City of Meridian Employee Benefits Plan Trust

October 14, 2025

Financial Status and Funding Discussion

Recap of Spring 2025 Updates

- At the end of Q1 (March 2025) Trust was running in a deficit of $418,976
- Board of Trustees original funding request was to be $1.14M
- Council approved funding in the amount of $550,075
- Council requested the Board provide regular updates and request additional funds if needed
- Discussions regarding Medical Insurance Carrier (In contract until 12/31/26)

Quarter 2 Status

- At the end of Q2 (June 2025) Trust was running in a deficit of $733,063*
  - The $550,075 approved by Council, was credited in July and will be reflected on Q3 financials reducing this deficit, but not eliminating it.
- Reasons:
  - After 2025 rate determination (Actuarial) medical treatment costs increased
  - Unusually high number of large claims
    - 31.03% more than same period in 2024
    - Cost of large claims 51.05% higher than same period in 2024

July-August 2025

- Claims costs still outpacing contributions received.

Prior to Current Period Claims Experience:	Prior	Current	% Change
Claims/Ee/Mo:	$1,454.70	$1,605.10	10.34%
Medical	$1,124.96	$1,272.63	13.13%
Rx	$329.74	$332.47	0.83%
Claims/Member/Mo:	$509.14	$564.93	10.96%
Medical	$393.73	$447.92	13.76%
Rx	$115.41	$117.01	1.39%

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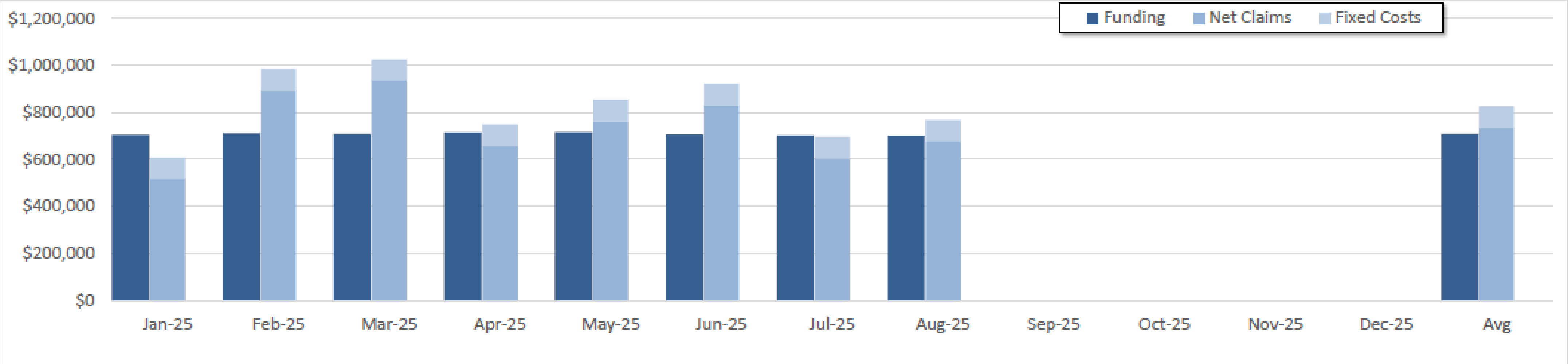
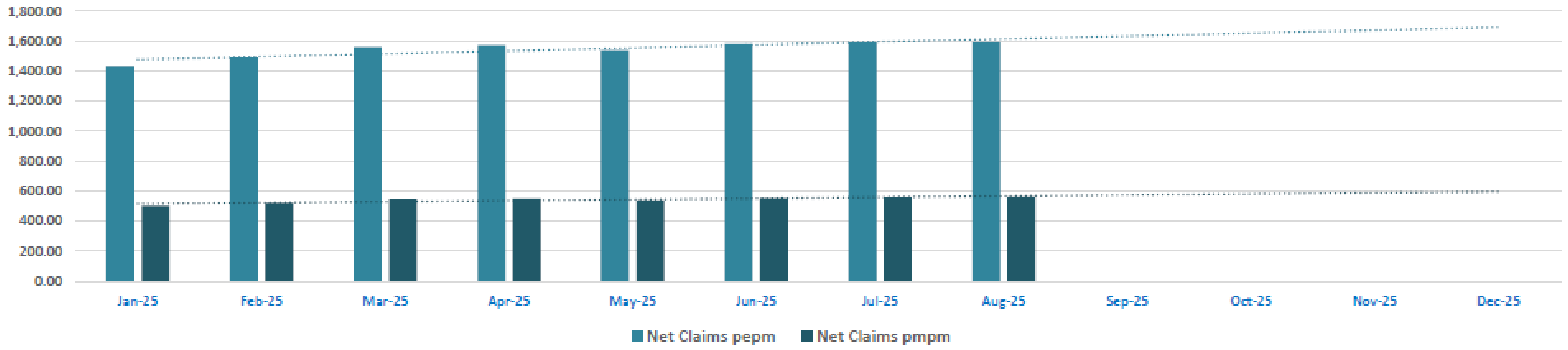


