



City of Duluth
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Duluth, Minnesota 55802

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Duluth Joint Powers Enterprise Trust
Board of Trustees Minutes Meeting
Wednesday, September 18, 2024, at 11:00 am

Board Members Present: Dan Hartman, Jill Keppers, David Montgomery, Tom Werner

Others Present: Josh Bailey, Joelle Bodin, Jen Carlson, Amanda Denton, Keely Downs, Robb Enslin, Cyndi Falconer, Angel Hohenstein, Pete Johnson, Chris Kibler, Matt Silverness, Eric Thompson, John Upton, Ben VanTassel, Wendy Wohlwend, Diane Schlossin

Brown & Brown - Jodie Elder, Carter Fallen

David Montgomery called the meeting to order at 11:02 a.m.

Approval of Minutes: Motion was made to approve the August 21, 2024 minutes. Motion by Dan Hartman; seconded by Jill Keppers. Approved.

Treasurer's Report:

Josh Bailey reviewed the financial statement for August 2024. Medical claims are up 10.13% and drug claims are up 17.18% compared to last year. Health Plan revenues and expenses combined report a favorable budget variance of \$790,949.00. The Income Statement for Healthcare showed a reserve balance of \$18,489,345 as of August 31, 2024. Dental showed a reserve of \$604,500 as of August 31, 2024.

New Business:

JPE Renewal Rates

Discussion was held on the following:

Medical

- It was suggested that the JPE Board create a Fund Balance Policy to follow best practices and assist making decisions each year when health and dental plan premiums are being set.
- Fund Balance has increased from 1/1/24 \$16,606,870 to 8/31/24 \$18,489,345 with a Net Gain of \$1,882,475.
- 21 Claim Count over \$100K paid in 2024
- Stop Loss set at \$500,000 which is typical for our group size

Brown & Brown Underwriting Analysis –

- Annual Claims Projection \$28,440,777
- Current enrollment 1,193
- Total PEPM Claims Projection \$1,986.64

Comments from Board members

The reserve balance has increased over the year and discussion was held on how high, is it healthy to have a large fund balance, what are the regulatory requirements for the reserve. The next meeting it was suggested that the Finance department come up with policy recommendations from an accounting standpoint and present it to the Board members. It was also discussed that premium increases are better if they can be small and never a 0% increase. We currently have a younger population which can help in having fewer large claims. Motion was made by Dave Montgomery to have a 1% increase in health plan premiums for 2025; seconded by Dan Hartman. Approved.

Dental

- The utilization is preventative care
- Dental tends to be cyclical (summer when kids are out of school etc.)
- Current Cost Ratio 98.4% Goal is 100%
- Reserve Balance is 6 – 6.5-month reserve; Could be 3 months reserve; Finance recommends 2-3 months
- Motion to set dental plan premium at 3% increase on low option only for 2025 by David Montgomery. Jill Keppers made a counter motion to set dental plan premium at 3% for both high and low option dental for 2025. seconded by David Montgomery. Approved.

Wellness Report:

Presented by Angel Hohenstein

- My Reward Wellbeing Program will be updated beginning on 1/1/2025. The current Wellbeing Program will end September 30th. Year end reporting results will be sent to the Board Members once Angel has the information.
- Health Fair at the DECC on November 20, 2024
- Flu Shot Clinics will be available at various locations during October and at the Health Fair in November
- Open Enrollment is set for November 1 – 15, 2024 for benefit change of January 1, 2025.

Meeting Schedule:

- a. Five meetings scheduled per year – January, March, May, August and September
- b. Third Wednesday of those scheduled months above
- c. Calendar invites will be sent out soon

Meeting adjourned at 12:09 p.m.

Next meeting: Wednesday, January 15, 2025 at 11:00 am

Minutes respectfully submitted by,

Diane Schlossin
Human Resources Technician
City of Duluth