

**ARIZONA METROPOLITAN TRUST**  
**FINAL – Minutes of Tuesday, April 25, 2017**  
**Work Session Meeting**

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

Bryant Powell, Chairperson	City of Apache Junction	Left at 12:58 p.m.
Dr. Spencer Isom, Trustee	City of El Mirage	
Gregory Rose, Trustee	City of Maricopa	Left at 1:09 p.m.

**The following Alternate Trustees were present:**

Kathleen Haggerty	City of Maricopa	
Sandra King	City of El Mirage	
Leo Lew	Pinal County	
Ray Temple	Buckeye Valley Fire District	
David Trimble	Town of Fountain Hills	
Kathy Reyes	City of Avondale	
Liz Riley	City of Apache Junction	Left at 12:58 p.m.

**1. Call to Order**

The meeting was called to order at 11:48 a.m.

**2. Approval of the February 07, 2017 Work Session, February 08, 2017 Regular, March 01, 2017 Special, March 16, 2017 Special Telephonic and April 10, 2017 Special Telephonic Trust Meeting Minutes**

*Trustee Rose made a motion to approve the February 07, 2017 Work Session, February 08, 2017 Regular, March 01, 2017 Special, March 16, 2017 Special Telephonic and April 10, 2017 Special Telephonic Trust meeting minutes, seconded by Trustee Isom and unanimously carried.*

**3. Approval of the January 2017 and February 2017 Financials**

Ms. Lacy reviewed the Trust's fund results as of February 2017 making note that the Trust is running at 63% of the total budget.

*Trustee Rose made a motion to approve the January and February 2017 financials as presented, seconded by Trustee Isom and unanimously carried.*

**4. Wellness Update**

Ms. Ikononov reported on the completed, ongoing and upcoming wellness programming. Ms. Ikononov reminded the entities to use up their wellness budget prior to June 30, 2017 as the funds do not roll over.

## **5. Discussion and Possible Action re Membership Offer to NCFMD**

Ms. Schulenberg reviewed the pending application for membership of the North County Fire & Medical District noting three options that the can Trust can take. Those options included:

- a. Extend an offer of membership to Arizona Fire and Medical Authority as is exists as of July 01, 2017;
- b. Extend and offer of membership to Arizona Fire and Medical Authority with a caveat that any new members will be subject to underwriting by AzMT; or
- c. Deny membership.

There was a lengthy discussion regarding the membership offer to Arizona Fire and Medical Authority and the policies of AzMT as well as potential risk during the initial three-year membership. Arizona Fire and Medical Authority also discussed their plans for growth of the district, noting that they do make sure any new entities are fit and are able to add any caveats if they were to be extended an offer.

[Chairperson Powell and Alternate Trustee left the meeting at 12:58 p.m. and Trustee Isom took over the meeting as Chairperson.]

*Trustee Rose made a motion to extend an offer of membership to the JPA with the caveat that they cannot add new members nor contribute more than 50% of the deductible towards the member's HSA, seconded by Trustee Isom and carried by majority vote with Alternate Trustee Reyes opposed.*

Editor's Note: The Trust Document requires a 2/3 vote to extend an offer of membership; because of the departure of Trustees before the vote was taken, this was not a valid vote to extend a membership offer. This item will be heard at a future meeting.

## **6. Discussion and Possible Action re Membership Offer to CAFMA**

*Trustee Isom made a motion to table the item for discussion at a future meeting, seconded by Alternate Trustee Temple and unanimously carried.*

## **7. Discussion and Possible Action re Lien Proposal**

Ms. Schulenburg reported that ECA received a lien proposal from a member that was involved in a car accident in November 2016. AzMT has paid over \$100,000 in medical claims and the member remains inpatient at a rehabilitation facility. The proposal was submitted by the member's attorney and the proposal shows that the global settlement amount is \$100,000 and is to pay the attorney \$10,000, other lien holder \$2,458.24, AzMT \$10,000 with the member receiving the rest. The recommendation is to reject the proposal and seek full recovery.

*Alternate Trustee Haggerty made a motion to reject the lien proposal and seek full recovery of expenses paid on behalf of the member, seconded by Alternate Trustee Reyes and unanimously carried.*

**8. Discussion and Possible Action re Navitus Formulary Exception**

*Trustee Isom made a motion to convene to executive session, seconded by Alternate Trustee Lew and unanimously carried.*

The Board adjourned to executive session at 1:23 p.m.

The Board convened to regular session at 1:32 p.m.

