

**ARIZONA METROPOLITAN TRUST**  
**Draft – Minutes of Wednesday, February 15, 2023**  
**Trust Meeting**

**The following Trustees were present and a quorum was met:**

Grady Miller, Chairperson	Town of Fountain Valley
Crystal Dyches	City of El Mirage
Stephen Erno	Town of Wickenburg
Bryant Powell	City of Apache Junction
Rob Schmitz	Sun City Fire District
Matthew Williams	City of Litchfield Park

**The following Alternate Trustees were present:**

Lindsey Duncan	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Tarah Mayerhofer	Town of Wickenburg
Anna McCray	City of Apache Junction
Lisa Neubert	Sun City Fire District
Susan Slagle	City of Litchfield Park
David Trimble	Town of Fountain Hills

**The following consultants/vendors were present:**

Ryan Benitez	Cheiron
Jake Goll	Navitus
Sheri Gordon	Gallagher Benefit Services
Mike Hensley	Jones Skelton & Hochuli
Missy Jenson	Gallagher Benefit Services
Rachele Martin	Blue Cross Blue Shield AZ
Michael Schionning	Cheiron
Kelly Schoonmaker	AmeriBen
Jaime Schulenberg	Gallagher Benefit Services

**The following guests were present:**

None

**1. Call to Order**

The meeting was called to order at 9:06 a.m.

**2. Roll Call**

Ms. Gordon performed roll call and confirmed a quorum was in attendance to take action on applicable matters before the Board.

**3. Approval of the August 16, 2022 Executive and November 15, 2022 Meeting Minutes**

*Vice Chairperson Williams made a motion to approve the August 16, 2022 Executive Meeting Minutes, seconded by Trustee Powell and unanimously carried. Trustee Dyches made a motion to approve the November 16, 2022 Regular Meeting Minutes, seconded by Vice Chairperson Williams and unanimously carried.*

**4. Discussion and Possible Action re Subrogation Request**

Ms. Schulenberg reported that AzMT received a request through Phia (the Trust's Subrogation vendor) for a subrogation settlement on behalf of a member that was involved in a motor vehicle accident on July 25, 2020. The claim settled for \$415,000; AzMT paid \$213,578.08 in associated claims and the attorney has requested AzMT waive its subrogation rights. There are attorney's fees and costs totaling \$138,333.33 and other lien holders totaling \$186,783.28, which would leave proceeds to the member of \$89,883.39. One of the outstanding liens in the amount of \$181,062.58 is not eligible for negotiation and must be paid in full in accordance with Arizona Revised Statutes. Based on limited funds, Phia is recommending that the Trust request a settlement in the amount of \$44,000, which represents a 79% reduction in the total claims paid. Ms. Schulenberg reported that Gallagher would agree with this recommendation and noted all the back-up documentation is de-identified and in the meeting material for the Trustees review.

*Trustee Erno made a motion to accept the settlement proposal of \$44,000 as recommended by Phia, seconded by Vice Chairperson Williams and unanimously carried.*

**5. Discussion and Possible Action re Buckeye Valley Fire District**

Ms. Schulenberg reported that she was recently approached by John Ashton, Executive Director for Kairos, another health benefit Trust represented by Gallagher Benefit Services, who notified her that Buckeye Valley Fire District (BVFD) had joined the Arizona Fire & Medical Authority (AFMA), a Joint Powers of Authority, as of January 01, 2023. As a result, Mr. Ashton advised that BVFD would be terminating its membership with AzMT effective June 30, 2023 and moving their employees into Kairos.

Ms. Schulenberg reported that because she had not heard the information directly from BVFD, she reached out them to provide information concerning the current membership term, which expires June 30, 2024. In a call with Assistant Chief Hester, she was told that no decision had been made yet as to the status of the membership in AzMT and that they would be in touch. Ms. Schulenberg also notified the Trust's legal counsel, Michael Hensley, for guidance on the issues and potential ramifications of a voluntary early termination.

*Trustee Dyches made a motion to go into Executive Session, seconded by Trustee Erno and unanimously carried at 9:18 a.m.*

*Trustee Dyches made a motion to adjourn from Executive Session, seconded by Trustee Erno and unanimously carried at 9:51 a.m.*

No action was taken on this item.

