

MINUTES
Special Meeting
City of San Luis Employee Benefit Trust
Council Chambers - San Luis City Hall
1090 E. Union Street
San Luis, AZ 85349
June 12, 2019
6:00 p.m.

1. CALL TO ORDER/ROLL CALL: Chairman Gerardo Sanchez called the meeting to order at approximately 6:04 p.m.

PRESENT: Gerardo Sanchez, Chairman
Emma Torres, Vice-Chairwoman
Maria Sabori, Secretary
Gustavo McGrew, Board Member

ABSENT: Maria Gonzalez, Board Member

OTHERS PRESENT: Tadeo A. De La Hoya, City Manager
Melissa Lopez, Deputy City Clerk
Africa Luna-Carrasco, Council Member
Edgar Carbajal, HR Department
Glenn Gimbut, Assistant City Attorney
Maria Muñoz, HR Benefits Consultant
Monica Castro, Director of Finance
Ralph Velez, City Consultant
Susan Posada, Benefits Consultant

2. CONSENT AGENDA:

2. A. MINUTES OF

- Regular meeting held April 10, 2019
- Regular meeting held April 24, 2019
- Special meeting held May 8, 2019

MOTION: Vice-Chairwoman Emma Torres/Secretary Maria Sabori to approve the consent agenda as presented. Motion passed unanimously.

The vote was as follows:

Gerardo Sanchez, Chairman	Aye
Emma Torres, Vice-Chairwoman	Aye
Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. A. Discussion and possible action on any and all matters regarding Stop Loss Renewal with Symetra Financial. (Susan Posada, Consultant and Broker)

Ms. Susan Posada, Consultant and Broker, informed that there is no increase in the Stop Loss carrier. She added that there is no change in the premium at this time, but foresees increases in the future because of the large claims received every month.

Vice-Chairwoman asked how it can be foreseen that major increase will be done in the future and what can be done in order to avoid the premium go up.

Ms. Posada replied that her prediction is due to the large claims that have been received and also chronic diseases. She explained that there are some claims that cannot be prevented or predicted those are congenital disorder or cancer. Furthermore, she added that by reviewing the biometrics done by Yuma Regional Medical Center during open enrollment it was found that out of the 218 employees, 80 participated in the biometrics, from those 68% needs improvement in their blood pressure and 76% came out with obesity. She stated that all of these factors would anticipate an increase in premiums.

Vice-Chairwoman Torres asked what can be done to prevent premiums from going up in the future.

Ms. Posada replied that the Human Resources Department had done a tremendous job by providing classes and programs to the employees. She added that there is still more to do to bring down the chronic diseases. She stated that one of the options discussed with the Human Resources Department is to provide incentives to the employees that get a wellness check done each year to keep people healthy to reduce the cost. She mentioned that with these types of programs, one needs to be careful because of the wellness programs because of the discrimination laws and the disabilities act.

Chairman Gerardo Sanchez suggested the Human Resources Department to hold a meeting with all employees to give them out the statistics and ask them to work as a group to have a healthy community.

Ms. Posada informed that 20% of the people make 80% of the cost of the health plan.

MOTION: Chairman Gerardo Sanchez/Secretary Maria Sabori to approve the Stop Loss Carrier's proposal and quote for renewal as presented. Motion passed unanimously.

The vote was as follows:

Gerardo Sanchez, Chairman	Aye
Emma Torres, Vice-Chairwoman	Aye
Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

3. B. 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. ITEM CONTINUED FROM BOARD MEETING HELD APRIL 10, APRIL 24 AND MAY 8, 2019. (Glenn Gimbut, Assistant City Attorney)

Mr. Glenn Gimbut, Assistant City Attorney, informed that amendment to the Broker Agreement in accordance to the instructions given by Chairman Gerardo Sanchez, this agreement is a two (2) year renewal with a clause of automatic two (2) year renewals except that provides at least 60 days prior to the end of any term. This agreement also provided that the rate of compensation will always be the same unless approved by the board.

Board Member Gustavo McGrew stated that his understanding was that the agreement was going to be for one year.

Vice-Chairwoman Emma Torres mentioned that is agreed for a two-year renewal with an annual review before the agreement renews.

Mr. Gimbut replied that the annual review could be done; also, the board will have to give a 60-day notice for no reason, then the contract ends. Mr. Gimbut read an email to the trust, a copy of this email is filed with the complete agenda packet filed in the City Clerk's Office.

Board Member McGrew mentioned that automatic renewal is not recommended.

Mr. Gimbut replied that the automatic renewal was added at the recommendation of Mayor Gerardo Sanchez. He explained that the board would be meeting every three (3) months to review due diligence and fiduciary responsibilities of the Board on expenditures of public funds for employee health benefits package for fiscal year 2020-2021. Mr. Gimbut covered item 3. C. during this item. He read an email to the Board regarding the recommendation for the due diligence and fiduciary responsibilities of the Board for fiscal year 2020-2021.

Secretary Maria Sabori asked how soon staff can start looking into options.

Ms. Posada replied that the reason for being on against time frame is that the medical and other related insurances are based on claims, companies would not provide information until mid-March, because the claims for February to determine the rate. She added that the reason for every year is against the walls is because those are the conditions that the carries request. She mentioned is she provides the rates 30 days earlier they will not be accurate as the rates are based on the claims for February.

Vice-Chairwoman Emma Torres stated that since the board will be meeting in a quarterly basis, what will prohibit the board from receiving a quarterly report and not wait until the end to make a decision and be fair with the work done.

Ms. Posada replied that reports could be done on a quarterly basis, but in the end, that is when the rates will be determined. She informed that she provides a dashboard report to the city on a monthly basis.

Chairman Gerardo Sanchez mentioned that employees need to take responsibility for their actions and need to take care of themselves.

Ms. Posada stated that the services go out to bid when it is time for renewal, and there is a change in demographics or an increase. The only one that does not go out to bid is Blue Cross Blue Shield as they have the best network, but unfortunately, they increase their cost every year.

MOTION: Chairman Gerardo Sanchez/Vice-Chairwoman Emma Torres to approve the contract as presented. Motion passed unanimously.

The vote was as follows:

Gerardo Sanchez, Chairman	Aye
Emma Torres, Vice-Chairwoman	Aye
Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

3. C. Discussion and possible directions to staff on any and all matters regarding the process for fiscal year 2020/2021 and due diligence and fiduciary responsibilities on Board to be certain of expenditures of public funds for employee health benefit package. (Glenn Gimbut, Assistant City Attorney)

This item was covered during the discussion of item 3. B.

4. ADJOURNMENT

MOTION: Chairman Gerardo Sanchez/Secretary Maria Sabori to adjourn the meeting at approximately 6:47 p.m. Motion passed unanimously.

The vote was as follows:

Gerardo Sanchez, Chairman	Aye
Emma Torres, Vice-Chairwoman	Aye
Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

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Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

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4. ADJOURNMENT

MOTION: Chairman Gerardo Sanchez/Secretary Maria Sabori to adjourn the meeting at approximately 6:47 p.m. Motion passed unanimously.

The vote was as follows:

Gerardo Sanchez, Chairman	Aye
Emma Torres, Vice-Chairwoman	Aye
Maria Sabori, Secretary	Aye
Gustavo McGrew, Board Member	Aye

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the Special meeting for the Employee Benefit Trust Board of the City of San Luis, Arizona, held on June 12, 2019. I further certify that the meeting was duly called and held and that a quorum was present.



Melissa Lopez City Clerk