

# 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  
July 14, 2017 1:30 PM**

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

All Directors Present with the exception of Director Worthley and Director Borgeas; Director Amy Shuklian was present as an alternate.

4. Approval of Agenda (A)

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

5. Closed Session CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, § 54956.9, subd. (d)(1)) — San Joaquin Valley Insurance Authority v. Gallagher Benefit Services, Inc., Fresno County Superior Court Case No. 17CECG01632, United States District Court for the Eastern District of California Case No. 1:17-cv-00861-LJO-EPG

***The public may comment on Closed Session items prior to the Board's recess to Closed Session.***

***The remainder of the agenda will be heard at 2:00 p.m. following the Closed Session item.***

No comments.

6. 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.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 559-600-1810 or the Assistant SJVIA Manager at 559-636-4900. Notification 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at the County of Fresno plaza Building, 2220 Tulare St, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

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Public comments were made by Sandra Brock, Kathleen Wilmas, and Nicolas Crew.

7. Approval of Minutes – Board Meeting of June 29, 2017 (A)

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

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

No Director comments or announcements were made.

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

Presented by Ronda Kade, County of Fresno.

Ronda Kade presented updates to the report that was presented at the June 29, 2017 Board Meeting, two weeks previously.

10. Receive and File Fourth Quarter 2016-2017 Financial Report (I)

Presented by Ronda Kade, County of Fresno.

11. Receive Request From the City of Ceres for the City's Most Recent 12 Month's Claim Experience, Including a Report of High Dollar Medical/Rx Claims, and Give Appropriate Direction to Staff (A)

Paul Nerland introduced the item followed by additional information by Bordan Darm, Keenan & Associates.

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Paul Nerland, SJVIA Manager commented that the Board had approved a similar request for the County of Sutter.

Bordan commented that due to the size of the City they are not creditable therefore not experience rated. It is not standard practice to release experience to individual entities participating in a JPA and could be setting a precedent for the future.

Public Comment made by Toby Wells, City Manager for the City of Ceres.

Motion was made by Director Shuklian to provide direction to Staff and Consultant to release claims experience for the City of Ceres; Seconded by Director Crocker; Motion approved unanimously.

## 12. Receive and File Consultant's Pharmacy Benefit Manager (PBM) Finalist Marketing Report and Approve SJVIA Staff Recommendation (A)

Presented by Bordan Darm, Keenan & Associates.

Paul Nerland, SJVIA Manager introduced the item followed by Bordan Darm who reviewed the process of marketing the PBM with a goal of securing a vendor that best meets the needs of SJVIA while providing program savings.

All vendors were vetted with the final two being the focus of the comparison between the incumbent and the two proposed vendors. The differences in formulary vs. non-formulary, administration fees, savings guarantees, and contract terms were discussed in detail.

References were contacted by Keenan and the SJVIA Management team.

Director Vander Poel asked if the decision could wait until the August Board meeting to which Bordan explained the timeline to properly implement could not afford a delay of six weeks.

Director Shuklian requested a formulary list for vendor #5369.

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Rhonda Sjostrom, SJVIA Assistant Manager recommended vendor #5623 due to concerns about the length of time vendor #5369 has been in business.

Paul Nerland recommended vendor #5369 which has an open formulary, guaranteed savings, and the flexibility of a one year agreement.

Public Comments were made by Bobby Bloyed, Sandra Brock, and Santiago Ocegüera.

Motion to approve PBM vendor #5369 effective January 1, 2018 by Director Crocker; Seconded by Director Medes; Motion approved unanimously.

13. Receive and File Consultant's Medical, Dental, and Vision Experience Reports Through May, 2017 (I)

Presented by Bordan Darm, Keenan & Associates.

14. Receive and File Consultant's 2018 Medical, Dental, and Vision Preliminary Renewal Report (I)

Presented by Bordan Darm, Keenan & Associates.

For the upcoming renewal, the Board directed the County of Fresno, the County of Tulare, and the All Other group be each experience rated. No pooled rates are to be provided. Fixed costs are to be pooled. The risk share arrangement between the County of Fresno and the County of Tulare are to remain. A marketing for a lower reinsurance level will be pursued for the All Other group.

Public Comment was made by Bobby Bloyed.

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### 15. Receive, File, And Provide Approval of Consultant's Renewal Underwriting Guidelines (A)

Presented by Bordan Darm, Keenan & Associates.

Bordan Darm requested this item to be deferred to the next meeting based on the proposed underwriting guidelines no longer applicable due to direction provided on Item #14.

No action was taken; item deferred.

### 16. Adjournment

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