

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Tuesday, March 16, 2021
Trust Meeting

The following Trustees were present and a quorum was met:

Crystal Dyches, Chairperson	City of El Mirage
Jeanne Blackman	Youngtown
Leo Lew	Pinal County
Grady Miller, Vice Chairperson	Town of Fountain Hills
Matthew Williams	City of Litchfield Park

The following Alternate Trustees were present:

Jinnett Hancock	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Tarah Mayerhofer	Town of Wickenburg
Kathy Reyes	City of Avondale Joined at 10:19 a.m.
Liz Riley	City of Apache Junction
Susan Slagle	City of Litchfield Park
Jackie Temple	Buckeye Valley Fire District
David Trimble	Town of Fountain Hills

The following consultants/vendors were present:

Mike Hensley	Jones Skelton & Hochuli
Storm Kinion	ECA, A Gallagher Company
Jayne Merlino	ECA, A Gallagher Company
Kelly Schoonmaker	AmeriBen
Jaime Schulenberg	ECA, A Gallagher Company

The following guests were present:

Joe Hester	Buckeye Valley Fire District
------------	------------------------------

1. Call to Order

The meeting was called to order at 10:04 a.m.

2. Roll Call

3. Approval of the February 23, 2021 Work Session Minutes and the February 24, 2021 Regular Meeting Minutes

Trustee Miller made a motion to approve the February 23, 2021 Work Session Minutes and the February 24, 2021 Regular Meeting Minutes, seconded by Alternate Trustee Hancock and unanimously carried.

4. Discussion re Officer Nominations

Ms. Schulenberg reported that following the most recent election of officers, several Trustees questioned whether an Alternate Trustee could nominate an officer when the Trustee from that same entity was present. She asked Mr. Hensley to provide the protocol regarding the election of officers, voting etc. Mr. Hensley reviewed the procedures regarding elections, nominations, etc. reminding the Board an Alternate Trustee is only able to vote or make a nomination if the Trustee is not present.

5. Election of Vice Chairperson

Ms. Schulenberg reported that Charles Montoya resigned as Chairperson effective March 04, 2021. In accordance with Section 5 of the Bylaws, Vice Chairperson, Crystal Dyches, assumed the office of Chairperson and will serve out the remaining term, ending June 30, 2022, and then continue for the next full two-year term through June 30, 2024. As a result of the resignation, Trustees must elect a new Vice Chairperson to serve out the remainder of the term through June 30, 2022.

On behalf of Trustee Powell, who was absent, Alternate Trustee Riley nominated Trustee Miller for the position of Vice Chairperson; there were no further nominations and after a vote it was unanimously approved.

6. Discussion re Finance Subcommittee

Ms. Schulenberg reported that several years prior, Trustees formed a Surplus Subcommittee, headed by Trustee Powell, which was intended to work with the Trust's actuary and staff to form recommendations on a surplus/reserve goal for presentation to the Board. Since that recommendation was made and adopted there have been numerous discussions as to whether that goal need to be updated, including discussion regarding investment options that may be available to AzMT. Ms. Schulenberg recommended changing the name to Finance Subcommittee to address these and related finance items for presentation to the Board. Trustee Powell will continue to lead the subcommittee and will need 2 or 3 volunteers to serve, to avoid a quorum. Vice Chairperson Miller, Trustee Williams and Trustee Blackman all volunteered to serve on the subcommittee.

7. Discussion and Possible Action re Overlapping Membership Terms

Ms. Schulenberg reported that during the last meeting Trustees had expressed concern regarding the number of entities with overlapping membership terms and the need to spread out renewal terms. Discussion ensued with Mr. Hensley reporting that individual City Councils could approve different terms without an Amendment to the Trust Document. There was further discussion regarding extended terms and how they might be offered to new members as well as how to stagger existing memberships. Ms. Riley suggested the Finance Subcommittee work to develop various options for new members and options on how to stagger existing memberships.

8. Discussion and Possible Action re Marketing and Membership Criteria

Ms. Schulenberg reported that Trustees had requested discussion regarding implementing a marketing plan for AzMT to expand membership. She further reported that in the past AzMT has utilized a number of marketing strategies including targeted emails, sponsorship of industry conferences, direct solicitation by the Trust Chairperson, etc. with the most successful efforts being member referrals; due to COVID and evolving discussions about membership, very little marketing occurred in 2020. Discussion ensued regarding who AzMT should target and what size entities should be solicited. Membership of fire districts, municipal corporations and other political subdivisions is currently limited to 25%; with Pinal and/or Avondale leaving, AzMT is at the max allowed. There was further discussion regarding expanding the distance of coverage followed by an explanation that the URC rates would increase if the Trust were to expand outside the Metro area. A suggestion was made to look at the 2020-21 League of Cities benefit survey for entities that have a much higher benefit cost and target market those groups. Chairperson Dyches suggested a Marketing Committee be started; Alternate Trustee Riley, Alternate Trustee Kurek and Alternate Trustee Mayerhofer or Trustee Lorefice volunteered to serve.

9. Discussion re Conflicts of Interest

Mr. Hensley, the Trust's legal counsel, provided an update on conflicts of interest and how they should be handled by the Trustees. He reiterated the role of the Trustees is to protect the Trust beneficiaries. He further reported it is important for the Trustees to be aware of what could be an appearance of a conflict of interest. He stated it is not an issue to have a conflict of interest however, it is an issue to have a conflict and not do anything about it.

10. Approval of the January 2021 Financials

Ms. Kinion reviewed the January 2021 financials, noting revenue exceeded expense for the month by \$157,831, with a monthly financial position of \$263,676 and a YTD cash position of \$1,206,676.

- The PPO, PPO Buy-up and HDHP plans are over budget due to ongoing large claims; the PPO Buy-up and HDHP plans have five (5) new large claims totaling \$689,079 YTD.
- Rx is running over budget due to high utilization and specialty medications. In January there were 38 specialty fills totaling \$173,306; the plan received an Rx rebate totaling \$479,322.
- Vision claims are running under budget due timing of receiving the VSP billing and availability of the next AmeriBen check run.
- The census is running over budget causing an increase in those expenses paid on a per employee per month basis.
- There are 12 large claims running over 50% of the specific deductible.
- The Trust is running at 58% of the total budget.

Vice Chairperson Miller made a motion to approve the January 2021 financials, seconded by Alternate Trustee Riley and unanimously carried.

11. Administrative Update

Ms. Schulenberg reported on the following:

Approval of Bylaws

There were revisions to the Bylaws that were introduced during the February 24, 2021 Trust meeting which are scheduled to be adopted. The Bylaws require introduction of those revisions no less than thirty (30) days prior to adoption; as such, they will be brought back to the Trustees at the next meeting for approval.

Membership Application

AzMT received a membership application from Superstition Fire District however, they have since withdrawn their application.

2022-23 Renewal Meeting

The 2022-23 renewal meeting has been scheduled for February 14-16, 2022 at Rancho de los Caballeros in order to utilize the non-refundable deposit placed prior to COVID.

AmeriBen Performance Guarantee

AmeriBen reported they missed a performance guarantee; as a result there is a credit of \$8,800 that will be applied to the March administrative fees.

12. Future Agenda Items

N/A

13. Next Meeting Date August 17, 2021 @ 10:00 a.m.

14. Call to the Public

N/A

15. Adjourn

Alternate Trustee Riley made a motion to adjourn at 10:58 a.m., seconded by Alternate Trustee Hancock and unanimously carried.

Respectfully Submitted,
Storm Kinion
Recording Secretary