



**BOARD OF DIRECTORS**

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**Meeting Location:  
Fresno County Employees' Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
July 14, 2016 9:00 AM**

**AGENDA DATE:** July 14, 2016

**ITEM NUMBER:** Item 16

**SUBJECT:** Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Consider Providing Direction to Negotiate Payment Extension (A)

**REQUEST(S):** For the Board to Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Consider Providing Direction to Negotiate Payment Extension

**DESCRIPTION:**

On December 15, 2015, the County of Fresno executed an [agreement](#) with the SJVIA authorizing a cash advance up to \$2 Million to meet current cash flow needs. The terms of the loan require that the SJVIA repay the County of Fresno on or before December 31, 2017. It is anticipated that the County of Tulare will execute an agreement with the same terms and conditions on July 19, 2016. The County of Fresno has already loaned the \$2 Million authorized to the SJVIA and it is anticipated that, pending adoption of the loan by the County of Tulare, the remaining \$2 Million may be necessary before the end of the current plan year.

Therefore, under current terms and conditions, it is necessary to build repayment of the entire amount to the 2017 SJVIA rates. Adding the \$2-4 Million repayment to the 2017 rates on top of rebuilding a healthy reserve will require a larger rate increase. Negotiating the terms of the loan with an extension for repayment would allow the Health Plan to spread out the impact to the renewal rates over more than one year.

**FISCAL IMPACT/FINANCING:**

To be determined

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 14, 2016

**ADMINISTRATIVE SIGN-OFF:**



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Rhonda Sjostrom  
SJVIA Manager



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Paul Nerland  
SJVIA Assistant Manager