

MINUTES
Special Meeting
City of San Luis Employee Benefit Trust
Council Chambers - City Hall
1090 E. Union Street
San Luis, AZ 85349
October 16, 2024
12:00 p.m.

1. CALL TO ORDER/ROLL CALL

Chairman Javier Vargas called the meeting to order at approximately 12:05 p.m.

PRESENT: Javier Vargas, Chairman
Emma Torres, Vice Chairwoman-arrived at approximately 12:07 p.m.
Maria Sabori, Secretary
Gustavo MacGrew, Board Member
Maria Gonzalez, Board Member

OTHERS PRESENT: Adela Cortez, Director of Human Resources
Kay Marion Macuil, City Attorney
Sonia Cornelio, City Clerk
Glenn Gimbut, Assistant City Attorney
Mary Barajas, Human Resources
Jenny Torres, Acting City Manager
Roula Encinas, Acting Director of Finance
Jose Antonio Maldonado, Video Production & Operation Specialist
Oscar Diaz, Vice President of CBIZ-Business Development

2. CONSENT AGENDA

2. A. MINUTES OF

-Special meeting held on May 29, 2024

MOTION: Secretary Maria Sabori/Board Member Maria Gonzalez to approve the Consent Agenda. The motion passed unanimously.

The vote was as follows:

Javier Vargas, Chairman	Aye
Maria Sabori, Secretary	Aye
Gustavo MacGrew, Board Member	Aye
Maria Gonzalez, Board Member	Aye

3. DISCUSSION AND POSSIBLE ACTION ITEM:

3. A. Discussion and possible direction on any and all matters regarding the Declaration of the Trust document for the City of San Luis Employee Benefit Trust. (Adela Cortez, Director of Human Resources)

Ms. Adela Cortez, Director of Human Resources, informed that the City of San Luis Employee Benefit Trust was established on September 1, 2011, and has been amended twice. She added that during a special meeting in February 2024, it was mentioned that the Trust was in need of additional revisions to the document, and one of those revisions was to incorporate a reserve and funding policy in the document, as it is a standard practice to maintain a certain amount of reserves and funding. The other revision would be a procedure for medical and dental exceptions to safeguard the Trust. She asked the Trust members for approval so that staff could work on the Restatement and Amendment of the Declaration of Trust document.

Vice Chairwoman Emma Torres stated that she supports that staff works on an amendment to the Declaration of the Trust, as it is good practice. She asked if the reserves would be utilized in case of a catastrophic need.

Mr. Glenn Gimbut, Assistant City Attorney, replied that maintaining a reserve fund is critical, as one does not know when a catastrophic claim will come. The Trust wants to have those funds available when something happens and not go before the city council and request more funds from them.

Vice Chairwoman Torres asked if a cap would be placed on employees' claims.

Ms. Cortez replied that the cap will not be based on claims; it will be to establish a reserve based on common practices. She explained that it is common practice that the reserve is sufficient to cover a specific number of months to cover those claims in case of an emergency.

Mr. Oscar Diaz, President of CBIZ-Business Development, explained that under the self-funded plan, several different components protect the plan, such as the Trust. He mentioned that staff prepares a funding project, which is the budget for the year; on top of the stop-loss insurance is overlay; there is individual stop-loss insurance for large claims and aggregate stop-loss insurance, which means that if all claims exceed that specific amount, then the Trust has no obligation beyond that. The reason for establishing the reserves is because somewhere in between that budget and the maximum liability, those claims still have to be funded. He added that generally, the reserves should be 4-6 months of claims above the budget. The reason for that is if it is below, then the Trust will be underfunded. He mentioned that staff wants to make sure that there are always funds on hand for emergencies.

MOTION: Secretary Maria Sabori/Board Member Maria Gonzalez approve staff moving forward moving forward with amending and restating the Declaration of Trust document for the City of San Luis Employee Benefit Trust. Motion passed unanimously.

The vote was as follows:

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

3. B. Discussion only on any and all matters regarding the Medical and Dental Plan Performance. (Oscar Diaz, Vice President of CBIZ-Business Development)

Mr. Oscar Diaz, Vice President of CBIZ-Business Development, made a PowerPoint Presentation regarding the 2023/2024 Medical & Dental Insurance Plan Year Review & 2024/2025 YTD Plan Performance. This presentation included the following slides: 2023/2024 Plan Performance Summary Review & Recap; 2024/2025 YTD Plan Performance Summary & Recap; CBIZ's Post Renewal Premium Adequacy Report & Recommendation; CBIZ's IBNR Calculation for Plan Quarter 1; Ongoing and Future Benefits Initiatives; and 2023/2024 TPA Challenges & Performance Issues. A copy of this presentation is included with the complete agenda packet filed in the City Clerk's Office.

4. EXECUTIVE SESSIONS

MOTION: Chairman Javier Vargas/Secretary Maria Sabori to go into Executive Session. Motion passed unanimously.

The vote was as follows:

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

4. A. Discussion and possible action to hold an executive session pursuant to A.R.S. §38-431.03(A)(2), (3) and (4) on any and all matters regarding certain claims under the Employee Benefits Plans and discussion or contribution for legal advice with the City Attorney. (Kay Marion Macuil, City Attorney)

4. B. 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 in order to consider the Trustees' position and instruct the City Attorney regarding negotiation or settlement of the subrogation case. (Glenn Gimbut, Assistant City Attorney)

5. MOTION TO GO INTO SPECIAL SESSION

MOTION: Chairman Javier Vargas/Secretary Maria Sabori to go back into Special Session. Motion passed unanimously.

The vote was as follows:

Javier Vargas, Chairman	Aye
Maria Sabori, Secretary	Aye
Gustavo MacGrew, Board Member	Aye
Maria Gonzalez, Board Member	Aye

6. ADJOURNMENT

MOTION: Chairman Javier Vargas/Secretary M. Sabori to adjourn the meeting at approximately 1:47 p.m. The motion passed unanimously.

The vote was as follows:

Javier Vargas, Chairman	Aye
Maria Sabori, Secretary	Aye
Gustavo MacGrew, Board Member	Aye
Maria Gonzalez, Board Member	Aye

APPROVED:

Javier Vargas, Chairman

ATTEST:

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 October 16, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Sonia Cornelio, City Clerk