

**MINUTES**  
**Regular Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers – City Hall**  
**1090 E Union Street**  
**San Luis, AZ 85349**  
**Wednesday, April 24, 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 Chairman Sanchez called the meeting to order at approximately 5:38 p.m.

**THOSE PRESENT:**

Chairman Gerardo Sanchez  
Vice Chairman Emma Torres – by phone  
Secretary Maria Sabori  
Board Member – Maria Gonzalez  
Board Member – Gustavo MacGrew

*Please note: Emma Torres left the meeting at approximately 6:30 p.m. and returned at approximately 6:40 p.m.*

**OTHERS PRESENT:**

Kay Marion Macuil, City Attorney  
Janet Taylor, Legal Secretary, Acting Clerk  
Tadeo A. De La Hoya, City Manager  
Maria Munoz, Benefits Coordinator  
Susan Posada, Benefits Consultant  
Monica Castro, Director of Finance  
Jorge Mungaray, IT Technician  
Fausto Gonzalez, Human Resources at appx. 5:48 p.m.  
Edgar Carbajal, Human Resources at appx. 5:45 p.m.  
Rob Flunker, EBSO – by phone  
Bruce Flunker, EBSO – by phone  
Patrick Harris, EBSO – by phone

**2. DISCUSSION AND POSSIBLE ACTION ITEMS:**

**2.A. 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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. (Susan Posada, Broker, and Consultant)**

Susan Posada, Broker, and Consultant, began the meeting by reiterating the information she provided at the prior meeting held April 10, 2019. Susan then went to page 3 of Changes to Plan Costs in the packet she provided board members. Susan stated that the board had already covered the administrative changes and that the major change would be the network Blue Cross/Blue Shield which had an increase of 9.38%. Susan also stated she added an additional category, short term disability which did not involve the trust.

Susan Posada then moved to page 4 of Changes to Plan Costs. Susan stated that the enrollment was at 518 employees compared to 2012/2013 there were 154 employees.

Susan continued to page 5 which stated there were three bids showing the cost of what the administrative fees would be. Mentioning that the rates that are not set until after the April claims are sent then she will choose a stop-loss carrier that is best for the city. Stating also if the claims stay as they are the rates will too. But, if there is a really big claim, then the rates could change.

Continuing to page 6 she reminded the board that this was talked about and the question was should the stop-loss be increased from 50,000.00 to 75,000.00 but based on the 11 claims right now it doesn't make sense to do so.

Susan then discussed the fund balance being 2.9 million, but expected liabilities would bring it down to 2.2 million. Susan also stated that the recommendations she is making in rates not increasing to employees would cause 139,000.00 in underfunding of the trust. Which means the trust will absorb the 139,000.00 if everything goes the way it should go. Monica Castro from finance did not have a problem with this.

Chairman Sanchez asked if the city was able to absorb this without an increase in employee premiums. Ms. Posada responded that the city would not absorb that. Chairman asked Ms. Posada to please note that at the budget retreat.

Monica Castro stated that the reason she agrees is that the trust is very healthy and last year we had a fund balance of 1.7 million. This year the fund balance increased so right now we have 2.3 million. Monica stated that the trust has been increasing and that she is comfortable going in this direction.

Ms. Posada advanced to page 8 taking away the 12 visits for public safety and making six visits for all the employees including public safety because we have the EAP trauma which does not affect the trust.

Healthiest you will continue at 8.00 per member. We do have representatives coming this year, and we are at the break-even of utilization.

Maria Gonzalez, Board Member asked Susan about the 6,400.00 if that was coming out of the trust and Ms. Posada responded yes, it is the only increase you will see.

Ms. Posada advanced to page 9 with the ACA reporting stating that there were a few hiccups but will return to that later.

Chairman Sanchez asked who was going to be doing the ACA reporting and Ms. Posada responded EBSO.

Ms. Posada is advancing to page 10 not recommending any plan changes to the employee for the medical plan for the U.S. The Mexico dental we are recommending a copay of 3.00 and 6.00 dollars for medication. This way the employee goes to the dentist then directly to the pharmacy if medication is prescribed.

Ms. Posada continued with next is the medical plan. Ms. Posada asked the board to go to a document under plan changes.

Mr. De La Hoya asked Ms. Posada to please state the page number then continued with Recommend Plan Changes for year 2019/2020 in your packet. Ms. Posada stated that this is where a lot of time was spent on the medical plan because they are trying to help employees as much as possible. She also stated that the changes on page 1 were the ones highlighted in yellow.

