

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

1. Call to Order

Meeting was called to order by Director Case McNairy at 9:11am.

2. Roll Call

Roll was called by Brittany Howell, Gallagher Benefit Services. In attendance were Director Case McNairy, Director Ennis, Director Larson, and Director Worthley.

3. Approval of Agenda (A)

Director Case McNairy asked if there were any additions or corrections to the agenda. Director Ennis moved to approve the agenda with no changes; the motion was seconded by Director Worthley. The motion passed unanimously.

4. 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.

Director Case McNairy opened the meeting for public comment – no public comment was given.

5. Approval of Minutes – Board Meeting of February 21, 2014 (A)

Director Ennis moved to approve the February 21, 2014 Meeting Minutes; the motion was seconded by Director Larson. The motion passed unanimously.

6. Receive and File Quarterly Financial Report (I)

Lawrence Seymour, ACTTC from Fresno County, gave an overview on the quarterly financial statements. For the current quarter, revenue is 2% under

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 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, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

budget, fixed expenses are 2% under budget and claims expenses are 8% over budget. In looking at the fixed costs, SJVIA Administration shows a large variance which is mainly the result of the financial statement conversion process with the claims surfacing to the risk pooling model and the subsequent financial statements being prepared and audited. The 2012 statement was presented at the last meeting and currently the 2013 statement is being repaired and prepared for auditing. There was also a large variance in Wellness which is mainly due to the timing of the wellness expenditures such as the biometric screenings and walking challenge.

Director Case McNairy pointed out that Kaiser's budgeted verses actual shows a large variance. Michele Mills, Gallagher Benefit Services, explained that Kaiser came into the plan January 1, 2014 therefore two quarters of the fiscal year did not include them.

7. Receive verbal report on actuarial review of the SJVIA as required by GASB 10 (I)

Paul Nerland indicated we would be calling Demsey, Filliger & Associates to report on this item.

Lou Filliger, Demsey, Filliger & Associates Partner and Actuary, gave an overview on the GASB 10 study, which was conducted in June 2013. When this report is conducted for the first time, there are no historical reports to look back on. In order to obtain favorable numbers, there ought to be 3 to 9 years of experience. When an actuarial report is conducted for incurred but not reported claims, there is a theoretical estimate involved. He then took us further into how these factors were reached. Since these reports will be conducted in the future, this report serves to establish a ground work for what the reserving approach should be as we move forward.

Director Case McNairy asked if there were actuarial standards or averages in the industry in regards to IBNR. Mr. Filliger pointed out the factors that were

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 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, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

used for this study are on Page 2 of the report. The factor used for medical claims is approximately 1.15 which is slightly lower than industry standards and pharmacy claims is 0.50 which is the industry standard.

8. Receive and File Executive Claims Summary through February 2014 (I)

Alan Thaxter, Gallagher Benefit Services, presented the claims summary through February 2014. He pointed out this report includes the new members who joined January 1, 2014 – City of Riverbank, City of Reedley, City of Wasco, City of Newman and City of Farmersville. This now totals 14 entities within SJVIA, including the founding members. The claims cost per employee per month shows some volatility for the 2014 plan year due to these new entities joining with little claim information thus far. Enrollment is continuing to increase year over year and trend is substantially lower than other plans on the market.

9. Receive and File Report on Upcoming Wellness Activities (I)

Brittany Howell, Gallagher Benefit Services, gave an update on the upcoming wellness activities, specifically the 2014 “Walking Works Challenge”. Last year, Anthem Blue Cross donated \$15,000 toward SJVIA wellness activities and due to the major growth this last year, they agreed to donate \$25,000 in 2014. A portion of that money was used toward pedometers and goody bags for all employees who participate in the challenge as well as raffle prizes to be given out at the end of the competition. In addition, our other carriers have donated raffle prizes such as Mountain Bikes, FitBits, gift cards, gym bags, sunglasses, etc.

There will be three different groups this year, according to size, and each entity within those groups will be competing against each other as well as against their internal departments for Average Steps Walked and Highest Participation. On top of that challenge, there will be a virtual “Walk to the Top” China Peak Challenge in which employees will be entered into a raffle to

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 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, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

win a China Peak lift ticket and t-shirt if they walk at least 10,000 steps every day of the challenge.

Of the fourteen entities within SJVIA, twelve have agreed to participate this year and everyone is very excited to get walking.

10. Approve the Acceptance of Revised Anthem Blue Cross Marketing Guidelines (A)

Mark Tucker, Gallagher Benefit Services, explained the purpose of these new marketing guidelines for Anthem Blue Cross. Historically, Anthem has had a policy in place called "Blue on Blue" which prohibits business from moving from one Anthem health plan to another, in a sense, competing against themselves. The changes under way are related to this policy, where Anthem will allow groups to opt in to a revised policy waiving "Blue on Blue". In order to maintain a competitive position in the marketplace and gain more membership in the SJVIA, staff is recommending the Board approve the amended guidelines.

Director Worthley moved to approve the Revised Anthem Blue Cross Marketing Guidelines; the motion was seconded by Director Ennis. The motion passed unanimously.

11. Authorization of the Release of Proposals and Execution of Participation Agreement(s) (A)

Paul Nerland stated that Staff is seeking approval to release proposals for City of Hughson, City of Coalinga and Fresno Metropolitan Flood Control District to be effective July 1, 2014, as well as to authorize the Participation Agreements.

Director Ennis moved to approve the Release of Proposals and Execution of Participation Agreements; the motion was seconded by Director Worthley. The motion passed unanimously.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 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, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
JUDITH CASE MCNAIRY
MIKE ENNIS
PHIL LARSON
DEBORAH POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 25, 2014 9:00 AM**

12. Approve the Revisions to the Participation Agreement for Non-founding Entities (A)

Paul Nerland explained the purpose of this agenda item which is to discuss revising the Participation Agreement for each entity should any renewal changes be made. Participation Agreements are a minimum of three years commitment to SJVIA. This Agreement includes exhibits that state the benefit/rates that apply to the specific program that entity has chosen. Staff is recommending the Participation Agreement template for all new groups coming into the SJVIA be revised to allow for these annual changes to benefits/rates. For groups currently participating in programs under SJVIA, Staff will request an amendment to the Agreement allowing for these annual changes to benefits/rates.

Director Larson approved revisions to the Participation Agreement for Non-founding entities; the motion was seconded by Director Worthley. The motion passed unanimously.

13. Adjournment

Meeting was adjourned at 10:18am by Director Case McNairy.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 600-1810 or the Assistant SJVIA Manager at 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, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.