

# City of Meridian Employee Benefits Plan Trust

## Board of Trustees Special Meeting Agenda

Monday January 26, 2026 11:00 A.M.

City Attorney's office or through  
Microsoft Teams hyperlink (attached)

### SPECIAL MEETING

[Click here to join the meeting](#)

Roll-Call Attendance

Trustees

Bill Nary

Alex Freitag

Christena Barney

Shawn Harper @ 11:06am

Eli Daniel

Regular Attendees

Cindy Tealey

Laurie Churella

Scott Howell

Destiny Bradley

Dan Malloy

Reba White

#### 1. Reports and Action Items (Action may be taken if Necessary)

- Discussion of Auditor Findings:

##### Examination of Findings #1

##### Observations:

Both the COMEBPT By-Laws Section 3.4.d. and Idaho Code § 41-4010(3)(a)(i) – (ii) identify minimum reserve requirements. The By-Laws states in part, "The Trustee shall establish and maintain in its Trust Fund surplus equal to at least (i) the equivalence of three (3) months of contributions for the current year plan; or, (ii) one hundred ten percent (110%) of the difference between the total dollar aggregate stop-loss attachment prior plus costs of operation and the total dollar expected contributions for the current plan year."

In addition, Idaho Code 41-4010(7) states, "The trust fund shall maintain the minimum surplus requirements at all times throughout the year."

It has been observed that the Trust's surplus has fallen below the By-law and Idaho Code requirements during the plan year, but prior to year-end.

##### Recommendation:

It is recommended that the Trust implement a process/procedure to ensure it does not fall below the required surplus prior to each month-end.

## **Examination of Findings #2**

### **Observations:**

During review of meeting minutes, the examination identified several governance-related concerns, including:

The Board does not formally review or approve the annual audit report or actuarial report in its meeting minutes, and the auditor and actuary do not regularly present their reports directly to the Board.

Meeting minutes are not signed.

Some meeting minutes contained inconsistencies between the document title, referenced dates within the content, and the actual meeting date.

In the minutes dated August 17, 2022, a policyholder's name and coverage details were disclosed. This is a significant privacy concern, as Trustees should not have access to or disclose personally identifiable information (PII) of policyholders in public meetings or discussions.

### **Recommendation:**

It is recommended that the Board strengthen its governance by:

Formally reviewing and approving the annual audit and actuarial reports in Board meetings, with the auditor and actuary present to summarize any findings and answer questions.

Ensure all meeting minutes are signed by the Chair or Secretary to affirm completeness and accuracy.

Establish strict protocols to prevent the inclusion of PII in Board minutes or discussions to mitigate potential legal risks.

## **Examination of Findings #3**

### **Observations:**

It was observed that the Trust does not have a formal process requiring Board of Trustees members to review and sign conflict of interest statements on an annual basis. Statements appear to only be signed at the time of appointment. Additionally, one Trustee who joined the Board in 2022 did not sign a conflict-of-interest statement until September 2025. The current practice may not sufficiently ensure ongoing compliance with Idaho Code § 41-4015, which prohibits pecuniary interests in plan management, and could create governance risks if future conflicts of interest arise and remain undisclosed.

### **Recommendation:**

It is recommended that the Trust implement a policy requiring all Trustees to review and sign a conflict-of-interest statement annually and document their review within meeting minutes.

This would support compliance with Idaho Code and promote proactive identification of potential conflicts.

#### **Examination of Findings #4**

##### **Observations:**

It was observed that the Trust does not document the review and approval of service contracts and agreements in its meeting minutes. This includes contracts that may materially affect the operation of the Trust, including but not limited to those for accounting, legal, custodial, or insurance-related services. The current practice does not align with IDAPA 18.04.05.029, which requires that all such contracts be approved by the Board, that contracts exceeding \$500 be in writing, approved by Board resolution, and that the approval be documented in the meeting minutes.

##### **Recommendation:**

It is recommended that the Board implement a formal process to review, approve by resolution, and record in the minutes all contracts and agreements affecting the Trust. This includes initial contracts, contract renewals, and contract amendments.

#### **Examination of Findings #5**

##### **Observations:**

During review of the premium tax filings for the years under examination, it was noted that the Trust did not meet premium tax filing and payment deadlines for most years. Idaho Code §§ 41-4011(4) and 41-4012(1) require self-funded plans to file and remit premium taxes within ninety (90) days of the fiscal year end. As the Trust's fiscal year ends on December 31, premium tax filings and payments are due by March 31 of each year.

##### **Recommendation:**

It is recommended that the Trust implement procedures to ensure the timely filing and payment of premium taxes and continuation fees in accordance with the Idaho Code.

