

**BOARD OF DIRECTORS REGULAR MEETING**

March 2, 2022

**MINUTES**

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**1. CALL TO ORDER:**

The regular meeting of the Board of Directors was held on March 2, 2022. The Meeting was called to order by President Wetter at 9:00 a.m.

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

Members Absent: Vice President Larry Mazzuca.

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

Others Present: Mr. Byrne Conley (Gibbons & Conley), Wale Kajopaiye (PFM), and Mr. Doug Wozniak (Alliant Insurance).

**2. INTRODUCTIONS:**

*Secretary Colin Miller made a motion to excuse Vice President Larry Mazzuca from this meeting due to illness. Director Michelle Lacy seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

**3. PUBLIC COMMENTS:**

None.

**4. CLOSED SESSION:**

The Board convened to Closed Session at 9:00 a.m.

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

- Freitas v. Durham Recreation & Park District
- Peralta v. Pleasant Valley Recreation & Park District
- Shenson v. Pleasant Hill Recreation & Park District
- Woods v. Hesperia Recreation & Park District
- Carmichael Recreation & Park District Property Claim
- Paradise Recreation & Park District Personnel Claim
- CAPRI \$5K Summary

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

- Freitas v. Durham Recreation & Park District
- Aro v. Hayward Recreation & Park District
- Mosqueda v. x Ambrose Recreation & Park District
- Vollmer v. x Rancho Simi Recreation & Park District

Closed Session was concluded at 10:11 a.m.

**4.3 Public Employee Evaluation – Performance Review Pursuant to Government Code § 54957**

- Executive Director

The Board deferred Item 4.3 to the end of the agenda. Closed Session reconvened at 11:32 a.m. and concluded at 11:45 a.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
  - December 3, 2021
- 6.2** LAIF Regular Monthly Statement – December 2021
- 6.3** Warrant Listings for the months of October 2021 – December 2021
- 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 Michelle Lacy seconded the motion.*

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

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Mazzuca*

## **7. PULLED CONSENT ITEMS:**

None.

## **8. SPECIAL REPORTS:**

### **8.1 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.

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

Mr. Doug Wozniak with Alliant Insurance Services provided an update regarding the insurance market as we prepare for the 22/23 renewals. We are likely to see high costs for Liability coverage as insurers reduce capacity, making it more challenging to place. While the Property coverage is on the road to stabilizing, challenges with wildfire coverage remain an issue. Mr. Wozniak also noted that Eve Wildhagen is leaving Alliant and our new contact is Suzette Santos.

### **8.3 WC Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Workers' Compensation Program with a focus on claims severity. For Fiscal Year 2021-2022, claims expenses through December have been lower than anticipated. Additionally, Total claim reserves for the Program are down 32% from just five years ago, which is significant as the reserves play a large role in actuarial analysis. Finally, a review of the Return-to-Work Program shows CAPRI's modified duty rate steady at 75% for the 2021 calendar year.

### **8.4 General Liability Program Status Report**

Executive Director Duarte reviewed and discussed the status of the General Liability Program, focusing on claims severity. For Fiscal Year 2021-2022, claims expenses through December were higher than anticipated, which can be attributed to resolving and paying big, older claims. Notably, just six claims account for 90% of the expenses



and stretch back to FY 2014-2015. The increase in claims expenses in the last five years are consistent with the rise in costs observed across the nation. Moving forward, with those larger claims closing and frequency trending down, severity will begin to decrease.

### **8.5 Property Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Property Program with a focus on severity here as well. Four out of five past years' expenses exceed the budgeted value. Recent property loss costs were driven by wildfires in 2018 and 2019, most of which were paid out in 2020. We are, however, on track to come in under budget at the end of the current fiscal year.

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

### **9.1 CAPRI Liability Claims Audit**

The Board reviewed and discussed the results of CAPRI's Liability Claims Audit. The auditors scored all applicable categories at 100%! Of the claims audited, there was one recommendation to increase reserves. No other items were identified. This was an informational item and no action was taken.

### **9.2 Safety Credit Criteria 2022-2023**

In 2019-2020 the Board approved updates to CAPRI's allocation formulas to incorporate a multi-program discount and updated Safety Credit discount. At this meeting, Staff proposed modifications to the Safety Credit Criteria to place emphasis on Safety Committee Meetings and general safety trainings.

#### **MOTION:**

*Director Michelle Lacy made a motion to approve the proposed Safety Credit Criteria for use in the 2022-2023 GL/Property and WC premium allocation calculations. Secretary Colin Miller seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

### **9.3 Loyalty and Safety Discount Calculations 2022-2023**

The Board reviewed and discussed 2022-2023 Loyalty and Safety Discount calculations. The Board and Staff also discussed how CAPRI is addressing the districts who fell short of the full Safety Credit discount.

**MOTION:**

*Director Jim Friedl made a motion to approve the proposed Loyalty and Safety Discount calculations to be utilized in the 2022-2023 GL/Property and WC premium allocation computations. Director Jill Nunes seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

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

**10.1 District Visit Update**

The Board of Directors had no comments or questions.

**10.2 CARPD Update**

The Board of Directors had no comments or questions.

**10.3 ADA Compliance Program & Training Update**

The Board of Directors had no comments or questions.

**10.4 Online Training Program Utilization Review**

The Board of Directors had no comments or questions.

**11. BOARD MEMBER REPORTS:**

**11.1 Board Member Comments**

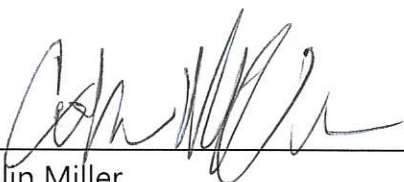
President Wetter took a moment to acknowledge the passing Patty Evers' husband.

**12. ANNOUNCEMENTS:**

The next CAPRI Board of Directors Meeting will be held on May 18, 2022 in South Lake Tahoe, CA.

**13. ADJOURNMENT:**

The Board adjourned the meeting at 11:49 p.m.



Colin Miller,  
Secretary for the CAPRI Board of Directors