	Employees	Members	Admin Fee	*Other Fees	Stoploss Fees	Total Fixed	Monthly Funding	*Medical Claims	Rx Claims	Total Gross Pd Claims	Stoploss Claims	Total Net Pd Claims	Net Loss Ratio
Jan-25	478	1,377	$25,988.86	$3,900.48	$60,261.46	$90,150.80	$705,011.92	$355,105.92	$162,500.93	$517,606.85	$904.79	$516,702.06	86.08%
Feb-25	481	1,384	26,151.97	3,924.96	60,639.67	90,716.60	710,753.05	756,287.63	164,423.06	920,710.69	25,877.65	894,833.04	138.66%
Mar-25	480	1,378	26,097.60	3,916.80	60,513.60	90,528.00	709,124.57	821,513.57	113,942.23	935,455.80	242.10	935,213.70	144.65%
Apr-25	488	1,385	26,532.56	3,982.08	61,522.16	92,036.80	714,848.14	503,897.23	152,258.60	656,155.83	-0.90	656,156.73	104.66%
May-25	491	1,387	26,695.67	4,006.56	61,900.37	92,602.60	716,462.86	583,151.12	176,917.20	760,068.32	79.91	759,988.41	119.00%
Jun-25	486	1,366	26,423.82	3,965.76	61,270.02	91,659.60	706,777.07	668,684.04	165,712.49	834,396.53	5,624.39	828,772.14	130.23%
Jul-25	482	1,356	26,206.34	3,933.12	60,765.74	90,905.20	701,402.38	545,440.70	144,304.49	689,745.19	85,229.19	604,516.00	99.15%
Aug-25	481	1,354	26,151.97	3,924.96	60,639.67	90,716.60	699,768.15	687,191.07	205,584.31	892,775.38	216,656.63	676,118.75	109.58%
Sep-25													
Oct-25													
Nov-25													
Dec-25													
Avg	*483*	*1,373*	*$26,281.10*	*$3,944.34*	*$60,939.09*	*$91,164.53*	*$708,018.52*	*$615,158.91*	*$160,705.41*	*$775,864.32*	*$41,826.72*	*$734,037.60*	*116.55%*
												Gross Loss Ratio	*122.46%*
Total	3,867	10,987	$210,248.79	$31,554.72	$487,512.69	$729,316.20	$5,664,148.14	$4,921,271.28	$1,285,643.31	$6,206,914.59	$334,613.76	$5,872,300.83	116.55%

Remainder of 2025

- Based on the trend data claims are expected to continue outpace contributions
- October-January are typically the highest claim months of the year



2026 Trust Approved Changes

- Increase Individual In Network Maximum Out of Pocket from $2,250 to $2,500
- Increase Family In Network Maximum Out of Pocket from $4,500 to $5,000
- Medical increase 17%
- Delta Dental increase 11.2%
- Vision rate remains same as 2025

Impact of 2026 Changes

- Keep Medical plan increase to 17%
- Create funding needed to adequately support the claims incurred by the plan

Desired State

- Ability to adequately fund the Trust without infusions from the City
- Ability to add preventative programs to mitigate high claims
  - Cancer Experts Now
    - Standard of cancer care
    - Site of care opportunities
    - Medical reviews
    - White glove service
      - Smart Match Medical Expert, Expert Consultations for best outcomes, Coordination of appointments and treatment facilities

Funding Methodology

- City has maintained the “Save before you Spend” philosophy
- Idaho State Code Title 41-4010 states the Trust must maintain “The equivalence of three (3) months of contributions for the current plan year.”
- Idaho Administrative Procedure Act (IDAPA) Section 18.04.05.026 states “If determination of surplus reveals a deficiency in surplus, the Director may allow the plan up to ninety (90) days to accumulate prescribed surplus. The plan is deemed insolvent when it is either unable to pay its obligations or its assets do not exceed all its liabilities, including prescribed reserves.”

Funding Request

- Q2 Deficit ($733,063)
- Q3 Funding Credit $550,075
- Q3 Anticipated Deficit ($411,574)
- Q4 Anticipated Deficit ($343,364)

Total funding request: $937,926

2025 Total Additional City Contribution: $1,488,001

Questions?