#### **Examination of Findings #6**

##### **Observations:**

During review of the cash balances for the years under examination, it was noted that the Trust is maintaining cash balances in excess of FDIC limits. Idaho Code § 41-4009(1)(e) established that deposit account balances should not exceed the amount covered by applicable deposit insurance limits.

Uninsured amounts are as follows:

- 2024 - \$2,131,142
- 2023 - \$2,700,437

- 2022 - \$2,002,600
- 2021 - \$1,319,650
- 2020 - \$1,347,283

**Recommendation:**

It is recommended that the Trust consult with its financial institution to explore various ways to mitigate this risk.

**Examination of Findings #7**

**Observations:**

During the review of operations and Trust agreements, it was noted that the Trust does not have employees.

All services, ministerial duties, and responsibilities incidental to the Trust’s operations are conducted by the City of Meridian employees.

Idaho Code § 41-4007(3) states in part, *“the trust fund of a self-funded plan shall have the authority...to contract in its own name. All such contracts shall be in writing and shall be signed by the trustee.... (or) the contract may be so executed by one (1) trustee if so authorized by all trustees.”*

IDAPA 18.04.05.029, Affiliated Contracts, clarifies further, *“All contracts for goods or services provided to the plan by any plan sponsor, employer... or employee or agent thereof, will be in writing, setting forth in detail the rights and duties of each party... regardless of whether compensation, fees, or other consideration is paid...”*

It is noted that the City of Meridian does not have a written Service Agreement with the City of Meridian Employee Benefits Plan Trust that defines the nature and scope of work, or describes the duties, responsibilities, and compensation, if any, with the City of Meridian for handling such functions for the Trust.

**Recommendation:**

It is recommended that the Trust execute one or more written service agreements with the City of Meridian that provide an explanation of the services to be provided, who will provide the services, and the fee (if any) or a statement that the Trust will not be charged for any of those services. Furthermore, these service agreements should require all individuals who handle receipts and disbursements for the Trust fund to be covered by a dishonesty insurance policy or fidelity bond, as prescribed in Idaho Code § 41-4014(3).

Additionally, all agreements and any subsequent amendments to such agreements are to be submitted to the Department at least 30 days before the effective date of such agreement or amendment, in compliance with Idaho Code §§ 41-4005(2)(g) and 41-4004(2)(d).

➤ **Actions or Directions for Response**

**Examination of Findings #1:**

It is never the Board’s desire to be in a deficit. Measures taken by the Board:

- Keeping the City Council apprised of the status of the Trust as a financial backer of the Trust.
- Continue to communicate to Council the requirement to keep the Trust surplus/reserves fully funded at all times, as referenced in the COMEBPT By-Laws

Section 3.4.d. and Idaho Code § 41-4010(3)(a)(i) – (ii) identify minimum reserve requirements and Idaho Code 41-4010(7)

### **Examination of Findings #2**

- Following the annual audit, the Board will have the auditor provide a formal review of the audit on record to allow for discussion and questions of the auditor.
- Amend the COMEBPT By-Laws to include:
  - Meeting minutes will be signed following the approval of the minutes and keep for the record.
- The Board will not disclose any PII during meetings.
  - Should an employee want to address the Board regarding their particular situation, the Board will provide the following disclosure statement to employee:

Please be aware that any statements you make, or information you disclose, during the Board meeting will become part of the official public record. This includes both oral comments and any written materials you submit.

Accordingly, you should avoid sharing confidential, private, or protected information during the meeting. If you have questions about what may be appropriate to disclose, Human Resources is available to provide guidance in advance of the meeting.

Christena to follow up on whether minutes need to be accessible to just employees or the public at large.

### **Examination of Findings #3**

- Board will review and sign the Conflict of Interest each in January.

### **Examination of Findings #4**

- Review, discuss and approve all contracts with the COMEBPT on record.

### **Examination of Findings #5**

- Since we were made aware of the tax requirement, we have submitted and submitted payment prior to March 31<sup>st</sup>.
- We will ensure tax submission and funding is reviewed, discussed and approved on record prior to March 31<sup>st</sup> annually.

### **Examination of Findings #6**

- Board will consult with First Interstate Bank on options for insuring funds.

### **Examination of Findings #7**

- Working to identify new Counsel to support agreement development, review and execution. Board is excepting new Counsel to be onboarded within the next 90 days.
  - Review, discuss and approve an agreement between the City and COMEBPT for all administrative services conducted by City employees.
  - Take the agreement approved to City Council for approval.
  - Provide approved agreement to DOI within 30 days of execution.

2. Adjournment **CB motioned, all ayes. Adjourned at 11:54am.**

