

Minutes

BOARD OF DIRECTORS

ANDREAS BORGEAS
KUYLER CROCKER
NATHAN MAGSIG
BUDDY MENDES
BRIAN PACHECO
PETE VANDER POEL
J. STEVEN WORTHLEY

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

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

All Directors present.

4. Approval of Agenda (A)

Motion to approve by Director Crocker; Seconded by Director Mendes;
Motion approved unanimously.

5. 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.

No public comments were made.

6. Approval of Minutes – Board Meeting of February 3, 2017 (A)

Motion to approve by Director Worthley; Seconded by Director Borgeas;
Motion approved unanimously.

7. SJVIA Director Questions, Announcements, and Activity Reports (Gov. Code, § 54954.2, subd. (a)(2)) (I)

None.

8. Receive Update from Auditor-Treasurer on Cash Flow Projections (I)

Presented by Jeff Blanks, Accounting & Financial Manager.

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9. Receive and File Third Quarter 2016-2017 Financial Report (I)

Presented by Jeff Blanks, Accounting & Financial Manager.

10. Receive and File 2013-2014 Audited Financial Statements (I)

Presented by Fausto Hinojosa, Price, Paige & Company.

11. Receive and File Consultant's SJVIA Premium & Claims (P&C) Report for 2016 and First Quarter 2017 (I)

Presented by Bordan Darm, Keenan & Associates.

Chairman Vander Poel directed staff to look back at meeting minutes on record from when the County of Sutter joined the SJVIA to confirm whether or not this entity was in a good financial position and if they were really going to benefit the SJVIA as a whole. The prior consultant made recommendations that all of the entities were going to be positive additions to the SJVIA system. However, Keenan singled out Sutter County specifically showing that they have been a major drain since joining the SJVIA. Staff was advised to look back and document that and see if the SJVIA relied upon good advice from the prior broker. Director Worthley indicated that the SJVIA Board was advised in every instance that the entities, before coming on board, were being rated based on their history and were therefore setting appropriate premiums. Specific to Sutter County, the Board wanted to know if there was an appropriate analysis of their history done by the prior consultant. He stated that it is an interesting anomaly that Sutter County was constantly in the negative since joining the SJVIA.

12. Receive and File Consultant's SJVIA December 31, 2016 Incurred But Not Reported (IBNR) Reserve Report for the County of Fresno, the County of Tulare, and the County of Sutter (I)

Presented by Bordan Darm, Keenan & Associates.

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13. Receive and File Consultant's Report on the SJVIA's Plan Experience From Inception Through December 31, 2016 by County of Fresno, County of Tulare, and All Other Entities (1)

Presented by Bordan Darm, Keenan & Associates.

Director Borgeas asked Bordan if procedures for the industry standards related to the calculation of IBNR in the renewals are memorialized in any document that the Board can refer to. Bordan responded that they are in pretty much every standard health industry book and stated he would come back to the Board to provide the standards.

14. Receive and File Consultant's Report on Plan Savings Initiatives Including: Conversion of the Anthem HMO to an EPO; Changing Pharmacy Benefits Managers (PBM); and Reinsurance/Pooling Level Analysis and Provide Direction to Staff (A)

Presented by Bordan Darm, Keenan & Associates; Additional comments made by Howard Mazzafro, Keenan & Associates.

Bordan indicated that his compliance department will come back with input regarding whether it would be a material change to move from an HMO to EPO model.

Public comment by Sandra Brock, Fresno County retiree.

Board consensus given to provide direction to Staff to move forward with plan savings initiatives.

15. Receive and File Consultant's Report on IBNR and Stabilization Reserve Level (I)

Presented by Bordan Darm, Keenan & Associates.

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16. Authorize President to Execute Amendments to the SJVIA Participation Agreements, as needed, Effective July 1, 2017 (A)

Presented by Paul Nerland, SJVIA Manager.

Motion made by Director Worthley to extend the current participation agreements through the end of the Plan Year; Motion seconded by Director Crocker; Motion approved unanimously.

17. Receive and File Notice from the Central San Joaquin Valley Risk Management Authority of its intent to Withdraw from the SJVIA Effective January 1, 2018 (I)

Presented by Paul Nerland, SJVIA Manager.

18. Receive Update on Wellness Activities (I)

Presented by Stacey Comerchero, Keenan & Associates.

19. Closed Session CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION (Gov. Code, § 54956.9, subd. (d)(4)). No. of potential cases: 1

Motion made by Director Magsig to Authorize Counsel to take legal action against Arthur J. Gallagher & Co.; Motion seconded by Director Borgeas; Motion approved unanimously.

20. Adjournment

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