



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 8

SUBJECT: Appoint SJVIA Manager and Assistant Manager for Fiscal Years 2016/17 and 2017/18

REQUEST(S): That the Board receive an update on the administration of the SJVIA.

DESCRIPTION:

The SJVIA was founded upon the principles of securing or offering insurance at more favorable rates *“and administering such programs with greater efficiency”* than each founding entity could otherwise obtain on their own. To that end, the SJVIA has maintained favorable administrative costs as a percentage of total premium. On average, all SJVIA plans have maintained administrative costs in the range of 10% of total premium.

Since the creation of the SJVIA in 2009 by the County of Fresno and Tulare, the oversight and administration of the entity has been handled jointly by staff at both Counties. Pursuant to Article 10 of the [“Amended & Restated Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority”](#), the SJVIA Manager and Assistant Manager shall administer the business and activities of the SJVIA. The agreement stipulates that the Manager and Assistant Manager shall be either the Director of Human Resources or Employee Benefits Manager from the County of Fresno (COF) or the Human Resources Director from the County of Tulare (COT). The Manager and Assistant Manager have typically been appointed to serve 2 years before alternating roles as approved by your Board. Following this schedule and pending your Board’s approval, Paul Nerland (COF) will serve as SJVIA Manager and Rhonda Sjostrom (COT) will serve as SJVIA Assistant Manager. Although the role of Manager and Assistant Manager alternate, the majority of administrative functions are maintained at either the

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County of Fresno or Tulare regardless of the change in Manager/Assistant Manager. In practice, the Manager and Assistant Manager continue to share the workload and maintain administrative oversight of certain functions at one location (rather than alternating back and forth) contributing to stability and continuity of operations.

In addition to the Manager & Assistant Manager, your Board appointed Vicki Crow from the County of Fresno as the SJVIA's Auditor-Treasurer. The Auditor-Treasurer has the custody of and disperses all SJVIA funds, oversees funds and accounts, and contracts with a CPA to conduct an annual audit of all accounts. Additionally, County Counsel attorneys from each County also provide services to the SJVIA.

Item 17 on today's agenda will provide discussion on consideration of using full-time, dedicated SJVIA staff.

FISCAL IMPACT/FINANCING:

The SJVIA currently receives \$2.00 per employee per month for administration and an additional \$2.00 per employee per month for non-founding entities. The revised FY 15-16 budget administration line item is approximately \$398,100. The SJVIA Quarterly Financial Report through March 31, 2016 indicates \$250,032 in costs for the administration line item.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager