

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

**BOARD OF DIRECTORS REGULAR MEETING**

May 20, 2024

**MINUTES**

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**1. CALL TO ORDER:**

The regular meeting of the Board of Directors was held on May 20, 2024. The Meeting was called to order by President Wetter at 12:04 p.m.

Members Present: President Dean Wetter, Secretary Colin Miller, Director Jim Friedl, Director Mathew Fuzie, and Director Jill Nunes.

Members Absent: Vice President Michelle Lacy, Director Lorena Cervantes.

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

Others Present: Byrne Conley (Gibbons and Conley), Doug Wozniak (Alliant Insurance), Charles Torretta (George Hills Company), Amy Whitman (Sedgwick), Mallory Sampson (PFM), Michael Manduca (James Marta & Co.), and Stefan Zapernick (Bickmore Actuarial).

**2. INTRODUCTIONS:** None.

**3. PUBLIC COMMENTS:** None.

**4. CLOSED SESSION:**

The Board convened to Closed Session at 12:05 p.m.

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

- Property Claims – 2023 Storms
- Property Claims – 2024 Storms
- CAPRI \$5K Summary

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

- 2 cases

**4.3 Worker’s Compensation – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)**

- Hague v. Hesperia Recreation & Park District
- Alvarado v. Pleasant Hill Recreation & Park District
- Bellinger v. Jurupa Area Recreation & Park District
- Wizner v. Fulton-El Camino Recreation & Park District

Closed session concluded at 1:11 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.

*No reportable action.*

**6. CONSENT AGENDA:**

- 6.1** Approval of CAPRI Board Minutes
  - February 21, 2024
- 6.2** Warrant Listings – January 2024 – March 2024
- 6.3** Financial Reports
  - Statement of Net Position
  - Statement of Revenue and Expenses Budget to Actual
  - Statement of Revenue, Expenses, and Change in Net Position

**MOTION:**

*Director Jim Friedl made a motion to approve the Consent Agenda items 6.1 - 6.3. Secretary Colin Miller seconded the motion.*

*Ayes: Wetter, Miller, Friedl, Fuzie, and Nunes*

*Nays: None*

*Abstain: None*

*Absent: Lacy, Cervantes*

**7. PULLED CONSENT ITEMS: None.**

**8. SPECIAL REPORTS:**

**8.1 Investment Status Report**

Mallory Sampson with PFM provided a report on the status of RIO’s investment holdings. Investments have seen a positive return. The investment portfolio remains consistent with our investment policy.

## 8.2 Financial Audit Update 2022/2023

Michael Manduca with James Marta & Company provided a review of the 2022/2023 Financial Audit. Auditors did not encounter any issues or policy changes. Additionally, there were no findings, no adjustments, and no material weaknesses.

### MOTION:

*Director Mathew Fuzie made a motion to accept the audit for FY 22/23 as prepared by James Marta & Company. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

## 8.3 Workers' Compensation Actuarial Analysis

Stefan Zapernick with Bickmore Actuarial presented the actuarial analysis for the Workers' Compensation Program. This Program is in a very good funding position.

### MOTION:

*Director Jim Friedl made a motion to accept the Actuarial Analysis of the Workers' Compensation Program for FY 24-25 as prepared by Bickmore Actuarial. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

## 8.4 General Liability & Property Actuarial Analysis

Stefan Zapernick with Bickmore Actuarial presented the actuarial analysis for the General Liability & Property Program. This Program is in a good funding position.

### MOTION:

*Director Jill Nunes made a motion to accept the Actuarial Analysis of the General Liability & Property Program for FY 24-25 as prepared by Bickmore Actuarial. Director Mathew Fuzie seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**8.5 Insurance Market Report**

Doug Wozniak with Alliant Insurance Services provided an update regarding the insurance market and status of the 24/25 renewals as we get closer to July. This year we went out to the market for our General Liability coverage but are not seeing better rates so far. Workers’ Comp and Property renewal rates look promising. There is still work to be done on these renewals, so we are working with estimates as we await final numbers from our carriers.

**8.6 WC Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Workers’ Compensation Program. The total open claims count is trending up a bit from this time last year. Staff is working with Sedgwick to close claims in a timely manner. The Board was provided with a summary of the WC loss history by fiscal year.

**8.7 General Liability Program Status Report**

Executive Director Duarte reviewed and discussed the status of the General Liability Program. The total open claim count is up; however, claim frequency is down slightly and several claims are closing soon. The Board was provided with a summary of the GL loss history by fiscal year.

**8.8 Property Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Property Program. A 2018 fire claim is still open, which is impacting total reserves. This policy year has fallen outside the range that the market considers, so it is not affecting our 24/25 renewal. The Board was provided with a summary of the Property loss history by fiscal year.

**9. DISCUSSION/ACTION ITEMS:**

**9.1 Contract Extension with Sedgwick**

Executive Director Duarte reviewed and discussed the proposed contract extension with Sedgwick for Workers’ Compensation third party administrative services. The current contract expires on June 30, 2024.

**MOTION:**

*Secretary Colin Miller made a motion to authorize the Executive Director to execute a three-year contract extension with Sedgwick consistent with the terms outlined in Sedgwick’s proposal. Director Jill Nunes seconded the motion.*

**Ayes:** *Wetter, Miller, Friedl, Fuzie, and Nunes*

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Lacy, Cervantes*

**9.2 Membership Status – Hesperia RPD**

The Board reviewed and discussed the written notice of intent to withdraw effective June 30, 2024, which was recently submitted by Hesperia Recreation and Park District.



**MOTION:**

*Director Jim Friedl made a motion to accept Hesperia RPD's withdraw effective June 30, 2024. The Board thanks Hesperia for their participation and wishes the District well. Director Mathew Fuzie seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.3 Member Loyalty and Safety Discount Calculations 2024-2025**

The Board reviewed the 2024-2025 Loyalty and Safety Discount calculations.

**MOTION:**

*Secretary Colin Miller made a motion to approve the proposed Member Loyalty & Safety Credit Discounts for use in the 2024-2025 premium allocation calculations. Director Jill Nunes seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.4 WC Experience Modification Factors 2024-2025**

Executive Director Matthew Duarte reviewed and discussed the WC Experience Modification Factors (Ex-Mod) for the 2024-2025 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:**

*Director Jill Nunes made a motion to approve the members' Ex-Mod factors for use in the 2024-2025 WC premium allocation. Director Jim Friedl seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.5 WC Premium Allocation Formula 2024-2025**

Executive Director Matthew Duarte reviewed and discussed the WC Premium Allocation formula for 2024-2025. The Board also discussed an appropriate funding level for the upcoming program year.

**MOTION:**

*Director Jim Friedl made a motion to direct Staff to finalize the 2024-2025 WC premium allocation formula with funding level at 75% for review and final approval at the June Board Meeting. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.6 Liability/Property Premium Allocation Formula 2024-2025**

Executive Director Matthew Duarte reviewed and discussed the Liability/Property Premium Allocation formula for 2024-2025. The Board also discussed an appropriate funding level for the upcoming program year.

**MOTION:**

*Director Jim Friedl made a motion to direct Staff to finalize the 2024-2025 Liability/Property premium allocation formula with funding level at 70% for review and final approval at the June Board Meeting. Secretary Colin Miller seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.7 CAPRI Employee Handbook Review**

The Board reviewed and discussed a proposed revision to the CAPRI Employee Handbook, under Employee Benefits subsection B, related to deferred compensation. CAPRI will match pre-tax contributions up to 1% for full-time employees' base wages per pay period.

