

MINUTES

Regular Meeting

City of San Luis Employee Benefit Trust

Council Chambers – City Hall

1090 E Union Street

San Luis, AZ 85349

Wednesday, May 5, 2021

- 1. CALL TO ORDER/ROLL CALL** *Chairman Sanchez called the meeting to order at approximately 5:31 PM*

THOSE PRESENT

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

OTHERS PRESENT

City Attorney Kay Macuil
City Administrator Tadeo A De La Hoya
Director of Finance Monica Castro – arrived at approximately 5:46 PM
Broker/Benefits Coordinator Susan Posada
Assistant City Attorney Glenn Gimbut
Benefits Coordinator Maria Munoz
City Clerk Sonia Cornelio
IT Technician Axel Chayra
Acting Clerk of the Board Janet Taylor

2. CONSENT AGENDA

All matters are considered routine by the Employee Benefit Trust Board and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2.A. MINUTES OF:

- Regular meeting held on March 10, 2021

MOTION: Chairman Gerardo Sanchez and Vice-Chairman Emma Torres to approve the March 10, 2021 minutes. **Motion passed unanimously.**

The vote went as follows:

Board Member Maria Gonzalez

Aye

Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Vice-Chairman Emma Torres	Aye
Chairman Gerardo Sanchez	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. Posada presented the board a PowerPoint and expressed she was pleased with the final stop/loss report and that it did not come in any higher than expected that it came in at 9.33 percent increase which was good because of the claims that are coming in. The second part of the increase was a 29 percent increase, and they dropped it down to 27 percent. Ms. Posada explained that is not a figure that we pay. The 27 percent is the aggregate coverage. The aggregate coverage is anything above the \$50,000.00. Right now, we have difficulty with the COVID. We have a lot of claims coming in. They can be above or below \$50,000.00. What that means is that is when our overall claims are above a certain amount, then we can be paid an additional amount of up to a million dollars. There is a possibility we can be reimbursed. We won't know until June 30th.

Ms. Posada discussed seeking other bids, which were presented in the PowerPoint. They were higher than we currently have and were not comparable. She recommended the city stay with Symetra.

MOTION: Chairman Sanchez and Vice-Chairman Torres to approve the Stop Loss Carriers proposal for renewal. **Motion passed unanimously.**

The vote was as follows:

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

3.B. Discussion and possible action on any and all matters regarding Broker Agreement Renewal which expires on June 30, 2021. **(Susan Posada, Broker, and Consultant)**

Before presenting, Ms. Posada stated that she was able to negotiate the Teledoc price per employee from \$15.00 down to \$13.00.

Ms. Posada began by stating she wanted to ensure that everyone knew what she did and gave an outline of her many duties and tasks. She also mentioned one of those duties included protecting the trust, which could have been lost if Summit filed bankruptcy. She stated the funds have grown in the trust from one million to over four million even after claims have been paid. The reason for that is due to the administration and Ms. Posada consulting and helping guide the board. She discussed the fact that previously if employees went out of town, they had no coverage; she remedied that with an out-of-state network and the Mayo clinic. Ms. Posada also explained that it is not easy to find a third-party administrator that would accept a Mexico network.

Assistant City Attorney Glenn Gimbut stated that before the city had Susan Posada, we had turned everything over to Yuma Insurance and trusted them. That is how we had Summit as a third-party administrator. Mr. Gimbut stated that Susan argues for us, and she fights for us. The first year with Susan, we had a savings of over \$350,000.00 versus what we were paying out before. Glenn also referenced the increase in the trust with the city council making the same contribution every year. Mr. Gimbut discussed the bridge of Obama Care and the Affordable Care Act while trying to maintain a plan in Mexico, which she was able to do.

Ms. Posada stated that she forgot to mention that there has not been a change in the contribution for the last six years and that she has to pay for some of the training videos out of pocket. Ms. Posada stated that she has over 25 years of experience in the industry.

Secretary Maria Sabori stated that when she was with the Human Resources Department for about 13 years and had previously worked with Summit as the broker, they were not involved much didn't have any updates unless we contacted them to come in. We were not notified of how the money was working. We only knew that one million dollars were being managed until we were informed that the money was in a general account. We didn't have a committee then, and now there is more structure. The committee is involved and manages the trust, the funds, and the benefits for employees.

Chairman Gerardo Sanchez stated that he was a council member when they had the other brokers and actually got the experience while recruiting other brokers before they had got Susan. And what they got was a brochure of information saying these are going to be your carriers and these are going to be your providers, this is going to be your quote, and there is no guarantee that next year we are going to have the same numbers. None of the extras, like wellness. They would add those extras for an additional cost. Chairman Sanchez stated that he remembers working with Glenn and working with Council trying to find an affordable plan. What the county had what the City of Yuma, Somerton had was way different. Employees are always concerned about

their premium about paying more, and for the past six years, thanks to Susan and the Council approving the budget, we have been able to maintain at a minimal increase. That is a big plus. The fact that we had 1.4 or 1.2 million dollars in the bank before and now we are close to four million speaks volumes. We are saving money, and we are providing more services. Now we need to look at what the other agencies offer. Do they offer the same benefits as we are getting right now for the price we are paying?

Chairman Sanchez commented that he works for a big hospital, and the benefits the city is receiving are better benefits. The family plan is way lower than what others offer. There is close to a \$400.00 a month difference. And they were not getting Mexico and not being able to go to the gym on the city's tab. Those little things make a difference. My biggest concern is losing stability.

Chairman Sanchez stated that with COVID, a lot of insurance premiums are going to go up. A lot of insurance companies are losing money. People are unemployed and are not paying premiums, they are getting hit right now, and we are not going to see it until next year. Hopefully, when everyone is vaccinated, and everything is stable. If we get a third wave that we are expecting, people are going to have to get treated. Just one COVID patient can cost \$169,000.00. If we are able to maintain the quote we have right now are premiums are stable, and we have been making money for the trust. Things could get more expensive. We have had one fatality, one employee passed away due to COVID he had to be treated, and there were other expenses. We have been very fortunate.

The fact that we were proactive and were able to provide vaccines to our first responders before it was required before everyone had it. That speaks volumes. Thank you, Susan. I am a firm believer in saving money and providing the best benefits for the money we pay. Thank you for the great work you have done over the years, ten years already.

Chairman Sanchez opened the floor to any comments or questions from the board.

Board Member Maria Gonzalez stated she thought they were going into an executive session. Chairman Sanchez responded; that was the next item on the agenda, but you can ask them now or ask them in executive session if you have any questions.

4. EXECUTIVE SESSION

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 Trustee's 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)**

MOTION: Chairman Gerardo Sanchez and Board Member Maria Gonzalez move to hold an Executive Session pursuant to A.R.S. §§ 38-431.03(A) subsections (3) and (4).

Motion passed unanimously

The vote went as follow:

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

ADJOURNMENT

MOTION: Chairman Gerardo Sanchez and Vice-Chairman Emma Torres to adjourn the meeting. **Motion passed unanimously**

The vote went as follows:

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

Meeting adjourned at approximately 6:30 PM

5. MOTION TO GO BACK INTO REGULAR SESSION

6. DISCUSSION AND POSSIBLE ACTION 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. **(Susan Posada, Broker, and Consultant)**

NO ACTION TAKEN