

City of Coeur d'Alene Employee Benefits Trust
Meeting Minutes – September 17, 2024, 10:00 a.m.

Location: 710 E. Mullan Avenue, City Hall Conference Room 5

Trustees in attendance: Randy Adams, Vonnie Jensen, Melissa Tosi, Mike Becker

Trustees absent: Bill Dodd

The meeting was called to order by Randy Adams at 10:02 a.m., noting all trustees were present except Bill Dodd.

The meeting minutes from the regular meeting on July 25, 2024, were presented. Vonnie Jensen made a motion to approve the minutes as presented, seconded by Mike Becker. The minutes were approved unanimously.

The monthly financial report for July and August was presented by Vonnie Jensen. Claims are still running on the high side and the trust is projected to be approximately \$500,000 over budget on expenses. However, overall, the trust has a healthy surplus of \$3,760,896. Mike Becker made a motion to approve the monthly financial reports, seconded by Melissa Tosi. The motion was approved unanimously.

Vonnie Jensen discussed the Audit Engagement Letter that was provided to the trust on September 6, 2024 by Alpine Summit CPAs. Alpine Summit CPAs audits the financial statements of the City of Coeur d'Alene Employee Benefit Plan Trust which comprise of the statement of fiduciary net position as of September 30, 2024 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Plan Trust for the year ending September 30, 2024. The fee for services will be the standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that Alpine Summit CPAs agree that their gross fee, including expenses, will not exceed \$17,000 for the audit of the annual financial statement and \$1,500 for the preparation of the Federal Form 990.

Along with the Audit Engagement Letter, Jensen also presented the proposed FY 2024-2025 budget. After discussion with the trustees, budget line items including professional services, change in IBNR, and active members stop loss expenses were all increased to better appropriate projected needs. Furthermore, the active members administrative expense line item was decreased. In total, the proposed budget overall expenses were proposed at \$6,429,700 and it was amended to \$6,606,286. Melissa Tosi made a motion to approve both the Alpine Summit CPAs audit services and the FY 2024-2025 City of Coeur d'Alene Employee Benefit Trust budget, seconded by Mike Becker. The motion was approved unanimously.

Nancy Nelson referred to the Milliman 2024-2025 Actuarial Certification for the City of Coeur d'Alene Employee Benefits Trust. An item to highlight went back to the initial Regence increase proposal of 10 ½%. With additional negotiations, Nancy was able to lower the stop loss premium. With lowering the stop loss premium, and by implementing Payer Matrix and utilizing trust savings, the overall percentage increase for renewal was finalized at 3.06%.

Initially, lowering the premium increase to 3.06% included utilizing trust savings from dental/vision surplus of \$34,000, assumed invested income (CDs at 4%) of \$43,000, and utilizing trust assets in reserve of \$40,000. However, with the negotiated lower stop loss premium, the trust assets in reserve requirement were lowered from \$40,000 to \$15,827. The \$15,827 will be an accounting entry deducted monthly in the amount of \$1,319 per month and also reported to the Department of Insurance.

Nancy Nelson discussed the plan experience report through July, current loss ratio is 100.60%. The increased expenses are largely due to our large claims. Currently on the plan, there are 19 large claims totaling \$1,817,845 compared to last year at 13 claims totaling \$1,193,080. The trust has 3 large claims this year that have hit the \$125,000 stop loss premium.

The next meeting will be on November 22, 2024, at 10:00 a.m.

Mike Becker made a motion to adjourn, seconded by Vonnie Jensen. The meeting was adjourned at 11:05 a.m.