

Minutes

BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

**Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
February 1, 2013
9:00 AM**

1. Call to Order

Meeting was called to order by President Vander Poel at 9:04am.

2. Roll Call

Roll was called by Brittany Howell, Gallagher Benefit Services. In attendance were Director Ennis, Director Ishida, Director Larson and Director Vander Poel. Director Borgeas was not present at the time of roll but arrived at 9:09am.

3. Approval of Agenda

President Vander Poel asked if there were any additions or corrections to the agenda. Director Ennis moved to approve the agenda with no changes; the motion was seconded by Director Larson. The motion passed unanimously.

4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.

President Vander Poel opened the meeting for public comment – no public comment was given.

5. Approval of Minutes – Board Meeting of November 9, 2012

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 636-4900. Notification 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at the County of Fresno plaza Building, 2220 Tulare St, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

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Director Ennis moved to approve the November 9, 2012 Meeting Minutes, the motion was seconded by Director Larson. The motion passed unanimously.

6. Receive and File Second Quarter Financial Statements (I)

Joseph Nuttman, ACTTC from Fresno County, gave a detailed overview of the quarterly financial reports. He mentioned that this version of the budget reflected revisions needed to include City of Tulare as well as an adjustment to the Chimienti expenses for refundable estimated overpayment. He went on to explain that reserves are in a surplus by approximately \$643,000 primarily due to the increased revenue and based on YTD data the revenue, fixed costs and claims are roughly equal to budget.

7. Report on Investment Activity (I)

Joseph Nuttman, ACTTC from Fresno County, gave a detailed overview of the investment activity. At the last meeting the Board approved Vickie Crow's request to invest \$5 million dollars into County of Tulare's investment pool which was completed on December 21, 2012. The yield earned when the quarter ended in 2012 was 1.18% and interest earned and received in January was \$1,781.68. He mentioned that discussions would continue on this activity going forward.

8. Approval of Revised 2012-13 Fiscal Year Budget (A)

Jeff Cardell, SJVIA Manager, explained the reason for this item is that it now reflects the various changes discussed at the last meeting including open enrollment changes, new entities as well as the decrease in our stop

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loss rates, as those final numbers did not come in from HCC until November.

Director Vander Poel asked if the stop loss rate change was a seasonal fluctuation that the SJVIA could maintain this year to possibly achieve a 0% increase at next renewal. Michele Mills, Gallagher Benefit Services, explained the stop loss renewal process. She stated the fact that Gallagher begins to look at the renewal in June however, at that point the SJVIA are only five months into the plan year. So as the stop loss carrier, HM Life, starts to look at rates and potential claims for the next year and if they have to project out six or seven months, they are going to be pretty conservative on any increase they issue at that time. Then as claims go on through the rest of the year, they'll adjust it and typically will not lock in rates until sixty or ninety days before the new plan year.

Director Ennis moved to approve the Revised Fiscal Year Budget, the motion was seconded by Director Larson. The motion passed unanimously.

9. Receive and File SJVIA Executive Claims Summary through December 2012 (I)

Alan Thaxter, Gallagher Benefit Services, gave a detailed overview of the claims summary. He pointed out the large claim summary for both PPO and HMO on pg. 2 of the report that shows a reimbursement total of \$2.7 million for the 2012 plan year. This reimbursement total ties to pg. 23 where it shows the plan's overall expenses were slightly greater than the premium, however, it was only about \$309,000 which had to do with either some seasonality or excessive claims. Overall, everything is running exactly as the SJVIA had anticipated it and these claim reports now take into consideration the City of Tulare as well. In addition, the City of Ceres

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joined effective January 1, 2013 and the SJVIA will start to capture that claims experience going forward.

10. Receive and File Report on SJVIA Marketing Activity (I)

Alan Thaxter gave an update on the status on SJVIA marketing activity. He mentioned that the SJVIA recently added both City of Tulare and City of Ceres and are in the process of speaking with a few other interested entities. He stated that Gallagher has been working closely with SJVIA management and our efforts have been fairly robust and thoughtful in the marketing process as well as working with the RMA to bring in that membership either as a whole or on an individual basis. In addition, the SJVIA have been targeting larger entities such as CALPELRA and those the SJVIA feel would be a good fit for the SJVIA.

Jeff Cardell added that there is an attachment to this report that identifies those entities who have expressed interest in joining SJVIA. Director Larson asked if there would be a change in the Board as new entities join. Jeff Cardell addressed the question stating that this Board has previously considered whether or not the composition of the board would change as the SJVIA add new entities and the decision has been that it would not; but there would be the possibility of those entities participating in an advisory committee. He also noted that there has been some conversation with both City of Tulare and City of Ceres and from their perspective, they did not have a voice in their prior plan either so this is not much different than that arrangement. Alan Thaxter also added that participation in the SJVIA does not guarantee a spot on the Board, as indicated in their proposal.

11. Authorization of the Release of Proposals and Execution of Participation Agreement(s) (A)

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Paul Nerland, SJVIA Assistant Manager, asked for the approval to release illustrative proposals to those entities who are interested in joining SJVIA, specifically the City of Waterford, City of Dos Palos, City of Kerman and City of Reedley. Of these entities, City of Waterford is interested in joining with an effective date as soon as March 1, 2013 and the SJVIA would like approval to issue a participation agreement as well.

Director Ishida moved to approve the authorization to release illustrative proposals to the entities mentioned above as well as a participation agreement for City of Waterford, the motion was seconded by Director Ennis. The motion passed unanimously.

12. Report on GBS Activity (I)

Bruce Caldwell, Gallagher Benefit Services (Gallagher), gave an overview on specific services Gallagher provides to the SJVIA. He pointed out Exhibit A which outlines the scope of services and Exhibit B which gives the recent activity overview. From a scope of services standpoint, Gallagher summarize services in key areas such as strategic planning, financial monitoring and reporting, renewal services, renewal rate setting, vendor management, compliance services, member agency support services and program marketing and promotion. In looking at the team and activity overview in Exhibit B, the key thing on this report is the SJVIA team members who are involved in the various services. Mark Tucker added that Exhibit B was intended to be the application of scope of services listed in Exhibit A.

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13. 2012 Multi-County Biennial Notice to the California Fair Political Practices Commission (A)

Paul Nerland mentioned the Conflict of Interest Code that was adopted by the Board in 2010 in which there have only been minor changes to that code since inception, including the revision of the SJVIA Manager titles back in January 2012. The California Fair Political Practices Commission (FPPC) requires that the Conflict of Interest Code is to be reviewed and updated every two years, however, staff did not recommend making any changes at this time.

Director Ennis moved to approve the authorization to send the 2012 Multi-County Biennial Notice to the California Fair Political Practices Commission (FPPC). The motion was seconded by Director Larson. The motion passed unanimously.

14. Report on Wellness Activities – Mobile Mammography (I)

Jeff Cardell gave details behind the mobile mammography screening approved by the Board as a part of the SJVIA Wellness program. In researching this program it was determined that these screenings could be done onsite for a much lower rate and convenient to the employee. This in turn creates significant savings to the SJVIA claim expense as well as cost savings to the employee in not needing to request time off work.

Director Larson asked if more detail could be given regarding the process. Jeff Cardell explained that the vendor works onsite with a mammography machine and staff and sets up in a secure and private room on County facilities.

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15. Directors Reports. (I)

There were no reports.

16. Adjournment

Meeting was adjourned at 9:42am by President Pete Vander Poel.

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