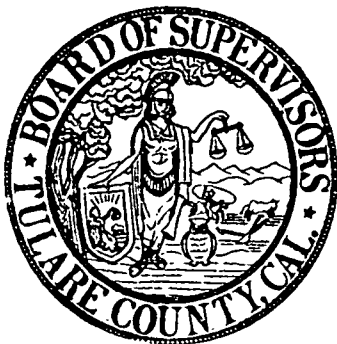


BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF APPROVAL OF THE)
 SECOND AMENDMENT TO AGREEMENT) Resolution No. 2018-0460
 NO. 27772 BETWEEN THE COUNTY OF) Agreement No. 27772-B
 TULARE AND THE SAN JOAQUIN VALLEY)
 INSURANCE AUTHORITY (SJVIA))

UPON MOTION OF SUPERVISOR VANDER POEL, SECONDED BY SUPERVISOR SHUKLIAN, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD JUNE 12, 2018, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS VANDER POEL, SHUKLIAN, WORTHLEY, AND ENNIS
 NOES: SUPERVISOR CROCKER
 ABSTAIN: NONE
 ABSENT: NONE



ATTEST: MICHAEL C. SPATA
 COUNTY ADMINISTRATIVE OFFICER/
 CLERK, BOARD OF SUPERVISORS

BY: Mary Ravello
 Deputy Clerk

That the Board of Supervisors:

1. Authorized the Chairman of the Tulare County Board of Supervisors to sign an amendment to Agreement No. 27772 for Cash Advances and Repayment between the County and the SJVIA.

HRD

HAR
 06/12/2018



**Human Resources and
Development
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One
PETE VANDER POEL
District Two
AMY SHUKLIAN
District Three
J STEVEN WORTHLEY
District Four
MIKE ENNIS
District Five

AGENDA DATE: June 12, 2018

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
CONTACT PERSON: Rhonda Sjostrom PHONE: (559) 636-4900				

SUBJECT: Approval of the Second Amendment to Agreement No. 27772 between the County of Tulare and the San Joaquin Valley Insurance Authority (SJVIA)

REQUEST(S):
That the Board of Supervisors:

1. Authorize the Chairman of the Tulare County Board of Supervisors to sign an amendment to Agreement No. 27772 for Cash Advances and Repayment between the County and the SJVIA.

SUMMARY:
On July 19, 2016, the Board of Supervisors approved an agreement to advance up to \$2,000,000 to the SJVIA to assist with cash flow needs and to make claims payments. The agreement required that the repayment of funds borrowed, plus accrued interest at the Tulare County Treasury pooled rate, would be remitted when there was a sufficient cash balance in the SJVIA Chase bank accounts to cover regular SJVIA cash flow needs, but no later than December 30, 2017.

On December 20, 2016 the Board amended the initial agreement through Tulare County Agreement No. 27772-A, authorizing up to \$4,000,000 total to be advanced to the SJVIA through March 2017. That amendment increased the line of credit available to the SJVIA from \$2,000,000 to \$4,000,000 and extended the repayment deadline to June 30, 2018. A total of \$4,000,000 was transferred from Tulare County to the SJVIA to help pay run out claims resulting from 18 member entities who left the SJVIA. Fresno County transferred \$5,000,000 and shared the responsibility for payment of the run out claims, without any payment from the 18 member agencies

SUBJECT: Approval of the Second Amendment to Agreement No. 27772 between the County of Tulare and the San Joaquin Valley Insurance Authority (SJVIA)

DATE: June 12, 2018

that left the SJVIA.

Although the SJVIA is currently having positive cash flow, and has instituted a series of changes, including hiring a new consultant, changes to health plan design, selection of a new pharmacy provider, cost avoidance by cancelling a wellness contract, and review of claims, the SJVIA is not in a financial position to remit full repayment to the County of Tulare on June 30, 2018. At its meeting on May 4, 2018, the SJVIA Board requested that the County of Tulare agree to extend and amend Tulare County Agreement No. 27772 to extend the SJVIA's required date of repayment to December 30, 2021, in order to ensure solvency of the SJVIA and to build cash reserves. Furthermore, on or before December 30, 2021, if there is a sufficient cash balance in the SJVIA's accounts to cover regular cash flow needs, repayment is to be made dollar for dollar to each entity (Tulare and Fresno counties) until the advances are fully repaid.

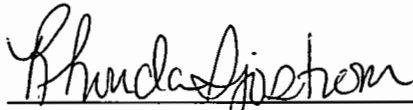
FISCAL IMPACT/FINANCING:

Amendment of this agreement does not result in increased cost to the County but changes the repayment deadline and method of repayment. The amount owed to Tulare County is \$4,000,000 plus accrued interest by the SJVIA, which remains in effect with this amendment.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Organizational Performance: Continuously improve organizational effectiveness and fiscal stability. Provide for the stability of county operations through periods of economic fluctuations, changing priorities and service demands.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
Human Resources Director

cc: Auditor-Controller
County Counsel
County Administrative Office (2)
San Joaquin Valley Insurance Authority
County of Fresno

Attachment(s): Second Amendment to Agreement for Cash Advances and Repayments No. 27772(b).