



BOARD OF DIRECTORS

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**Meeting Location:
Tulare County Employees' Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93291
November 6, 2015 9:00 AM**

AGENDA DATE: November 6, 2015

ITEM NUMBER: 15

SUBJECT: Approve Staff Recommendation for Consultant to Review SJVIA Rates for Plan Years 2014-16 and Authorize President to Execute Agreement with Consultant Subject to the Approval of SJVIA Counsel and Staff

REQUEST(S): Receive Staff Report & Recommendation to Contract with Aon to Independently Review SJVIA Rates

DESCRIPTION:

On October 15, 2015 staff presented several recommendations for the Board's consideration when it became apparent that there was a discrepancy between projected reserves in the calculated rates and actual cash on hand for the SJVIA. One of the recommendations was that staff would request quotations for an independent review of the rates by reviewing the data and methodology that was used to set the current reserves and rates, and provide an opinion about reserve projections and funding adequacy. The study is recommended as due diligence based on the current discrepancy and will provide staff and your Board an independent study for consideration. Based on the short time-frame, staff conducted an informal request for quotations based on the services requested.

The SJVIA received one declination (Turner Consulting), one incomplete proposal (Segal) and one complete proposal (Aon) based on the timeframe and scope of services. Aon's proposal supports using staff that have extensive public sector, actuarial and health benefits experience. The proposal is to conduct the study and return with the results and recommendations for a flat fee of \$25,000. Although Aon was the only complete and submitted bid, the other potential bidders verbally confirmed that the price range would be around \$25,000.

AGENDA: San Joaquin Valley Insurance Authority

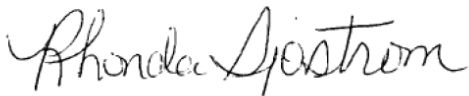
DATE: November 6, 2015

Approval of the recommended action will authorize staff to negotiate and finalize the agreement with Aon, the Board President to execute an Agreement with Aon subject to the approval of SJVIA Counsel and staff and for Aon to begin performing the study as soon as possible.

FISCAL IMPACT/FINANCING:

Your Board's approval of the recommended action would result in a fixed cost expense of \$25,000 in the current fiscal year.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager