





City of Duluth
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Duluth Joint Powers Enterprise Trust
Board of Trustees Minutes Meeting
Wednesday, September 17, 2025, at 2:00 PM

Board Members Present: Dan Hartman, Jill Keppers, Matt Staehling, Tom Werner

Others Present: Jodi Amundson, Josh Bailey, Joelle Bodin, Amanda Denton, Keely Downs, Robb Enslin, Cyndi Falconer, Adam Gonnerman, Angel Hohenstein, Pete Johnson, Chris Kibler, Matt Silverness, John Upton, Tammie Walsh, Wendy Wohlwend, Diane Schlossin

Brown & Brown: Jodie Elder, Carter Fallen

Matt Staehling called the meeting to order at 11:00 a.m.

Approval of Minutes: Motion was made to approve September 10, 2025 minutes. Motion by Dan Hartman; second by Tom Werner. Approved.

Treasurer's Report:

Josh Bailey reviewed the financial statement for August 2025. Medical claims are up 16.29% and drug claims are up 6.21% compared to last year. Health Plan revenues and expenses combined report an unfavorable budget variance of \$-752,574. The Income Statement for Healthcare showed a reserve balance of \$17,910,686 as of August 31, 2025. Dental showed a reserve of \$587,274 as of August 31, 2025.

It was asked how Stop Loss works. It is insurance that the city purchases to protect the city from unanticipated claims that could deplete the cash reserves. The city pays the first \$500,00.00.

New Business:

JPE Renewal Rate Presentation by Jodi Elder and Carter Fallen (Brown & Brown)

Medical

Brown & Brown Underwriting Analysis

- Annual Claims Projection \$31,524,896
- Current Enrollment 1,195
- Total PEPM Claims Projection \$2,198.39

Total Cost Summary

- Total Cost (B&B Expected + Total Fixed + Annual Offsets) \$31,976,745
- \$ Variance Over Current 3,470,265
- % Variance Over Current 12.2 %

Funding Summary provided for 8% increase

- DJPE Funding at 8% increase for 2026 \$30,788,820
- B&B Projected Cost \$31,976,745
- Medica Aggregate Liability \$38,582,979 max amount you pay

Discussion from Board Members

It was asked how many months of fund balance the DJPE should have available, and it was discussed that in years past to have 4-5 months, with some entities now saying two months. We have six months reserve balance which is a healthy reserve balance.

A question was raised for Brown and Brown if the 63 high-cost claims of \$50,000 or higher are considered high or low within the Book of Business. Jodi did some research and came back to say that we were 44% with 35%-40% being in the normative. That number is not a reason to be alarmed, a bit higher than normal.

It was noted that large claims differ from year to year.

When setting the rates, the DJPE Board members would like to avoid high swings in rate increases, while making an educated guess using the spreadsheet tool that Josh Bailey provided.

A motion was made by Jill Keppers to have a 7.5% increase in health plan premiums for 2026. Second by Tom Werner. Approved.

Dental

- Dental use in July 2025 had the highest claims at \$100,068.85 comparing years 2021 – 2025.
- Recommended change in funding for the renewal plan year is 1.7%
- ASO Fees PEPM for 2025 were \$4.20 and \$4.71 in 2026; 12.2 % change
- Lower fund budget than last year.
- It was asked how many employees hit the max \$1000 or \$2000 option this year. Jodi didn't have the information available but will follow up to the DJPE Board members.

Motion by Tom Werner to set dental plan premiums at 1.5% increase for both low and high options for 2026. The dollar amounts would be calculated to the nearest dollar (e.g. \$35.00 to \$36.00). Second by Dan Hartman. Approved.

Meeting Schedule

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

Motion to adjourn by Dan Hartman; seconded by Jill Keppers. Approved. Meeting adjourned at 11:34 p.m.

Next meeting: Wednesday, January 21, 2026 at 11:00 a.m.

Minutes respectfully submitted by,

Diane Schlossin
Human Resources Technician
City of Duluth