

**MINUTES**  
**Special Meeting**  
**Employee Benefit Trust**  
**Council Chambers**  
**1090 E. Union Street**  
**San Luis, AZ 85349**  
**April 23, 2025**  
**4:30 p.m.**

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

Chairman Javier Vargas called the meeting to order at approximately 5:00 p.m.

**PRESENT:** Javier Vargas, Chairman  
Emma Torres, Vice Chairwoman - via Zoom @ 5:02 p.m.  
Gustavo McGrew, Board Member  
Maria Gonzalez, Board Member

**ABSENT:** Maria Sabori, Secretary

**OTHERS PRESENT:** Adela Cortez, Director of Human Resources  
Kay Marion Macuil, City Attorney  
Melissa Lopez, Deputy City Clerk  
Jenny Torres, Acting City Manager  
Olivia Jenkins, Administrative Services Manager  
Roula Encinas, Director of Finance  
Mario Rodriguez, Finance Operations Manager  
Mary Barajas, Human Resources Generalist  
Jose Antonio Maldonado, Multi-Media Production & Operations Specialist  
Israel Lara, IT Technician

**2. CONSENT AGENDA**

**2. A. MINUTES OF**

**-Special meeting held on January 15, 2025**

**MOTION:** Board Member Maria Gonzalez/Board Member Gustavo McGrew to approve the Consent Agenda. The motion passed unanimously.

The vote was as follows:

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

### **3. DISCUSSION ONLY:**

#### **3. A. Discussion and review on any and all matters regarding the Employees' Health Benefits Plan. (Jennifer Aragon, CBIZ Account Executive)**

Ms. Jennifer Aragon, CBIZ Account Executive, made a PowerPoint presentation that is included with the complete agenda packet in file with the City Clerk's Office. The presentation consists of the following slides: Renewal Positions: Administrative Fees 25-26), Medical, RX and Stop Loss Projection (25-26), Funding Projection and Rates (25/26), Dental Funding Projections (25/26), and Dental Implant Coverage (Proposed). Ms. Aragon explained that in fiscal year 2025-2026, the projection is that the insurance will increase by 31%.

Vice Chairwoman Emma Torres asked if staff would propose sharing the cost between the city and employees.

Ms. Adela Cortez, Director of Human Resources, replied that that will be discussed in the next agenda item.

Chairman Javier Vargas asked what percentage of the 31% will be split between the employees and the city.

Ms. Cortez replied that staff is proposing 85% of the total premium be paid by the city and 15% to be covered by the employee.

Chairman Javier Vargas asked when was the last time that the fee was revised.

Ms. Cortez replied that it has been approximately eight (8) years since there has been no premium increase in the employees' premiums. She informed that currently, the employee's contribution is \$348,677; with the increase, the contribution will increase by \$452,000 for a total of \$677,000. The city's contribution will increase by over \$700,000. The total premium cost will be \$4.3 million to cover the next fiscal year's projected claims. Furthermore, she informed that staff is recommending expanding the dental coverage as presented by CBIZ; this will include dental implants, which will be classified as major services under the plan; the coverage will have a 50% for all services after the deductible is met which will be \$25 per individual; the total maximum benefit per person \$2,250.

### **4. DISCUSSION AND POSSIBLE ACTION ITEMS:**

#### **4. A. Discussion and possible action on any and all matters regarding the Employees' Health Benefits Plan Renewal and Premium Increase. (Executive Advisors)**

Ms. Adela Cortez, Director of Human Resources, stated that, as presented by CBIZ, the total premium is projected to increase by 31.96, which will be rounded to 32% to cover the \$4.2 million. She mentioned that the staff is recommending that the Board of Trustees partially pass on some of the increased costs to the employees.

Ms. Roula Encinas, Director of Finance, explained that with the premium increases, the city's annual cost would be \$3,654,382, and the employee portion would increase to \$669,694, for a total combined cost of \$4,323,077. She informed that this is the total cost of the current positions and does not include new positions; staff will come back to the city council once the budget is adopted.

Chairman Javier Vargas asked how much an employee would contribute to their premium.

Ms. Encinas replied that the employee contribution for a single premium for the US and Mexico will be \$79.84 a month, which is \$39.92 biweekly. Currently, single employees are not paying their premiums.

Ms. Jenny Torres, Acting City Manager, explained that during some meetings with the employees, they were notified that the Trust covers 20%, but more likely, the following year, they will have to contribute to their premiums. She mentioned that the contract for the third-party administrator and the Mexico service provider will expire next year. Furthermore, she informed me that the Trust maintains healthy reserves, and for this reason, staff might come back in the future; once the vacancies and open positions are filled, they will ask for the Trust contribution to cover for those employees.

Vice Chairwoman Emma Torres asked if those positions were filled and what the cost to the Trust would be. She mentioned that, at this point, it is hard to make a commitment. She stated that city employees are very fortunate to have health insurance plans, as there are other municipalities where employees' contributions are between \$200 and \$400.

Ms. Kay Marion Macuil, City Attorney, explained that staff are not currently asking for a contribution for the new employee; that will be presented later.

Ms. Encinas provided the breakdown of the new premiums for single, employee + spouse, employee + children, and family coverage. A copy of the spreadsheet containing the premiums is included in the complete agenda packet in file with the City Clerk's Office.

**MOTION:** Board Member Maria Gonzalez/Chairman Javier Vargas to approve a 31.96% increase to premiums and recommend the city council to allocate \$3.7 million to the Trust for FY 25-26. Motion passed unanimously.

The vote was as follows:

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

**MOTION:** Board Member Gustavo McGrew/Board Member Maria Gonzalez to expand dental coverage to include dental implants as a major dental service. Motion passed unanimously.

The vote was as follows:

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

## 5. ADJOURNMENT

**MOTION:** Chairman Javier Vargas/Vice Chairwoman Emma Torres to adjourn the meeting at approximately 5:29 p.m. The motion passed unanimously.

The vote was as follows:

Javier Vargas, Chairman	Aye
Emma Torres, Vice Chairwoman	Aye
Gustavo McGrew, 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 April 23, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Sonia Cornelio, City Clerk