

**MINUTES
SPECIAL MEETING
EMPLOYEE BENEFITS TRUST
COUNCIL CHAMBERS
1090 E. Union Street San Luis, Arizona 85349
May 11, 2023
4:30 p.m.**

1. **CALL TO ORDER/ROLL CALL** *Chairman Tadeo A. De La Hoya called the meeting to order at approximately 4:34 p.m.*

THOSE PRESENT:

Chairman Tadeo A. De La Hoya
Board Member Maria Gonzalez
Board Member Gustavo MacGrew
Secretary Maria Sabori
Vice Chairman Emma Torres via Zoom at approximately 4:40 p.m.

OTHERS PRESENT:

Nieves Riedel, Mayor
Kay Marion Macuil, City Attorney
Janet Taylor, Legal Secretary-Clerk of the Board
Mary Barajas Gutierrez, Human Resources Coordinator
Jenny Torres, Assistant City Manager
Susan Posada, Benefits Coordinator, via Zoom at approximately 4:36 p.m.
Monica Castro, Director of Finance
Maria Munoz, Human Resources Analyst
Olivia Jenkins, Government, and Foreign Affairs Coordinator
Domingo Sosa, Media & Graphics Specialist
Ruben Lopez, IT Technician
Antonio Maldonado, Video Production Specialist
Glenn Glmbut, Assistant City Attorney – at approximately 5:00 p.m.

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:

- Special meeting held on May 4, 2023

Motion: Board Member Maria Gonzalez and Board Member Gustavo MacGrew approve the consent agenda. **Motion passed unanimously.**

The vote was as follows:

Chairman De La Hoya	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A. Discussion and possible action on any and all matters regarding Benefit Trust fund reserves. (Jenny Torres, Assistant City Manager)

Ms. Torres asked the clerk if she had Monica's presentation from last week's meeting. The clerk responded she did not. Ms. Torres stated that she hoped the board members had an opportunity to review the information that was provided in last week's agenda package. Ms. Torres apologized that they were a little rushed and apologized for that.

Ms. Torres stated that she wanted to give the board an understanding of where the City stands. And the situation they are currently facing and that, in the last two to three years, the City has been trying to care for its biggest asset, the employees. She stated that they are trying to raise salaries to the point where it becomes competitive. Last year there were 59 vacancies, and this year there are 46. She stated that this is happening nationwide. The City is starting to come up with a strategy on how to retain and recruit its employees. Many employees have to do two or three different positions because we are unable to recruit employees to fill those vacancies. So one of the strategies is to allocate \$800,000.00 to get the salaries to a higher level where it becomes more competitive. We are doing that this year, and it is a significant bump to get them to that level. We are also doing an incentive to our public safety personnel. We are doing stipend pay and stand-by pay. We are actually allocating about \$200,000.00 to that fund to retain our public safety personnel. Within the other municipalities, every time Yuma County or the City of Yuma raises a salary here, we are behind again, trying to fill those vacancies. So the City is trying to do its part in retaining our employees.

We came up with another strategy where the Trust would be able to help us move toward that same goal. We are going to continue to contribute the 3.2 million dollars to the Trust. We expect to spend about 3.9. Those are just expenses that are just projected. It could be more, and it could be less. Based on Monica's presentation last week, she feels very comfortable knowing it is going to be around that.

So the gap is \$700,000.00. If we have more claims than expected, we would still not know because we are projecting. So what we are requesting from the board is to help us. We are putting a million dollars here to try and retain our employees. But we can't raise their salary and then ask them to pay for insurance because that levels out. Our contribution is about 82%, and we believe if you can help us by allowing the employees to tap into that \$700k, we will be at a level where we can retain our employees. More than likely next year, the employees are going to have to start paying. This year help us get them to a competitive

level. Help us retain the health insurance at a good level by not having them pay so that next year we can prepare in that direction.

Ms. Torres continued with that the \$700k is not going into the city budget; it is not going to balance the budget. It is actually an incentive to the employees so they don't have to pay. By the end of the year, it might be only \$200k; it might be \$300k, we don't know. But we do know that there is a projection and are hoping you will help us with that gap. That is our understanding and our strategy, and we are hoping you will support us. Our employees are our asset; all of our council members believe that. We are contributing our part. We just need you to help us contribute so that we can retain them.

Ms. Torres asked if there were any specific questions for her.

Board Member Maria Gonzalez stated she had no questions but thanked Ms. Torres for explaining it and that it made more sense.

Mr. MacGrew thanked Ms. Torres for her explanation.

Vice Chairman Emma Torres thanked Jenny and stated that it made it a lot more administrative understanding. What is going on it makes a lot of sense.

Ms. Susan Posada, Broker, and Consultant, provided a video for the Trustees to view in her absence. (The video is attached at the end of the minutes.) It displayed the number of current employees and how each is enrolled in the benefits program. It also included March 2023 monthly invoice. The report listed 2023-2024 requirements and monthly and annual contributions.

Chairman De La Hoya asked if there were any questions, comments, or concerns from the Trustees.

Secretary Maria Sabori commented that she has been a part of and worked for the City for close to 25 years. I know that it has taken some time to get employees where they need to be with their salaries, and I agree if we increase their premiums, it is going to affect them even more, and now that everything is increasing, the gas prices are still going up. So, my understanding is that they are not reducing money from the Trust but evaluating what they are recommending on how to fund it. If we are still okay with the claims and are able to do it this year, I think that we should consider the recommendation and bring it back next year and evaluate it.

Chairman De La Hoya asked if there were any more questions or comments.

Vice-Chairman Emma Torres commented that she could not hear the presentation video. She stated that Jenny presented approximately \$750k that were needed from the Trust, and from what I could see in the presentation was a number over a million two hundred thousand. Is that correct, or am I missing something?