Ms. Posada continued with the only changed she had asked for with x-rays and labs was that the employees be allowed to pay a copay instead of a deductible and encourage them to use contracted providers such as Sonora and Lab Corp because they are very close to the hospital, and if employees go there it is only 15.00 it really helps the employee out of pocket, and it decreases our costs because Yuma hospital is very expensive. That is one recommendation.

Ms. Posada continued with the next recommendation is going to tie in with the incentive plan. She stated that in Yuma, Sonora, Quest and Lab Corp. do not do any of the complex imaging like MRI's CT PET scans. Ms. Posada stated that if employees go to Phoenix and Pima County, there would only be a 25.00 copay instead of the deductible plus coinsurance.

Chairman Sanchez asked Ms. Posada if she had talked to other facilities besides the hospital for example ABC Neurology or Focused Imaging.

Ms. Posada responded with "they don't do them here."

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

Chairman Sanchez stated that they do all of them here and mentioned he does not use the hospital that he works for the hospital, but he orders them there because the people that do not have insurance that is where is send them.

Ms. Posada responded with than we can add them there is no reason not to. The only difficulty is if Focused Imaging is contracted with Blue Cross/Blue Shield if they are they can be added to this list.

Chairman Sanchez stated that the difference between costs is the hospital will cost around 3,000.00 and Focused Imaging would be around 750.00.

Ms. Posada continued with how she would like to see the precertification penalty removed for major imaging and Chairman Sanchez agreed. It has also been removed from acupuncture, podiatry, and TMJ. Ms. Posada then proceeded to page 2 Incentive Plan and discussed the WIN-WIN plan where employees are encouraged to go to facilities in Maricopa and Pima to have their surgeries where they are a lot less costly. Ms. Posada showed the difference in cost for a surgery in Yuma and in if done in Maricopa and Pima the total cost would be 750.00 only. Everything else is covered at 100%. The inpatient lodging would be paid at 125.00 per night up to four (4) nights. The bill would go directly to the trust, and there would be a form the employee would have to complete and attach a copy of the hotel bill not the credit card bill the hotel bill and submit it for surgery verification by EBSO. This is optional, not mandatory. Ms. Posada also stated that any money paid for lodging does not go toward the out of pocket deductible.

Ms. Posada continued with the cost of 15.00 for labs and 25.00 for MRIs.

Ms. Posada began discussing SIARMED and the new codes with the dental plan working with EBSO they stated that the new charges are reasonable and the plan was underpaying in the past and discussing again the 3.00 copay and the 6.00 dollar copay for RXs.

Chairman Sanchez asked if they were going to charge 250.00 plus the 50.00 specialty fee.

Ms. Posada responded, no it would depend on what they were going to do.

Chairman Sanchez replied okay let's say if they are going to visit an orthodontist they are not going to be charged the 250.00 plus a 50.00 or 30.00 copay?

Ms. Posada replied, no that the top part of the document she is referring to has nothing to do with the employee. She continued to explain that the trust would be paying that portion.

Member Andrew MacGrew asked if that was our cost the part we pay as a trust.

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

Ms. Posada responded that is what we pay so if you as an employee go down and have one of these procedures done you pay according to your plan whatever copay you pay.

Member Maria Gonzalez asked, so it is 250.00 plus a 50.00 copay?

Ms. Posada replied no the employee would pay their own copay the 50.00 that does not change. The 250.00 is what they bill the trust, so the employee is not affected.

Chairman Sanchez stated that what they are getting paid is a big jump.

Ms. Posada responded it is 44%, but that is why I did my checking. And it is undercharged because I try to be reasonable.

Member Maria Gonzalez asked if this was SIARMED requesting all this.

Ms. Posada responded yes this is all the Mexico and they have been undercharging according to the comparison of the U.S.

Chairman Sanchez asked if they were going to provide more providers now and Ms. Posada responded, no. Ms. Gonzalez asked if this would be revisited next year and Ms. Posada stated if the board wanted to. Chairman Sanchez stated to Ms. Posada that you could tell SIARMED it was approved, but these are the comments and concerns the board made. This will give them the heads up that we are aware we are paying you more but are you going to provide more providers? So we are already questioning the number of providers, you are charging more, and what about the copay. Chairman Sanchez also stated that I know what they are charging me and what they are charging the Mexican client next to me is not the same because we are paying prime dollar. I know they are charging me twice as much as they are charging that Mexican client.

Susan Posada responded with I do understand it, and that is why we do audits, and I put that in the budget. Here is the thing you have a control system in the United States and if these dentists and doctors are not doing what they are supposed to, then there are consequences. We have chosen a plan in Mexico, and that is what we are dealing with.

Mr. De La Hoya commented that at the quarterly meetings SIARMED has always advocated for lower dental copayments because of mostly what you just said. Chairman Sanchez commented to that; let it be known that we are doing an audit and let them know it is not that we don't trust them it is that we need to be sure because you have increased rates and want to be sure we get the better rates.

Ms. Posada continued with the next item of discussion and stated that the problem we have always had is if we have an emergency room visit healthcare reform tells me it is 250.00 it has to be the same in network and out of network. We have had a

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

lot of people going to Yuma instead of Mexico because they are allowed to make payments in Yuma, but in Mexico, you have to pay the whole thing. If we have more people going to Yuma that is where our cost goes up. I recommend like we had before a 50.00 copay, and that has to be the same in Mexico and 50.00 in the U.S. This is an ACA thing and nothing that I do. I really struggled because I don't want to announce that it is 50.00 out of network, but employees are smart. If we do decrease it to 50.00, understand that that is the case, but we are trying to encourage them to go into Mexico any thoughts Maria we have been working on this for years.

Secretary Maria Sabori stated that she thought if it went to 50.00 people will start coming to the U.S.

Ms. Posada stated that then you have the problem that they ask for the cash there but not over here.

Chairman Sanchez stated so by law we have to charge them 50/50

Ms. Posada replied no, it just has to be the same in network and out of network. So it is 50.00 if they go to Mexico and 50.00 if they go to the U.S.

Chairman Sanchez stated they do not have an emergency room they have urgent care and Ms. Posada replied; they consider it an emergency room for ACA purposes.

Ms. Posada stated that we do not have to change this now if you want to leave this out.

Chairman Sanchez asked what is it now 50.00 and Ms. Posada and Ms. Gonzalez replied it is 250.00. Ms. Gonzalez said that is why they are going to Yuma because they can make payments there. Ms. Sabori stated that in Mexico it has to be cash and that was one of the issues people don't have the cash.

Chairman Sanchez commented so if we lower it to 50.00 in Yuma we have to lower it to 50.00 in Mexico as well.

Ms. Posada replied yes, and explained how the ACA works whatever you charge in network and out of network. She continued with we can change both to 100.00 for the year and see how that works. And stated that an analysis could be done of that.

Maria Sabori replied 150.00 maybe

Chairman Sanchez stated that Otitis Media would cost us close to 2,000.00 in the hospital. Otitis Media in San Luis will cost us 350.00 that is the problem.

Ms. Posada continued to explain if we lower it to 50.00 then everyone will want to go to Yuma and Ms. Sabori stated that these are the employees that have the Mexico

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

only plan because if I have the U.S. plan my insurance for the U.S. will kick in and I will meet the deductible. Ms. Posada continued with, in order to make this plan work we have to meet certain things of healthcare reform. The one thing they say is that emergency room must be in and out of network so a person that is covered in Mexico can go to Yuma for 50.00 just for the emergency but if they are hospitalized that is a different story.

Mr. De La Hoya stated that the City Attorney Kay Macuil went to look for the legal opinion on that because last year we had the same discussion about it. All parties agreed that this was a tough one.

Vice Chair Emma Torres asked if there was a way to work with the people in Mexico to have a payment plan there. All responded, no they want all their money upfront.

Chairman Sanchez stated, so 150.00 and Maria Sabori said it was still high for having the cash so maybe 100.00? Maria Sabori stated that if they know they can come to the U.S., they are going to come regardless of how much it cost.

Chairman Sanchez then asked if we could lower the urgent care and Ms. Posada said that the urgent care was already low. Chairman Sanchez stated, if we could lower the urgent care it would be almost like a doctor visit and save us so much money.

Ms. Posada stated that they are already doing that. Chairman Sanchez asked what the copay was for an urgent care visit. If we make it dirt cheap like 25.00, then Ms. Posada stated it was 20.00 and they are already doing that there. We have structured it as best we could.

Bruce Flunker from EBSO stated that if we get the claims coded correctly, we can tell you if people really needed emergency care or if they should have sought other types of care so we can decide if people really needed to be in an emergency or not and we can do that based on how the claims are coded. Mr. Flunker said he would like to work with Ms. Posada on this and do an analysis. Ms. Posada thanked Mr. Flunker and stated that this has already been done in the past and that she has talked to Dr. Galindo about it and stated that it should be worked on a little more.

Ms. Sabori asked when SIARMED codes it as urgent care, or emergency EBSO catches it, and they are able to correct the code? Ms. Posada responded yes. Ms. Sabori stated she knows that there have been instances where it was urgent care, and they coded its emergency room. Ms. Posada stated that SIARMED is the ones that set up the diagnosis codes so EBSO would pay according to that. Chairman Sanchez stated I believe we looked at these codes last year and 80% could have been taken care of by PCP and only 12% were actual emergencies. Chairman Sanchez & Ms. Posada both stated that ear infections were the most common in the emergency room.

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

Mr. De La Hoya commented that for the sake of time if we could approve the item as presented legally if not we can leave it 150.00 depending on what we can legally do. Ms. Posada stated she thought it should be left the way it is. So leave it at 250.00 Ms. Posada stated, leave it the way it is. Ms. Gonzalez asked if this could be revisited next year and meet with SIARMED. Ms. Posada said that they had met with SIARMED numerous times. Ms. Sabori stated that it is more of an internal decision.

Chairman Sanchez asked, has the trend changed and Ms. Posada responded, no. Chairman Sanchez replied then it is time to do something different and it is time to change the deductible to 150.00 and see if it makes a difference in one year. Ms. Posada replied, okay. Ms. Gonzalez commented we need to educate the culture. Ms. Posada stated, you want me to decrease it from 250.00 to 150.00 correct, and Chairman Sanchez responded, correct.

Ms. Macuil asked for clarification for the minutes and asked, so it is going from 250.00 to 150.00 Mexico Plan. Ms. Posada replied no, Mexico only.

Mr. De La Hoya then stated you have Mexico plan and you have 50.00. Ms. Posada said that is the Mexico plan. Mr. De La Hoya then stated, what is the proposed Mexico plan and what is the plan for the U.S? Ms. Posada stated that she would not recommend any changes to the U.S. plan. The two plans can be separate.

Ms. Macuil stated so is there something they need to put in the motion that has changed from as presented? Ms. Posada replied because I presented at 50.00 it should state modification to my presentation.

Chairman Sanchez asked Ms. Posada to please clarify for the City Attorney.

Ms. Macuil stated so Mexico plan for urgent care and Ms. Posada commented emergency room only. Ms. Macuil continued with emergency room combo that Mexico has right now it is at 250.00 you are presenting 50.00 but are the trustees saying that they want this to be 150.00? Ms. Posada replied, correct.

Ms. Macuil continued with, in the motion we will need to have that. Mr. De La Hoya asked what the copay in the U.S. was and Ms. Posada replied 250.00, and that is low nowadays.

Ms. Posada stated to Rob Flunker from EBSO that he was next for page 4 on the dental. Ms. Posada first mentioned that there were no changes to the U.S. plan. Mr. Flunker began to explain that EBSO took this plan over and matched it with the MAYO plan he stated that the language was not very clear on dental benefits and are recommending changing language in the plan document to help better serve the employee when they call in for questions regarding the dental plan right now our customer service department has to provide answers based on the plan document, and the plan document is not clear so what EBSO is recommending are changes so they can provide clear answers to the employees when they call in.

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

Ms. Posada commented, for example, the oral exam there are really no limits in the plan document, and we should limit the oral exams to two per calendar year, and that is very normal. Office visits for any problems, exams, two per calendar year cleanings two per calendar year. Flouride treatments for children under 16 one treatment per calendar year. Rob Flunker stated that what Ms. Posada was going over was in the summary of benefits, so the language in the summary of benefits and what is in the plan docs are contradictory, so we have to operate off the plan doc, but the employees have summaries with different information on it. We just want to match the plan doc language up to what the summaries are.

Ms. Posada continued with, for example, the xrays the full mouth the panoramic should be limited to once every 36 months. The bite wings would be four per visit limit to two sets of xrays per calendar year — vertical bite wings one every three years. Root canals instead of putting it under basic service put it under major. Ms. Posada then asked Mr. Flunker to explain.

Mr. Flunker stated that everything we want to change isn't an actual change; this is how the current summaries are and what the employees are given on their summary of benefits. This is everything that is already on there. So this is the plan the stop-loss quoted off of and this basically what everything thinks the plan already operates as. But it wasn't how the plan document was written when the plan was with MAYO. When with MAYO it was operating off of a different summary than what the plan doc is. We as a third party administrator have to go with what the plan doc says we cannot deviate from that. So what we are asking is to change the plan doc language so when employees call in EBSO has accurate information.

