

MINUTES
Special Meeting
City of San Luis Employee Benefit Trust
Council Chambers - City Hall
1090 E. Union Street
San Luis, AZ 85349
February 15, 2024
4:30 p.m.

1. CALL TO ORDER/ROLL CALL

Vice Chairwoman Emma Torres called the meeting to order at approximately 4:49 p.m.

PRESENT: Emma Torres, Vice Chairwoman
Maria Gonzalez, Board Member
Gustavo McGrew, Board Member
Javier Vargas, Board Member
Maria Sabori, Secretary

OTHERS PRESENT: Adela Cortez, Director of Human Resources
Adriana Garcia, Human Resources Manager
Antonio Maldonado, Video Production Specialist
Kay Macuil, City Attorney
Mary Barajas, Human Resources Coordinator
Melissa Lopez, Deputy City Clerk
Nieves Riedel, Mayor
Ruben Lopez, I.T. Technician
Tadeo Azael De La Hoya, Council Member

2. DISCUSSION AND POSSIBLE ACTION ITEM:

2. A. Discussion and possible action on any and all matters regarding electing the Chair to the Board of Trustees for the City of San Luis Employee Benefit Trust and possibly electing a Vice Chair. (Kay Marion Macuil, City Attorney)

Ms. Kay Macuil, City Attorney, explained this item is for the election of a chair for the Trust; she added that the vice chair is elected to the board as the vice chair and would recommend keeping also the vice chair. Currently, the Trust does not have a chairperson as the City Council-appointed Board Member Javier Vargas. The Declaration of Trust does not specify anyone in particular to be the chair; therefore, any of the five (5) board members can be appointed to be the chairperson.

MOTION: Board Member Maria Gonzalez/Board Member Javier Vargas to nominate Emma Torres to serve as the chairperson.

Vice Chairwoman Emma Torres stated she appreciated the nomination but declined it, as she feels someone else should be nominated and appointed due to time restrictions.

MOTION: Board Member Maria Gonzalez/Vice Chairwoman Emma Torres to nominate Board Member Javier Vargas to serve as the chairperson. Motion passed unanimously.

The vote was as follows:

Emma Torres, Vice-Chairwoman	Aye
Maria Gonzalez, Board Member	Aye
Gustavo McGrew, Board Member	Aye
Javier Vargas, Board Member	Aye
Maria Sabori, Secretary	Aye

3. CONSENT AGENDA

3. A. MINUTES OF

- Special meeting held on January 10, 2024

MOTION: Chairman Javier Vargas/Secretary Maria Sabori to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Chairman Tadeo Azael De La Hoya	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

4. DISCUSSION AND POSSIBLE ACTION ITEMS:

4. A. Discussion and possible action on any and all matters regarding an amendment to the Professional Services Agreement with CBIZ Benefits & Insurance Services, Inc. (Kay Macuil, City Attorney)

Ms. Kay Macuil, City Attorney, stated that it was brought to the staff's attention that the original contract with CBIZ did not match the request for proposal and, to be fair to everyone who submitted a bid to match. The thing missing is whoever won the bid would disclose any permissions or any other funds contracted to the city. The city would either discount that amount, or they would submit their commissions or other monies to the city. That provision was amended and made part of the contract.

Mr. Oscar Diaz, Vice President of Business Development CBIZ Employee Benefits, added that they are not collecting any commissions and will notify the carriers that are paying commissions now to take commissions out of their rates. Hopefully, they

attempt to reduce the cost to the city for any additional commissions that have already been added to the rates.

He specified that they do not accept any override commissions, which are additional commissions that are paid by carriers for placing multiples of business with them. Mr. Diaz added that they have a practice of always disclosing the compensation they receive for their clients.

