

**MINUTES**  
**Special Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers - City Hall**  
**1090 E. Union Street**  
**San Luis, AZ 85349**  
**January 10, 2024**  
**4:00 PM.**

**1. CALL TO ORDER/ROLL CALL**

Chairman Tadeo Azael De La Hoya called the meeting to order at approximately 4:01 p.m.

**PRESENT:** Tadeo Azael De La Hoya, Chairman  
Maria Gonzalez, Board Member  
Gustavo McGrew, Board Member arrived at 4:03pm  
Maria Sabori, Secretary

**OTHERS PRESENT:** Kay Macuil, City Attorney  
Sonia Cornelio, City Clerk  
Adela Cortez, Director of Human Resources  
Antonio Maldonado, Video Production Specialist  
Mary Barajas, Human Resources Coordinator  
Roula Encinas, Acting Director of Finance  
Olivia Jenkins, Operations Coordinator  
Domingo Sosa, Graphics and Media Specialist

**2. CONSENT AGENDA**

**2. A. MINUTES OF**  
**-Special meeting held on October 24, 2023**

**MOTION:** Secretary Maria Sabori /Board Member Maria Gonzalez to approve the Consent Agenda as presented. Motion passed unanimously.

The vote was as follows:

Chairman Tadeo Azael De La Hoya	Aye
Board Member Maria Gonzalez	Aye
Maria Sabori, Secretary	Aye

### **3. DISCUSSION AND POSSIBLE ACTION ITEM:**

#### **3. A. Discussion and possible action on any and all matters regarding a contract with CBIZ Benefits & Insurance Services, Inc. for employee benefits broker and consultant services. (Kay Marion Macuil, City Attorney)**

City Attorney presented CBIZ's contract as it was the bidder selected by the Trustees at the last meeting. Representatives from the company were present in case of any questions. The agreement presented was a 3-year contract to renew for another 2 years for a total of 5 years. The rate for month increases after the third year, and one more time in the fifth year. Mrs. Macuil explained that their services were different than what we had had before; they have a dedicated claims advocate and training for the Trustees if desired.

Chairman Tadeo De La Hoya asked if no major changes were going to occur to current providers in the USA or in Mexico. Mrs. Macuil stated that was correct. Board member Gonzalez asked if everything would stay the same, and Mrs. Macuil stated that was correct. Secretary Maria Sabori asked if the benefit plan would remain the same. The City Attorney stated that as brokers they will bring back things that they would consider beneficial for the Trust, but they will always bring them back just like Susan did. At the moment, everything remains the same. There is no change to the third-party administrator in the USA nor Mexico.

Chairman De La Hoya asked if Transwestern and SIARMED have been informed of the change. Mrs. Macuil explained that broker letters were sent to inform them that both would be brokers during the current year.

Oscar Diaz, Broker/Consultant and Vice President of Business Development for CBIZ explained that in the last week Broker of Record letters were obtained and have started notifying the vendors. Also, he stated that for vendors/carriers that the city works on a regular basis such as HealthComp, they have already started scheduling meetings. There was a call scheduled with Transwestern the next day, and a call on Friday with HealthComp. Mr. Diaz stated that he has also spoken with Dr. Galindo from SIARMED, and they invited CBIZ to come back for a brief presentation, and to look at their facilities and providers in Mexico.

Mr. Diaz stated that they realized that based on the date they were contracted, CBIZ has a short period of time until the date of the renewal and indicated that they're working as fast as possible to understand how the City's plan is running and start building reports. Mr. Diaz handed a sample of their presentation and explained that as we are getting into the renewal time, they want to be as prepared and informed as possible to negotiate on behalf of the city. Mr. Diaz stated they will be prepared but want to set the groundwork with the TPA, and the stop-loss carrier, which is the most critical aspect about the renewal, and then with the rest of the members. He also indicated that CBIZ might make recommendations based on their findings and expressed that there are no changes occurring right now, and everything will be the same through July, but based on the evaluation of the benefits plan, CBIZ might come back and make some

recommendations. He expressed that they're not likely to make a recommendation on the TPA, stop-loss carrier, or the Pharmacy Benefit Manager because these were changed in 2023 and these changes have a big impact on HR staff, Finance staff and employees.

Mr. Diaz proceeded to go over his presentation and introduce himself and the staff. As a consultant he works in developing strategies and negotiating with carriers and vendors. Jennifer Aragon will work daily with the HR Staff assisting with questions, inquiries; and supporting her is Debbie Jamison, Inside Account Manager. She's bilingual, if needed she is available to provide presentations for open enrollment meetings for bilingual staff. CBIZ works as a team, and added there are other individuals involved in the organization. The next person introduced is Anisa Karczynski, Wellbeing and Engagement Account Executive. Mr. Diaz stated they haven't gotten to the point of discussing with the city about their wellbeing and engagement programs in place or what the city wants to do with wellbeing. Ms. Karczynski, will help to craft that; and she'll do an audit of efforts made so far and if there is anything the city wants to do beyond that, she can work on the City's behalf. Cammy Dugan is one of the analysts, and reports to a lady named Justine Shaner.

Mr. Diaz also stated that CBIZ has an in-house actuarial staff, and since the city is self-funded, they will come with funding projections during the renewal time to ensure the city is funding at the appropriate level, to make sure the IBNR is correct and your incurred but not reported is correct. In addition, Mr. Diaz indicated CBIZ will be reviewing to make sure that the reserve level is at the appropriate level and will make recommendations on contributions. Around September-October CBIZ will provide a premium adequacy report which considers the number of claims processed from the renewal time, because there'll be a 3-4-month gap, and they will return to advise if the funding is adequate, or if the city is overfunding or underfunding, or if there was a large claim impacting those funding projections at the end of the year.

