

Item #5  
12-15-15

# San Joaquin Valley Insurance Authority Cash Advance

Board of Supervisors  
December 15, 2015

# Board Agenda Item

- Proposal to provide cash advance to the SJVIA up to \$2,000,000 to address projected cash flow deficit
- Resolution – Authorize cash advance and request repayment
- Resolution – Use of Unassigned General Fund Balance
- Approve Amended JPA Agreement for SJVIA
  - Enables the advances and repayments
- Gives negotiating authority for Cash Advance and Repayment Agreement

# Cash Flow History

- Identified issues in September 2015
- Short-term transfers from Portfolio Pool
  - Two - \$1,000,000 transfers before September 2015
  - Attributed to additional agencies (1 of which pays in arrears) and higher than budgeted claims expenses
  - September 2015 – 2 \$1,000,000 transfers
  - Prepared cash flow projections through December 2016
  - Another \$1,000,000 transfer made November 2015

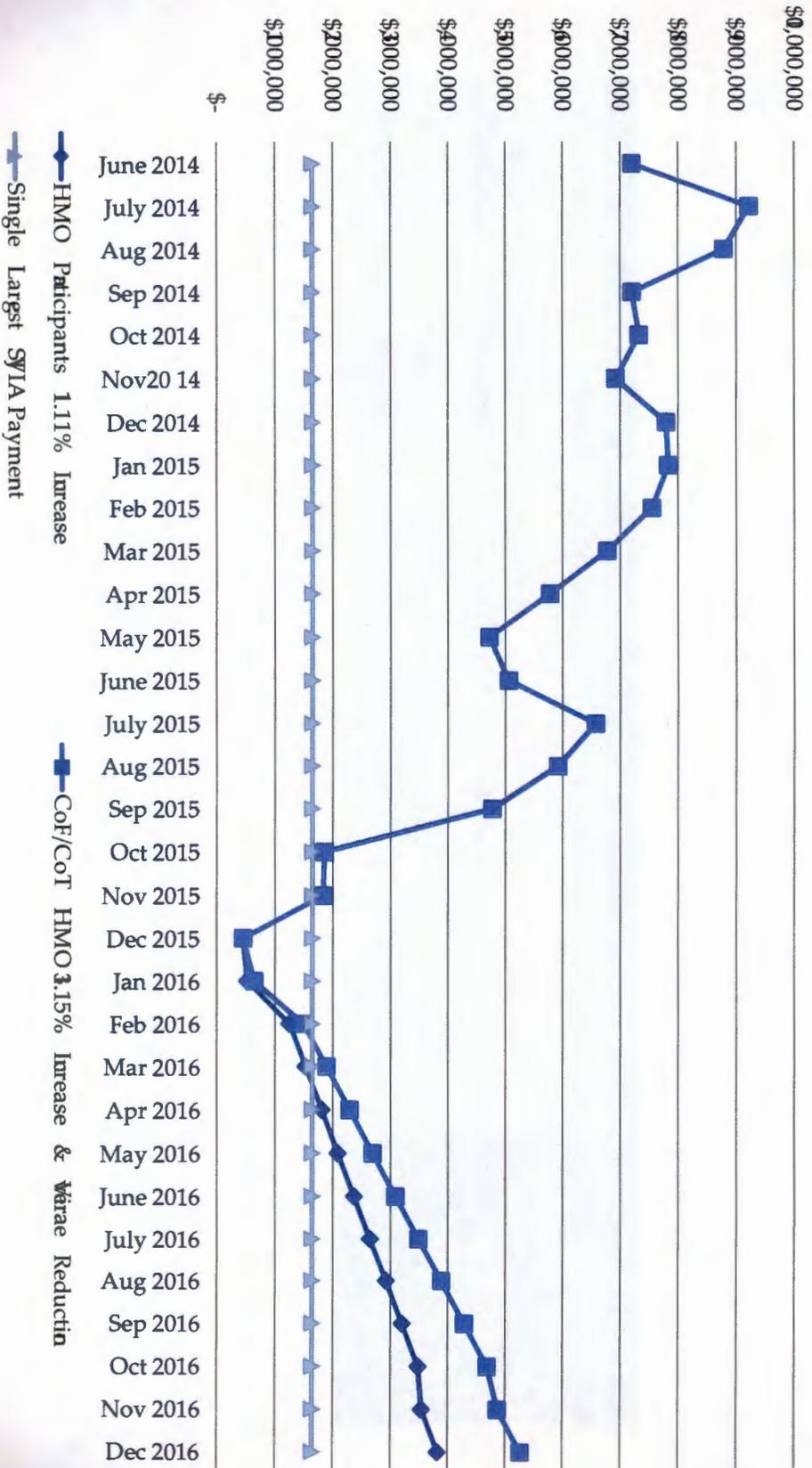
# Actions Taken

- Made presentation to SJVIA Board
  - Special meeting – October 15, 2015
  - Regular meeting – November 6, 2015
- Made presentation to Debt Advisory Board – November 20, 2015

# Current Cash Balances

December	12/7/2015	12/8/2015	12/9/2015	12/10/2015	12/11/2015
	11:52am(PST)	8:26am(PST)	7:55am(PST)	8:00am(PST)	7:39am(PST)
Claims Funding Acct 294	194,124.33	(130,403.02)	409,850.79	246,743.02	719,681.46
Fixed Cost Acct 120	627,122.45	1,828,843.55	676,047.26	686,128.29	686,128.29
Claims Reserve Acct - 819	1,439,814.70	2,459,206.99	1,958,337.65	1,505,988.79	3,033,196.89
Investment Pool	126,092.46	126,092.46	126,092.46	126,092.46	126,092.46
<b>Total</b>	<b>2,387,153.94</b>	<b>4,283,739.98</b>	<b>3,170,328.16</b>	<b>2,564,952.56</b>	<b>4,565,099.10</b>

# SJVIA CASHFLOW



# Cash Advances

- Anticipate potential need end of December 2015 and January 2016
- Transfer only on an “as needed” basis
- Approval by both SJVIA Manager and Auditor-Treasurer
- Repayment when SJVIA cash is sufficient to cover cash needs or December 2017

# Why Decline in Cash

- SJVIA's adopted premium rates assumed the use of \$5 Million "Reserve"
- Higher than budgeted claims expense

# Future Mitigation

- Terminate Wellness/Disease Management vendor
- Make available cash advances from Fresno County and Tulare County
- 2017 Premiums should have reserve component
- “Reserve” definition should consider actual cash flows