*Trustee Isom made a motion to table this item for a later meeting, seconded by Alternate Trustee Reyes and unanimously carried.*

**9. Executive Session per ARS 38-431.03(A)(1)(3) and (4) for Contract Negotiations and Legal Advice re Blue Cross Blue Shield of Arizona Provider Network**

Trustees discussed this item in executive discussion combined with Item 8 above.

**10. Discussion and Possible Action re Award of Contract for Employee Assistance Program**

Ms. Schulenberg briefed Trustees on the recent Employee Assistance Program request for questionnaire process, providing a summary of the current contract as well as the competitors proposals and information provided by the Admin Group.

*Alternate Trustee Reyes made a motion to award the contract for Employee Assistance Program to Curalinc, seconded by Alternate Trustee Temple and unanimously carried.*

**11. Discussion and Possible Action re Surplus/Reserve Goal**

Ms. Schulenberg reminded Trustees that a subcommittee was formed to review the current Surplus/Reserve goal and to develop a recommendation for the future. The subcommittee is comprised of Chairperson Powell, Vice Chairperson Fitzhugh, Trustee Rose and Alternate Trustee Lew. The subcommittee met recently and were able to discuss with the Trust's Actuary and ECA the purpose of a surplus the methodology for attaining a goal. The recommendation from the Actuary was to reserve about five and half months of the annual budget as the Trust is so new. The subcommittee recommended a slightly more conservative goal of 6.5 months of budget and further recommended that the Trust set an objective not to increase premiums more than 5% in any given year with annual Trustee review to determine whether additional funds could be built into the premiums within that 5% maximum in order to assist in reaching the surplus goal. Alternate Trustee Lew was not able to make the subcommittee meeting, but suggested that three and half months of budget was a good initial goal.

*Alternate Trustee Reyes made a motion to set a surplus goal of six and half months of budget with an objective not to increase premiums more than 5% in any given year with annual Trustee review to determine whether additional funds can be built into premiums within that 5% maximum to*

*assist in attaining the surplus goal, seconded by Alternate Trustee Haggerty and carried by majority vote with Alternate Trustees Temple and Lew opposing.*

## **12. Discussion and Possible Action re Disclosures of Protected Health Information**

Ms. Schulenberg reported on a recent Notice of Disclosure of Protected Health Information (PHI) from AmeriBen. AmeriBen inadvertently sent a secure email containing PHI to the wrong Human Resources representative. The email was destroyed and AmeriBen performed a Risk Analysis as required by federal law; it was determined that there was no breach of security or privacy. The purpose of this agenda item is to notify the Trust of the disclosure and to determine if AzMT wants members notified by ECA of these situations in the future. ECA recommends not notifying members of the disclosures as it could cause confusion where it is not warranted.

No action is necessary as the normal practice is not to notify employees in these situations and Trustees agreed to keep the same process.

## **13. Discussion and Possible Action re Sponsorship of League Conference**

Ms. Schulenberg reminded Trustees that AzMT has sponsored the League Conference at a Bronze level for the past two years at \$2,500 and that ECA has hosted a variety of events designed to provide an environment where Trustees can invite their colleagues to chat about AzMT. Ms. Schulenberg stated that the sponsorship is a great way to keep AzMT's name in front of their colleagues; however, a new marketing event is needed as participation has been low.

Trustees agreed that a new marketing strategy needs to be implemented and would like to discuss at a future meeting.

*Trustee Isom made a motion to sponsor the 2017 League of Arizona Cities and Towns Conference as a Bronze Sponsor for \$2,500 and to look at additional marketing opportunities, such as a table, seconded by Alternate Trustee Haggerty and unanimously carried.*

## **14. Administrative Update**

Ms. Schulenberg provided an administrative update noting the following:

- a. Update from AmeriBen's President Council – will be presented at a future meeting as Liz Riley had to leave this meeting early.
- b. Vendor Updates; reports are attached for review.
- c. Paradise Valley – Transition has begun and is running smoothly, considering that they share the same vendors as AzMT.
- d. Effective April 01, 2017 the Sierra Emergency Physician Group is considered out-of-network. ECA created a flyer for the City of Apache Junction and is happy to share with anyone else who is interested.
- e. AzMT received a membership application from Superstition Fire District which is currently being reviewed by the Trust's actuary for consideration at the next meeting.

**15. Future Agenda Items**

None at this time.

**16. Set Next Meeting Date**

The next quarterly Trust meeting is set for August 29, 2017 at 10:00 a.m. Location to be determined.

**17. Call to the Public**

No comments were made by the public.

**18. Adjournment**

*Trustee Isom made a motion to adjourn the meeting at 1:57 p.m., seconded by Alternate Trustee Reyes and unanimously carried.*

Respectfully Submitted,

Elena Lacy  
Recording Secretary