Mr. Diaz mentioned that CBIZ will provide a set of claim reports which are different to what has been received, but they will work with Finance and ask what Finance wants to receive from CBIZ. Claim reports are based on the performance of the plan and help to understand how the agency is comparing against its expected liability, and how the agency is comparing against its maximum liability, and if a budget number is provided, CBIZ will compare against the budget number. Every single month, CBIZ will review how the city is doing against those numbers and project how the agency is going to end the year on a year-over-year basis. Data will be utilized within the CBIZ actuarial analytics team to work in the medical and dental plan negotiations.

Mr. Diaz did go over the entire presentation, and added that their home office is in Cleveland, Ohio, and report out of their office in Kansas City. First slide of the presentation shows all the national experts providing support to CBIZ. He also mentioned that CBIZ is the 10<sup>th</sup> largest account and audit firm in the country, they also offer payroll services, FSA, and compensation studies. If the City has a need, this can be met through a question, an inquiry or through engagement. If HR, or Finance brings that to CBIZ, they could ask on the City's behalf if they have the expertise within their organization. If it goes beyond a

simple question, and it becomes an engagement or possible engagement, CBIZ would inform the city and advise us of the cost and verify if the city wants to proceed.

He explained that CBIZ has experience in self-funding, and provided a list of self-funded clients, approximately 56-57 in Arizona, there are hundreds across the country. 25 clients in the public sector from school districts, cities, and county governments. CBIZ has a contract with the State of Arizona as they were rewarded with a contract of 5 years. He also indicated that they have experience in working with Trusts and are in the process of having a second Trust meeting with the Town of Oro Valley. If there is a new trustee who wants to understand the different aspects of self-funding, he could do a self-funding 101 presentation to explain the pieces that go into that. Additionally, CBIZ will meet with HR to start working on an online employee communication both in English and Spanish, as well as provide information through various apps. An in-house compliance team is also available if questions arise, they provide guidance, not an opinion. With the compliance support, HR would be provided with a variety of resources and documents they can use and have access to the webinars conducted throughout the year.

The Broker/Consultant stated that CBIZ has an in-house pharmacy team, and with time would evaluate if the PBM is meeting the financial expectations and service wise and identify how to make it better or cheaper, and effective for employees. If not, explore the possibility of finding a better PBM. Mr. Diaz provided sample reports that the city would be receiving on a monthly basis.

He also emphasized the importance of developing a strategic plan. What does that look like for the next 3 years? What is the agency trying to accomplish? As employee consultants, is it possible to negotiate better deals on the City's behalf? Mr. Diaz stated he would go through that process and involve trustees if they want to be part of it. As part of the education and communication tools, a virtual bookshelf would be created so employees can use their phones to access information that would be available 24 hours a day. CBIZ would also help the city to implement an online enrollment platform for employees, which will help reduce paper forms. Lastly, CBIZ has a health innovations practice which seeks to improve the cost of care, but before making a recommendation, CBIZ goes through a vetting process. They also assist with RFP's, from writing the documents to the interview process. Mr. Diaz assured the Trust that they will be pleased with the level of expertise. If there is something that is not clear, they will be happy to go over the program to make sure it is well understood.

Chairman Tadeo De La Hoya asked if CBIZ had received reports from HealthComp to make an analysis. Mr. Diaz stated that some reports had been received earlier that week, but analysis had not been started yet. After gathering data and putting it in their format, CBIZ would track against expected liability, maximum liability, medical claims, pharmacy claims, dental claims, track how the plan is performing and provide percentages. Then translate that to employee per month because it impacts the cost if employee counts increase or go down. Mr. Diaz also indicated that the Mexico network will be tracked as well and will request them to quantify what the savings are.

Chairman Tadeo De La Hoya asked if Mr. Diaz was aware of how the Mexico network works today. Mr. Diaz responded that he has an idea, but he has never worked with SIARMED, and added that he has worked with International Medical Solutions in the past and they work fairly similarly. Chairman De La Hoya indicated that HealthComp should have that information, and that SIARMED is similar to a TPA, and stated that they send information over to HealthComp. Mr. Diaz explained that the intention is to not only gather and decipher data, but to have them explain information to have a better understanding of what they're looking at, what is their role, and understand how the plan is performing. CBIZ has requested information related to the rates, liability numbers to the stop-loss to help compare against the claims information received. Chairman De La Hoya asked how many clients CBIZ has with a Mexico plan, and Mr. Diaz answered: 12. Dr. Galindo has already spoken with CBIZ and offered to provide a presentation, HR will be involved. No other questions were asked.

**MOTION:** Secretary Maria Sabori/Board Member Maria Gonzalez to approve the contract with CBIZ Benefits & Insurance Services, Inc as presented. Motion passed with four (3) ayes and one (1) nay by Chairman Tadeo Azael De La Hoya.

The vote was as follows:

Chairman Tadeo Azael De La Hoya	Nay
Board Member Maria Gonzalez	Aye
Board Member Gustavo McGrew	Aye
Maria Sabori, Secretary	Aye

#### **4. ADJOURNMENT**

Chairman Tadeo Azael De La Hoya adjourned the meeting at approximately 04:30 p.m.

**APPROVED:**

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Board of Trustees Chair

**ATTEST:**

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Maria Barajas, HR Coordinator

**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 January 10, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

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Maria Barajas, HR Coordinator