**MOTION:**

*Secretary Colin Miller made a motion to approve proposed revision to the Employee Benefits section of the Employee Handbook. Director Jill Nunes seconded the motion.*

**Ayes:** Wetter, Miller, Friedl, Fuzie, and Nunes

**Nays:** None

**Abstain:** None

**Absent:** Lacy, Cervantes

**9.8 Proposed Extension of CARPD Executive Director Services Agreement**

The Board reviewed and discussed the Executive Directors Services Contract Renewal. Through this contract, CAPRI's Executive Director also serves as Executive Director for CARPD and manages CARPD with oversight from the CARPD Board. The current contract expires on June 30, 2024

**MOTION:**

*Director Jill Nunes made a motion to authorize the CAPRI Board President to execute the proposed three-year contract extension with CARPD, which will start with an annual fee of \$85,000 and include annual COLA adjustments at 1.5%. Secretary Colin Miller seconded the motion.*

**Ayes:** *Wetter, Miller, Friedl, Fuzie, and Nunes*

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Lacy, Cervantes*

**9.9 CAPRI 2024-2025 Budget Review**

The Board reviewed and discussed the proposed CAPRI Budget for the 2024-2025 fiscal year.

**MOTION:**

*Director Jim Friedl made a motion to adopt the proposed draft as the CAPRI 2024-2025 Budget subject to changes related to the excess premiums. Director Jill Nunes seconded the motion.*

**Ayes:** *Wetter, Miller, Friedl, Fuzie, and Nunes*

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Lacy, Cervantes*

**9.10 Memorandum of Coverage Review – 2024-2025**

The Board reviewed and discussed coverage for Bounce Houses as it relates to the Trampoline exclusion in the MOC. The Board determined that Bounce Houses are covered and provided direction to Staff to implement a fee of \$500 per bounce house (i.e. inflatable on land or water that users can get into or climb on). Members who have paid the fee are extended coverage. Additionally, the Board discussed Law Enforcement liability and whether CAPRI should continue to offer coverage. The Board will re-evaluate this coverage for the 25/26 policy year.

**9.11 CAPRI Safety Awards for District Visit Cycle XVIII (2<sup>nd</sup> Half) & Cycle XIX (1<sup>st</sup> Half)**

The Board reviewed the Safety Award winners based on results of each members' district visits. Members who earned a rating of "Excellent" receive an award, which is presented at the CARPD Annual Membership Meeting.

**MOTION:**

*Director Jill Nunes made a motion to approve the proposed winners of the Cycle XVIII (2<sup>nd</sup> Half) & Cycle XIX (1<sup>st</sup> Half) Safety Awards. Director Mathew Fuzie seconded the motion.*

**Ayes:** *Wetter, Miller, Friedl, Fuzie, and Nunes*  
**Nays:** *None*  
**Abstain:** *None*  
**Absent:** *Lacy, Cervantes*

**9.12 Insurance Minimum Standards Review**

The Board discussed insurance minimum standards in relation to insurance requirements for third parties with whom the members may contract. CAPRI Members regularly consult with Staff regarding sufficiency of insurance for events and programs. Recently, Staff has observed some potential changes in the industry regarding insurance minimums. Specifically, the minimums are increasing from \$1M occurrence/\$2M aggregate, which has been the standard for 40 years, to \$2M/\$4M respectively, and in some cases more. Staff reported on how CAPRI is preparing for change and how Staff proposes CAPRI engage with the membership prior to considering any revision to its requirements.

**10. EXECUTIVE DIRECTOR/STAFF REPORTS:**

**10.1 District Visit Update**

This item was information only.

**10.2 CARPD Update**

This item was information only.

**10.3 RIO Update**

This item was information only

**10.4 Certificate Management Program Update**

This item was information only.

**10.5 Special Acknowledgements**

CAPRI recognized Byrne Conley for 25 years of service as General Counsel to the CAPRI Board and Kirk Andre for 5 years at CAPRI. Congratulations!

**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 is scheduled for June 20, 2024.

**14. ADJOURNMENT:**

The Board adjourned the meeting at 4:33 p.m.

**MOTION:**

*Director Jill Nunes made a motion to adjourn the meeting. Secretary Colin Miller seconded the motion.*

**Ayes:** *Wetter, Miller, Friedl, Fuzie, and Nunes*

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Lacy, Cervantes*

DocuSigned by:  
*Colin Miller*  
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Colin Miller,  
Secretary for the CAPRI Board of Directors