MOTION: Board Member Gustavo McGrew/Secretary Maria Sabori to approve the Amendment to the Contract with CBIZ Benefits and Insurance Services, Inc., as presented. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

4. B. Discussion and possible action on any and all matters regarding amending and restating sections of the Agreement and Declaration of Trust for the City of San Luis Employment Benefit Trust. (Adela Cortez, Director of Human Resources)

Ms. Adela Cortez, Director of Human Resources, explained that in the Council meeting held on February 7, 2024, staff was directed to look into the terms of Trustees to serve on the board. Staff contacted other municipalities that are also self-funded and have the same type of structure, and it was found that their Trustees serve a three (3) year term. Since there was concern about so many terms of five (5) years, staff is recommending that from now on, the term be for three (3) years and no more than two (2) consecutive terms. She added that in reviewing the Declaration of the Trust, they also found other areas that needed revision of the language. Exhibit A is the amendment to the Agreement and the Declaration of Trust, which entails the areas that are being revised.

There was some discussion among the City Attorney, staff, and Members of the Trust regarding the terms of office currently being served.

MOTION: Secretary Maria Gonzalez /Board Member Gustavo McGrew to approve the recommendation made by city staff and amend the Agreement and Declaration of Trust for the City of San Luis Employee Benefit Trust as outlined in the 2nd Amendment as presented. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye

Board Member Gustavo McGrew Aye
Maria Sabori, Secretary Aye

4. C. Discussion and possible action on any and all matters regarding an external annual audit as per Agreement and Declaration of Trust section 3.16. (Jenny Torres, Acting City Manager)

Ms. Jenny Torres, Acting City Manager, stated that the City of San Luis Employee Benefit Trust's Agreement and Declaration of Trust, section 3.16, requires the Trustees to have an external annual audit and accounting of the Trust Fund. She added that throughout the years, only one (1) audit has been conducted in 2020 for the US and in 2022 for Mexico. She recommended that an audit be performed by a good center practice for both the US and Mexico as required by the Trust.

Mr. Oscar Diaz, Vice President of Business Development CBIZ Employee Benefits, commented that the audits conducted on trusts are just Annual Financial Audits. If the city is asking for a claim audit, they can find vendors to do it. However, the one concern they have is that the city recently changed Third Party Administrators in July 2023. He has inquired with claim auditors to see if there are sufficient numbers of claims for which to perform an audit; it is possible that they may want to wait until there is a full year's worth of claims. A fund audit can be done on a yearly basis. The city is currently working with the recommended auditor, Heinfeld Meech, and they are a client of CBIZ as well. It is prudent to have an annual audit of the trust.

Ms. Adela Cortez, Director of Human Resources, stated it would be different because the Declaration states a trust fund, so it would be an audit of the funds.

There was some discussion amongst the members of the Trust and members of the public regarding the audits.

MOTION: Board Member Gustavo McGrew/Board Member Maria Gonzalez to direct staff to conduct the yearly audit as stated in the Trust and to recommend a claim audit to be done at the end of the fiscal year. For the Trustees to authorize the Financial Fiscal Audit every year and to provide the information to the Trustees as information and to conduct a claims audit at the end of the fiscal year. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas Aye
Vice-Chairwoman Emma Torres Aye
Board Member Maria Gonzalez Aye
Board Member Gustavo McGrew Aye
Maria Sabori, Secretary Aye

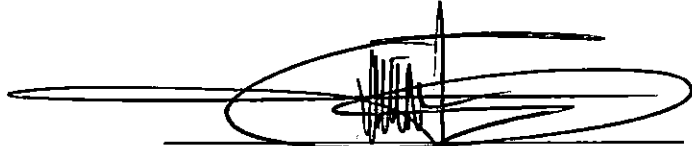
4. ADJOURNMENT

MOTION: Chairman Javier Vargas/Board Member Maria Gonzalez to adjourn the meeting at approximately 5:18 p.m. Motion passed unanimously.

The vote was as follows:

Chairman Javier Vargas	Aye
Vice-Chairwoman Emma Torres	Aye
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

APPROVED:



Javier Vargas, Chairman

ATTEST:

UMH... Deputy city clerk
for Sonia Cornelio, City Clerk

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 February 15, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

UMH... Deputy city clerk
for Sonia Cornelio, City Clerk