having to worry about it with the reporting. Maybe Maria Sabori can explain the hurdles we went through.

Chairman Sanchez, okay, for time constraints we have a council meeting at 7:00 so let's proceed and clarify that.

Susan Posada, I need to go through this really quick, before I go into the plans. So if you pull out this one (Susan is holding up a document from the package she handed out), I am going to go really simple because the changes are going to be in the yellow. So for the first page

Tadeo A. De La Hoya, Susan, where are you?

Susan Posada, so basically the way it reads we have what is current and what is recommended and everything that is not yellowed out is mainly there for your information.

Susan Posada proceeds to discuss the plan changes as indicated in the handout titled "City of San Luis Recommended Plan Changes for plan year 2019-2020" pages 1 – 5.

Rob Flunker, explained one of the changes to the plan regarding surgery costs. The difference in cost of having surgery at Yuma Regional Medical Center and having surgery at a surgery center in the Phoenix and Tucson area. He also explained that having surgery at a surgery center in Phoenix or Tucson would cost only \$750.00 total. And, an allowance of \$125.00 per night for lodging. So for the employee that is a saving of about \$4,750.00 by going to Phoenix and their hotel paid for.

Susan Posada explained the lodging part would come as a reimbursement so that it is not a taxable item for the member. EBSO will be verifying and doing preauthorization of surgery before reimbursements are given.

Rob Flunker, you are referring to a preauthorization? Yes.

Tadeo A. De La Hoya asked if the forms will be processed by EBSO

Susan Posada, they have to be for tax purposes

Tadeo A. De La Hoya asked if the reimbursement comes after the procedure is done.

Susan Posada replied correct. And the receipts are sent in. That is not something we cannot do in house because of the HIPAA requirements.

Maria Munoz, I just wanted to mention something. I did call the Gadsden School District because I just wanted to get an idea on how it was being managed over there. And they gave nothing but good feedback, and it was a really good plan. Something that came to mind right now, is that I asked the HR director there how they are getting their statistics like comparing prices of Yuma to Phoenix and she did mention that the information was received from the TPA.

Susan Posada, that is correct the TPA is Summit. I do believe given all the information we will save. I have had numerous discussions with BlueCross/BlueShield, and they would not let that information out.

Maria Sabori asked about the \$125.00 per night who is entitled to that the family the member.

Susan Posada replied the employee.

Maria Sabori replied the employee.

Susan Posada stated it has to be the employee.

Tadeo A. De La Hoya, commented or the member right?

Susan Posada, well no the contract is with the employee.

Tadeo A. De La Hoya, so if I had my family on the plan they wouldn't be eligible?

Susan Posada replied no, they will get this. They will get the reimbursement. What she is talking about is the check where is the check going to go.

Tadeo A. De La Hoya replied oh okay so it goes to the member.

Susan Posada stated the employee has to fill out the paperwork and send it in.

Tadeo A. De La Hoya, okay so if I get four nights and I decide to stay at the Biltmore and it is not \$125.00 I am just going to be limited to that, correct? So wherever I stay/ it is just the \$125.00?

Susan Posada, correct. What I like about it is there is a lot of savings for the trust but also for the employee. That is why they call it WINWIN.

Kay Marion Macuil City Attorney, stated to Susan Posada that we have a council meeting in fifteen minutes and we need to continue this to the next meeting.

Susan Posada, okay well remember we have a management meeting on the 26<sup>th</sup>.

Tadeo A. De La Hoya, stated you are talking about the retreat?

Kay Marion Macuil replied, yes so Janet will work with all the trustees to find a date and with Susan so that we can find a time to go through it.

Inaudible conversation taking place

Susan Posada stated there are a lot of other changes but the US/Mexico is very small.

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

**Vote to hold an Executive Session pursuant to A.R.S. §§38-431.03(A) subsections (3) and (4).**

**4.A.** Discussion and possible action on any and all matters regarding action to hold an executive session pursuant to A.R.S. §§38-431.03(A) subsections (3) and (4) for discussion or consultation for legal advice with the City Attorney or attorneys in order to consider the Trustees' position and instruct the City Attorney or attorneys regarding their position regarding the proposed agreement with Susan Posada Agency, Inc. for brokerage services. **(Kay Marion Macuil, City Attorney)**

**ITEM CONTINUED NO EXECUTIVE SESSION HELD, see the motion at the end of these minutes.**

#### **5. MOTION TO GO BACK INTO REGULAR SESSION**

**No action, No executive session held.**

#### **6. DISCUSSION AND POSSIBLE ACTION ITEM:**

**6.A.** Discussion and possible action on any and all matters regarding renewal of a broker agreement with Susan Posada Agency, Inc. and possible recommendations to City Council. **(Kay Marion Macuil, City Attorney)**

**ITEM CONTINUED, see the motion at the end of these minutes**

**MOTION TO CONTINUE ITEMS 2A, 3A, 3B, 4A, 6A**

Chairman Sanchez and Maria Gonzalez approve to continue items 2A, 3A, 3B, 4A, 6A.

**Motion passed unanimously**

**The vote went as follows:**

**Chairman Sanchez – Aye**

**Board Member Maria Gonzalez – Aye**

**Secretary Maria Sabori – Aye**

**Gustavo MacGrew – Aye**

*Please note: Vice Chairman Emma Torres left the meeting at approximately 6:40 p.m.*

**7. Adjournment**

*Meeting adjourned at approximately 6:50 p.m.*