Monica Castro responded; we are talking about estimates. Nobody has a crystal ball to know what exactly is going to happen at the end of the year. Susan is providing the best estimates. The information we have is based on the balances we have in the fund right now. I look at the accounting records I have right now, and that is how I come up to the amount that we are going to arrive at that Jenny presented. I think Ms. Posada is saying 1.2 million. She is expecting a 3.9 million expenditure on claims. So we are on the same page with Ms. Posada's projections. For contributions, Ms. Posada is considering 2.9 city contributions, I believe. And I am talking from memory. For us, in our projections, we are considering 3.2 million in contributions. So at the end of the day, I would say our data is more reliable because we are putting it in our city budget, and that is what the City is prepared to pay if need to. We are allocating 3.2 million dollars of the City's budget to the Trust. If claims come at 3 million 3.1, we are going to be putting that money in the Trust. I think that is where the difference is coming from. The contributions that she is projecting and the contributions that we are projecting. As Ms. Torres mentioned at the end of the day, these are estimates. Claims might be less; we might end up with only \$500k down, but it is also possible that it could be 1.5 million more. Fortunately, the Trust is in a good position and in good financial health that we can face the following year without concerns.

Chairman De La Hoya asked Emma if that answered her question.

Vice Chairman Emma Torres responded, kind of. I am just getting confused with the different numbers being presented. That is what I am not very comfortable with. So what is our current balance on the Trust? Ms. Castro responded with 3.7 million dollars. That is verifiable information. We expect this year we are going to put in about 3 million dollars in contributions. We have never intended to stop them. We are expecting Trust expenses to be about 3.3 million dollars. We are going to have a shortfall this year of about \$300,000.00, that is going to reduce our fund balance a little bit. We are going to finalize the year with 3.5 million dollars in the bank. So, 3.5 million, and we are expecting a shortfall of one million, \$700k, we are still going to end the year with a balance of 2.5 million dollars.

Ms. Torres responded that she was very fiduciary conservative, so I think perhaps we should put a cap on what we will allow. I don't know what the other Trustees feel, but I think what Jenny explained makes a lot of sense. There is a need for checks and balances, and every year it is never the same. We cannot predict exactly what is going to happen. However, we, as Trustees, perhaps can set an amount and put a cap on it for our support for this year. That way, there will be an opportunity for the employees to move forward with projected expenses. Not to put it all on the employee's Trust. We just have to be careful with what we spend.

Chairman De La Hoya commented that it was his understanding that they were asking for \$700k.

Vice-Chairman Emma Torres replied that she would support that. Susan predicted a million, two hundred something, and that is where I get a little nervous with the numbers. I

will support \$700k, as Jenny mentioned, to be used from the Trust. And put a cap on that because we need to be careful.

Chairman De La Hoya asked Ms. Torres if she was good with \$700k, and she replied that she was. Chairman De La Hoya also asked if there were any more questions or comments from the Trustees. There were none. Chairman entertained a motion.

Motion: Board Member Maria Gonzalez and Secretary Maria Sabori to approve utilization of the Employees Benefits Trust Fund Reserves in the amount of \$700k.

Motion passed unanimously.

The vote was as follows:

Chairman Tadeo De La Hoya	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Vice Chairman Emma Torres	Aye

3.B. Discussion and possible action on any and all matters regarding COVID-19 testing and vaccination coverage after termination of the National Public Health Emergency. (Mary Barajas, Human Resources Coordinator)

Ms. Barajas greeted the board and discussed the fact that the Families First Coronavirus Response Act (FFCRA) required health plans to provide coverage for COVID-19 diagnostic testing without cost-sharing, prior authorization, or other medical management. The federal government has announced its plan to end the COVID-19 National Emergency and Public Health Emergency on May 11, 2023. As of May 12, 2023, group health plans will no longer be required to cover COVID-19 diagnostic testing (including over-the-counter tests) at no cost to the member.

Ms. Barajas discussed with the board if they wanted to continue covering testing and vaccine administration at 100% for the employees. Or offer cost-sharing, meaning copayment, deductible, or coinsurance.

Ms. Barajas stated that if option #2 is chosen, HR would like to provide a 30-day notice to the employees.

Vice Chairman Emma Torres asked what the cost was to continue to cover the employees. Ms. Torres added that she is pro-prevention and would support the continuation to cover employees. And help prevent another pandemic. Ms. Barajas explained that if an employee received it through their primary physician, the cost would be \$15.00. If they have it done through a specialist or a stand-alone facility, the cost would be \$25.00.

Ms. Torres stated that she thought it was important to continue with preventative measures and asked for an estimated cost before approving this. Our job is to be fiduciary responsible for the plan.

Ms. Barajas replied that for COVID testing from January through April, the plan had paid \$3,272.00, and for vaccinations, the plan had paid \$891.00

Ms. Sabori asked if that was for three months, and Ms. Barajas replied yes.

Ms. Sabori commented that for the Work Comp exposure, for the last year we haven't had any claims to have an idea of how many people have been getting sick. I don't know if we have the numbers for employees.

Ms. Barajas stated that for reported positive tests for this year, there have only been 16. Ms. Torres stated that that is plenty to know that we need to continue preventing and is in support to continue providing this to the employees.

Chairman De La Hoya stated, so option 1. And all agreed.

Motion: Board Member Gustavo MacGrew and Maria Gonzalez to approve option #1 as presented by Human Resources. **Motion passed unanimously.**

The vote was as follows:

Chairman De La Hoya	Aye
Board Member Maria Gonzalez	Aye
Board Memer Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Vice Chairman Emma Torres	Aye

4. ADJOURNMENT

Meeting was adjourned at approximately 5:06 p.m.

PENDING APPROVAL