Bruce Flunker EBSO President stated if you are wondering why we are talking about this. It is not unusual when we take over new accounts that the summary of benefits and plan docs be different. He continued with EBSO works really hard to make sure all your plan documents are consistent so that the plan document and the information that goes to the employees are consistent. So you understand that we are just trying to make it a better experience for your members, doctors and that all the information is consistent.

Ms. Posada stated that she was running out of time and needed to move to page 13. The vision, the plan itself has not changed the rate changed by 1.98%. And got approval for the rates not to change for four years. Ms. Posada stated that with that she was done.

Chairman Sanchez stated that you very rarely get a commitment for four years and commended Ms. Posada and thanked her for her great service she provides the city. Chairman Sanchez also thanked Finance, HR and staff and everyone involved for their hard work.

Kay Macuil City Attorney stated that she took notes that SIARMED to have on the dental plan that you are approving this but gave instruction to staff and Susan to admonish them, but that does not need to be in the motion.

Chairman Sanchez answered that it does not need to be in the motion, but Susan is aware of the recommendations.

Ms. Macuil stated that as presented usually refers to the attachments to the agenda I would say number 3 would be I MOVE TO APPROVE THE MEDICAL MEXICO PLAN WITH THE CHANGES PRESENTED except for the urgent care/hospital care deductible would be 150.00. Chairman Sanchez replied the "out of network" Ms. Macuil replied right. That would be the only changes. Susan Posada replied it is a copay, not a deductible. Ms. Macuil replied sorry, it is a copay.

Chairman Sanchez began the recommended motions.

**Motion No. 1. Chairman Sanchez and Secretary Maria Sabori to approve the changes to the US medical plan as presented. Motion passed unanimously.**

**The vote went as follows:**

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

**Motion No. 2 Motion to approve Chairman Sanchez and Board Member Maria Gonzalez, and Emma Torres to approve the Mexico dental plan changes requested by SIARMED as presented. Motion passed unanimously.**

**The vote went as follows:**

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

**Motion No. 3 - Motion to approve the Mexico medical plan changes as presented with the exception that the ER copay be changed to 150.00. Chairman Sanchez and Secretary Maria Sabori to approve. Motion passed unanimously.**

**The vote went as follows:**

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

**Motion No. 4 – Motion to approve the US dental plan changes requested by EBSO as presented. Chairman Sanchez and Board Member Maria Gonzalez to approve. Motion passed unanimously.**

**The vote went as follow:**

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

**Motion No. 5 – Motion to approve adding EAP preferred for six (6) mental health counseling visits per situation for all employees as presented. Chairman Sanchez and Emma Torres to approve. Motion passed unanimously.**

**The vote went as follows:**

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

**Motion No. 6 – Motion to recommend to City Council to fund the trust approved changes to the Employee Benefits Plan. Chairman Sanchez and Maria Gonzalez to approve. Motion passed unanimously.**

**The vote went as follows:**

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

Chairman Sanchez asked if we needed to go to Executive Session and City Attorney Kay Marion Macuil replied that we have run out of time we have about 15 minutes.

Susan Posada asked if the board could renew her contract for three (3) years?

Chairman Sanchez stated, Item #3A we are not going to go into executive session, but it is regarding: I move to approve the renewal of Susan Posada's contract for three years.

Monica Castro Finance Director stated she wanted to make a recommendation regarding the three-year agreement. She also stated that everyone was very grateful to Susan Posada and she has done an excellent job. It has been eight years she

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

has joined the city as a broker, and many things have changed in that time. As a finance director, it is very difficult to know in reality how are the services we are getting compared to the grand market. It is good practice from time to time to check the market and see if we are getting the best deal for the city. It is my recommendation not to bind the contract to three (3) years but give it one (1) year and have an opportunity to look at what is out there and give us the flexibility to change course. This is my recommendation for the city as the finance director.

Chairman Sanchez stated he had no problem recommending three (3) years. Does anyone have a problem recommending three (3) years? Susan has shown us, and we have seen. If our premiums were going up 11, 12 19 percent per year then I would be very unhappy, and I would be recommending switching or doing something. And at this time I am not recommending. And a one (1) year, no.

Vice Chairman Emma Torres stated that she had seen contracts that are a three (3) year but they are revised every year, and you have the option whether to continue work. I am not sure what the exact language is. That might be something that could be placed there.

