

**BOARD OF DIRECTORS REGULAR MEETING**

May 18, 2022

**MINUTES**

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**1. CALL TO ORDER:**

The regular meeting of the Board of Directors was held on May 18, 2022. The Meeting was called to order by President Wetter at 9:30 a.m.

Members Present: President Dean Wetter, Vice President Larry Mazzuca, Secretary Colin Miller, Director Lorena Cervantes, Director Jim Friedl, Director Michelle Lacy, and Director Jill Nunes.

Members Absent: None.

CAPRI Staff Present: Executive Director Matthew Duarte, Safety Analyst Kirk Andre, and Administrative Analyst Monica Breck.

Others Present: Mr. Derek Burkhalter & Mr. Stephan Zepernick (Bickmore Actuarial), Mr. James Marta (James Marta & Company), Ms. Amy Whitman (Sedgwick), Mr. Wale Kajopaiye (PFM), and Mr. Doug Wozniak (Alliant Insurance).

**2. INTRODUCTIONS:**

None.

**3. PUBLIC COMMENTS:**

None.

**4. CLOSED SESSION:**

The Board convened to Closed Session at 9:31 a.m. to review Liability & Property litigation.

**4.1 Liability & Property – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)**

- Powell v. Wasco Recreation & Park District
- Rancho Simi Recreation & Park District Property
- Soledad-Mission Recreation & Park District Property
- CAPRI v. Southern California Edison
- CAPRI \$5K Summary

Closed Session was concluded at 9:56 a.m.

**4.2 Workers' Compensation – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)**

- Galvan v. Desert Recreation District
- Rivard v. Sunrise Recreation & Park District
- Voges v. Jurupa Area Recreation & Park District

The Board deferred Item 4.2 to the end of the agenda. Closed Session reconvened at 1:26 p.m. and concluded at 1:40 p.m.

**5. REPORT FROM CLOSED SESSION:**

Pursuant to Government Code Section 54957.1, the Board must report in open session any action taken, or lack thereof, taken in closed session.

*On a motion by Director Jim Friedl, seconded by Director Michelle Lacy, the Board voted 7-0 to authorize Executive Director Duarte to execute the proposed settlement agreement in the Southern California Edison subrogation claim. There was no other reportable action.*

**6. CONSENT AGENDA:**

- 6.1** Approval of CAPRI Board Minutes
  - March 22, 2022
- 6.2** LAIF Regular Monthly Statement – April 2022
- 6.3** Warrant Listings for the months of January 2022 – March 2022
- 6.4** Statement of Net Position
- 6.5** Statement of Revenue and Expenses Budget to Actual
- 6.6** Statement of Revenue, Expenses, and Change in Net Position

**MOTION:**

*Secretary Colin Miller made a motion to approve consent agenda items 6.1 – 6.6. Director Jill Nunes seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.  
**Nays:** None  
**Abstain:** None

**7. PULLED CONSENT ITEMS:**

None.

**8. SPECIAL REPORTS:**

**8.1 Financial Audit Update 2020/2021 – James Marta & Company**

Mr. James Marta with James Marta & Company provided a report to the Board regarding the 2020/2021 Financial Audit report. The scope was as anticipated, and there were no findings or issues.

**MOTION:**

*Director Michelle Lacy made a motion to accept the Financial Audit for 2020/2021. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.  
**Nays:** None  
**Abstain:** None

**8.2 Workers' Compensation Actuarial Analysis – Bickmore Actuarial**

Mr. Derek Burkhalter with Bickmore Actuarial presented the actuarial analysis on the Workers' Compensation Program. Overall, this Program is in a very good funding position.

**8.3 General Liability & Property Actuarial Analysis – Bickmore Actuarial**

Mr. Derek Burkhalter with Bickmore Actuarial presented the actuarial analysis on the General Liability & Property Program. Overall, this Program is in a good funding position.

**MOTION:**

*Secretary Colin Miller made a motion to accept the Actuarial Analysis for both Workers Compensation and General Liability & Property Programs. Vice President Larry Mazzuca seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.  
**Nays:** None  
**Abstain:** None

#### **8.4 Insurance Market Report – Doug Wozniak, Alliant Insurance Services**

Mr. Doug Wozniak with Alliant Insurance Services provided an update regarding the insurance market and status of the 22/23 renewals as we get closer to July. We await final numbers for the Liability and Workers' Compensation Program coverages. There is still some work to be done on the Property Program coverage and that is Alliant's focus.

#### **8.5 WC Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Workers' Compensation Program with a focus on claims frequency. Based on total claims count in May of each year, the 2022 average number of claims per month is up a bit from last year but remains lower than the past 10 years prior to 2021. Staff continues to work with CAPRI's third-party administrator to bring claims to a timely resolution, while also working with the members to reduce the number of claims sustained by district workers.