**6. Approval of 2023-24 Vendor Rates/Renewals**

Ms. Schulenberg briefly reviewed the vendor renewal proposals presented during the work session the previous day, reiterating reinsurance will be marketed beginning in April, but will not be finalized until May or June as it requires carriers to review the most recent data.

*Trustee Erno made a motion to approve all contract renewals and authorize the Chairperson to execute associated contract documents once approved by legal, seconded by Trustee Schmitz and unanimously carried.*

**7. Approval of Rates and Benefits for 2023-24**

Ms. Schulenberg reviewed the benefits and rates presented during the work session and reported that she had emailed three (3) updated copies of the budget to each entity the previous night based on the Trustees' discussion. The first incorporated the benefit changes that were discussed during the work session as requested:

- Increase HDHP Deductible and Max Out-of-Pocket to \$3,000/\$6,000;
- Implement Updated Preventative Guidelines;
- Reduce Teladoc Consultation Fee to Match Office Visit Co-Pays for PPO, PPO Buy-Up and EPO;
- Cover Medically Necessary Prenatal Testing;
- Implement Navitus Co Pay Max Plus;
- Cover Covid Testing In-Network Only; and
- Add Virgin Pulse.

Ms. Schulenberg reported that the Methadone coverage is not necessary as previously thought so she did not include that.

The other two budgets provided reflected an overall increase of 2.6%, which adds \$174,000 to the "base" budget, and an overall increase of 3%, which adds \$219,400 to the "base" budget. She confirmed that any additional funds added to the premium and not spent would increase the surplus. It was also noted that the vision programs were not included in the budget based on discussion among the Trustees during the work session.

*Trustee Erno made a motion to increase premiums by 3%, and to approve the benefit changes presented, seconded by Vice Chairperson Williams and unanimously carried.*

**8. 07/01/23 Membership Renewals**

Ms. Schulenberg reported the membership terms for Town of Paradise Valley and Town of Wickenburg are expiring June 30, 2023. She explained the renewal and termination process, indicating that Trustees would need to offer renewal to each entity if they wished to do so. Ms. Schulenberg recommended voting on each renewal individually.

*Trustee Erno made a motion to extend membership renewal to Town of Paradise Valley, seconded by Trustee Powell. Trustee Duncan abstained from voting and the motion passed by majority.*

*Vice Chairperson Williams made a motion to extend membership renewal to Town of Wickenburg, seconded by Trustee Powell and unanimously carried.*

**9. Discussion and Possible Action re June 30, 2022 Audit**

Ms. Schulenberg reported that the AzMT financial audit conducted by Douglas P. Kienitz, CPA, for the plan year July 01, 2021 through June 30, 2022 was included in the meeting materials for the Trustees review and approval. Ms. Schulenberg gave a brief overview of the audit, noting that there were no significant findings.

*Vice Chairperson Williams made a motion to approve the June 30, 2022 Annual Audit as presented, seconded by Trustee Duncan and unanimously carried.*

**10. Approval of the October through December 2022 Financials**

Ms. Gordon reported that the October through December 2022 financials were reviewed during the work session and included in the meeting materials for Trustees' review and information.

*Trustee Erno made a motion to approve the October through December 2022 financial reports, seconded by Vice Chairperson Williams and unanimously carried.*

**11. Administrative Update**

Ms. Schulenberg reported on the following admin items:

- RFP's for July 01, 2023 – Ms. Schulenberg reported that these RFP's do not impact the budget.
  - FSA/HAS
  - Legal and Financial Assistance
  - Website
- Erin Collins Retirement

**12. Future Agenda Items**

Chairman Miller reported that the Trustees discussed adding both retention of existing members and recruiting of new members for next meeting. Chairman Miller further discussed the potential for a Special Meeting if so notified by legal counsel based off their Executive Session.

**13. Set Next Meeting Date**

The next meeting is scheduled for May 16, 2023 at 10:00 a.m.

**14. Call to the Public**

N/A

**15. Adjourn**

*Chairperson Dyches made a motion to adjourn at 10:23 a.m., seconded by Vice Chairperson Williams and unanimously carried.*

Respectfully Submitted,  
Sheri Gordon  
Recording Secretary