Chairman Sanchez stated that for clarification all of our contracts could be broken at any time they may say three (3) years, but all of our contracts can be broken.

City Attorney Kay Macuil replied, not this one. This one has a for cause a 30 day for cause. Chairman Sanchez stated so it can be broken with cause, then like I said.

Vice Chairman Emma Torres stated then there would have to be a specific review. You make it as a yearly review. You can continue on with it; it is not like you are going to break it especially if she continues doing well as she has been doing, but at least it doesn't bind the city to a three (3) year contract. If the city decides not to go with it, you still won't have to pay for it.

Board Member Maria Gonzalez stated that she thinks we should consider a one (1) year contract. Not that she is doing a bad job I am not saying that. It would be a good thing if we looked like Monica said outside and see other options and if we do consider staying with her, we can do it when the one (1) year contract expires.

City Manager Tadeo A. De La Hoya commented to the Mayor that we could do a three (3) year contract and include the no cause termination clause.

Chairman Sanchez stated that he was under the impression that all of our contracts had that clause. Mr. De La Hoya replied that is lately we have been with Susan for eight (8) years and have kept it the same. We can do the one (1) year or the three (3) year with the no cause termination clause.

Ms. Posada stated that she has no objection to changing the clause. She continued that the issue is you are going to find someone that is cheaper because they always come in to buy the business. The fact that we have grown the trust and you can see

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

the amount of work I do. I am never not there to help or assist. After Olivia retired, I came in to help and came in some extra days to help people including Monica understand what is going on so I am always here more than I would normally be because you have had such a turnover. There is a value for having someone that length of time the disadvantage is if they do not do their job and I think I have proven with the amount of information and the fund balance that I have done my job.

Ms. Posada continued with someone may come in and underbid me and take it up. It will be up to you. I know that I would like to continue I have worked very hard, and continuation is very important.

Secretary Maria Sabor asked if this item could be brought back before her contract expires. Chairman Sanchez asked when does it expire and Ms. Macuil responded July 1<sup>st</sup>.

Susan Posada stated that it does expire July 1<sup>st</sup>, but I have already done a lot of the work for the coming year. Maria and I have been working very hard to get everything ready for open enrollment.

Chairman Sanchez asked if this needed to go through council. Ms. Macuil and Mr. De La Hoya responded that her contract was with the trust. Ms. Macuil stated that this type of service we would do a request for qualifications. We are always interested in the value of the money, but we are also interested in quality.

Ms. Castro replied that this does not mean we are taking to get Ms. Posada out we are just trying to have our balances checked. It doesn't hurt to look around. She definitely has points when we do this evaluation, and it will come to you for approval as well. Right now we are just wondering. So many things have changed in eight (8) years. Chairman Sanchez asked Ms. Castro what has changed? Ms. Castro replied, the size of the company, technology has changed at this point we are not sure we are getting the best reporting tools, technology that we need. We have to look first then we can say definitely Ms. Posada is providing the best to the city and it just might be, but right now we are just speculating without solid data to go into a binding agreement for three (3) years. Again this is just a recommendation it is up to all of you.

Ms. Posada replied as far as technology we have all the resources available. The problem that we have had is a tremendous turnover in the HR department and also in the accounting department. The continuity of that is extremely critical.

Chairman Sanchez stated that we would continue this item to a special meeting and we are going to have an executive session on this one like we were supposed to. Vice Chairman Emma Torres replied that would be good. Chairman Sanchez stated that we are going to take a look at that contract and make some changes to that contract.

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor

**Motion to continue the item to a Special Meeting. Chairman Sanchez and Maria Gonzalez to approve. Motion passed unanimously.**

**The vote went as follows:**

Chairman Sanchez – Aye

Vice Chairman Emma Torres – Aye

Secretary Maria Sabori – Aye

Board Member Maria Gonzalez – Aye

Board Member Gustavo MacGrew – Aye

**Motion to adjourn Chairman Sanchez and Secretary Maria Sabor to approve to adjourn. Motion passed unanimously.**

**The vote went as follows:**

Chairman Sanchez – Aye

Vice Chairman Emma Torres – Aye

Secretary Maria Sabori – Aye

Board Member Maria Gonzalez – Aye

Board Member Gustavo MacGrew – Aye

*Meeting adjourned at approximately 6:54 PM.*

MINUTES APPROVED BY MEMBERS

DATE: JUNE 12, 2019

MINUTE TAKER s/J.Taylor