#### **8.6 General Liability Program Status Report**

Executive Director Duarte reviewed and discussed the status of the General Liability Program, again focusing on claims frequency. Based on total claims count in May of each year, the 2022 average number of claims per month is lower than the past 11 years. With the casualty market in flux and defense costs on the rise, it will be beneficial to continue for a reduction in frequency of claims made against CAPRI members.

#### **8.7 Property Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Property Program, looking at total open claims and claim costs. Of the amount paid out for property claims over the past five and half fiscal years, approximately 20% can be attributed to wildfire losses. If the fire losses are excluded, the average paid amount per claim is less than \$12k. The other most common causes of property losses are storm damage, vehicle accidents, and vandalism/theft.

#### **8.8 Investment Stats Report – Wale Kajopaiye, PFM**

Mr. Wale Kajopaiye with PFM provided a report on the status of CAPRI's investment holdings. Mr. Kajopaiye noted that the investment portfolio remains consistent with CAPRI policy.

### **9. DISCUSSION/ACTION ITEMS:**

#### **9.1 New Member Application – Feather River Recreation & Park District**

The Board reviewed and discussed the application for membership by Feather River Recreation & Park District to determine whether to authorize membership in the CAPRI Workers' Compensation Program and CAPRI General Liability & Property Program effective July 1, 2022.

**MOTION:**

*Director Jim Friedl made a motion to approve membership for Feather River RPD in the CAPRI General Liability & Property program and Workers' Compensation programs, effective July 1, 2022. Director Michelle Lacy seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

**9.2 New Member Application – El Dorado Hills Community Services District**

The Board reviewed and discussed the application for membership by El Dorado Hills CSD to determine whether to authorize membership in the CAPRI General Liability & Property Program effective July 1, 2022. Staff requested authority to move forward with necessary paperwork to bring El Dorado Hills CSD into the Program with formal membership to be considered at the upcoming Board Meeting in June.

**MOTION:**

*Secretary Colin Miller made a motion to approve interim membership for El Dorado Hills CSD in the CAPRI General Liability & Property Program, effective July 1, 2022, contingent upon completion of necessary paperwork and site visit. Director Jill Nunes seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

**9.3 WC Experience Modification Factors 2022-2023**

Executive Director Duarte reviewed and discussed the WC Experience Modification (Ex Mod) Factors for the 2022-2023 policy year. The Ex Mod calculation method minimizes volatility from year to year, and shifts the focus to frequency of claims, rather than severity, in an equitable manner.

**MOTION:**

*Vice President Larry Mazzuca made a motion to approve the members' Experience Modification Factors calculation for use in the 2022-2023 WC premium allocation. Director Lorena Cervantes seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

#### 9.4 WC Premium Allocation Formula 2022-2023

Staff presented and the Board discussed the WC Premium allocation formula for 2022/2023. The Board also discussed an appropriate funding level for the upcoming program year.

##### **MOTION:**

*Director Michelle Lacy made a motion to direct Staff to finalize the Workers' Compensation premium allocation formula with a funding level at 75% for review and final approval at the June Board Meeting. Director Lorena Cervantes seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

#### 9.5 Liability Premium Allocation Formula 2022-2023

Staff presented and the Board discussed the Liability/Property Premium allocation formula for 2022/2023. The Board also discussed an appropriate funding level for the upcoming program year.

##### **MOTION:**

*Secretary Colin Miller made a motion to direct Staff to finalize the General Liability & Property premium allocation formula with a funding level at 70% for review and final approval at the June Board Meeting. Director Jim Friedl seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

#### 9.6 CAPRI 2022-2023 Budget

The Board reviewed and discussed the proposed CAPRI Budget for the 2022-2023.

##### **MOTION:**

*Director Michelle Lacy made a motion to adopt the proposed CAPRI Budget for 2022-2023, subject to changes related to excess insurance premiums. Director Jill Nunes seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

## 9.7 CAPRI MOC Review

The Board reviewed and discussed the proposed amendments to the CAPRI MOC for the 2022-2023 fiscal year. The amendments include language to address mixed martial arts, wrestling, and separately the lending of Member-owned power tools.

### MOTION:

*Director Jill Nunes made a motion to direct Staff and counsel to amend the CAPRI MOC per Staff's recommendation, with further clarification regarding interagency lending. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes.

**Nays:** None

**Abstain:** None

## 10. EXECUTIVE DIRECTOR/STAFF REPORTS:

### 10.1 CARPD Update

The Board of Directors had no comments or questions.

### 10.2 Member Training Update

The Board of Directors had no comments or questions.

## 11. BOARD MEMBER REPORTS:

### 11.1 Board Member Comments

None.

## 12. FUTURE AGENDA ITEMS:

The Board of Directors had no comments or questions.

## 13. ANNOUNCEMENTS:

The next CAPRI Board of Directors Meeting will be held on June 22, 2022.

## 14. ADJOURNMENT:

The Board adjourned the meeting at 1:45 p.m.

  
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Colin Miller,  
Secretary for the CAPRI Board of Directors