



MEMORANDUM

DATE: OCTOBER 7, 2025
TO: MAYOR AND CITY COUNCIL
FROM: CITY OF MERIDIAN EMPLOYEE BENEFITS PLAN TRUST BOARD
RE: **CITY OF MERIDIAN EMPLOYEE BENEFITS PLAN TRUST: FINANCIAL STATUS AND FUNDING DISCUSSION**

Purpose:

Update the Mayor and City Council on the financial status of the Employee Benefits Plan Trust and request funding to stabilize the plan through year-end 2025.

Financial Summary:

- End of Q1 2025 deficit: \$418,976. Trustees requested \$1.14M; Council approved \$550,075.
- End of Q2 2025 deficit: \$733,063, driven by higher medical treatment costs (51% higher in cost vs. 2024) and a 31% increase in large claims.
- Claims continue to outpace contributions. October–January are historically high claim months.

2026 Approved Adjustments:

- Medical: +17% | Dental: +11.2% | Vision: No change.
- Out-of-pocket maximums: Individual \$2,500 | Family \$5,000.

These adjustments aim to realign funding with actual claim experience.

Funding Request:

Q2 deficit (\$733,063) – Q3 credit (\$550,075) = Q3 projected deficit (\$411,574).

Adding Q4 projected deficit (\$343,364) totals \$937,926 additional funding needed.

Total 2025 City contribution: \$1.49M.

Desired State:

- Fully funded Trust without City infusions.
- Preventative programs to mitigate high-cost claims (e.g., cancer expert consults).

Recommendation:

Approve an additional \$937,926 funding infusion to sustain the Trust through 2025 and support long-term financial stability.