

Meeting Location:
**Fresno County Employees' Retirement
Association Board Chambers**
1111 H Street
Fresno, CA 93721
April 28, 2017 10:00 AM

AGENDA DATE: April 28, 2017

ITEM NUMBER: Item 16

SUBJECT: Authorize President to Execute Amendments to the SJVIA Participation Agreements, as Needed, Effective July 1, 2017 (A)

REQUEST(S): That the Board Authorize the President to Execute Amendments to the SJVIA Participation Agreements, as needed effective July 1, 2017 through December 31, 2017

DESCRIPTION:

At the Board meeting on October 28, 2016, [staff recommended](#) certain changes to the [SJVIA Participation Agreement](#). Each entity that participates in the SJVIA's program offerings executes a participation agreement with the SJVIA. Participation agreements by non-founding members typically had a term of three years when beginning participation. For entities whose participation agreement expired, a new participation agreement is necessary. As part of the January 2017 renewal process, staff recommended revisions to ongoing Participation Agreements to clarify the respective obligations of the SJVIA and each participating entity. Proposed changes included the following:

- Simplifying the premium payment due date to allow for a single payment by each participating entity each month
- Clarifying that participating entities are not required to disclose information whose disclosure is prohibited by law
- Providing that the SJVIA will make reasonable efforts to adopt renewal rates at least 120 days before the beginning of the plan year
- Providing that documents of the SJVIA will be available to participating entities for purposes of audits and inspections, subject to legal prohibitions on disclosure

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 28, 2017

- Providing dispute resolution procedures that are similar to what participation agreements have previously provided

At the October 28, 2016 Board meeting, several entities addressed their concerns with some of the proposed changes to the agreement. Your Board directed staff to send the revised Participation Agreement to entities allowing more time for their feedback to be considered. On December 8th, [staff again presented](#) the revised Participation Agreement template after considering feedback from entities that responded. At the meeting, a representative from the City of Ceres expressed concern about the language and asked for more time to propose alternatives that would be acceptable. Your Board directed staff to work with the remaining entities and determine if their feedback and the SJVIA's interests could be reconciled and to bring back at the February 3, 2017 meeting. At that meeting, staff informed your Board that the new consultant, Keenan & Associates (Keenan), had not had the opportunity to review the proposed changes. Staff recommended extending the current version of the agreements through the end of the fiscal year to allow staff to work with the Keenan and come back to your Board with recommendations that include their input. Your Board approved that recommendation.

After further discussion with Keenan, staff is now recommending to extend the current version of the agreements through the end of the calendar year and until the current deficit is recovered. Deficit recovery language is usually clarified or introduced when the plan is whole and not in a deficit position. Introducing deficit recovery language while the plan is in a deficit can have an adverse impact to the participating entities and the SJVIA membership.

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager