

BOARD OF DIRECTORS REGULAR MEETING

Via Zoom Webinar

November 20, 2020

MINUTES

1. CALL TO ORDER:

Due to the stay-at-home order by the Governor of California the regular meeting of the Board of Directors was held on November 20, 2020 via Zoom Webinar. The Meeting was called to order by President Wetter at 10:05 a.m.

Members Present via Zoom: President Dean Wetter, Vice President Larry Mazzuca, Secretary Colin Miller, Director Lorena Cervantes, Director Jim Friedl, Director Mathew Fuzie, and Director Lindsay Woods. Note: Director Friedl joined the meeting at 10:32 a.m. during Closed Session.

CAPRI Staff Present via Zoom: Executive Director Mr. Matthew Duarte, Safety Analyst Kirk Andre, Administrative Analyst Monica Breck, and Administrative Assistant Jordan Coyle.

Others Present via Zoom: Mr. Byrne Conley (Gibbons & Conley), Mr. Doug Wozniak (Alliant Insurance), Mr. Charles Torretta (George Hills), Ms. Dori Zumwalt (Sedgwick), Ms. Amber Abella (Sedgwick), and Ms. Allison Kaune (PFM).

2. INTRODUCTIONS:

None.

3. PUBLIC COMMENTS:

None.

4. CLOSED SESSION:

The Board convened to Closed Session at 10:10 a.m. regarding the following matters:

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

- Alward v. Greater Vallejo Recreation & Park District
- Beliso v. Arcade Creek Recreation & Park District
- Duran v. Fair Oaks Recreation & Park District
- Keener v. Rancho Simi Recreation & Park District
- Watson v. Orangevale Recreation & Park District
- Williams v. Hayward Area Recreation & Park District
- Carmichael Property Claims
- CAPRI \$5K Summary

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

- Krieg v. Tuolumne Recreation & Park District
- Martinez v. Livermore Recreation & Park District
- Moss v. North of the River Recreation & Park District
- Vasquez v. Livermore Recreation & Park District
- 2020 CAPRI Settlements

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

- Executive Director

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.

The Board concluded Closed Session at 11:10 a.m.

6. CONSENT AGENDA:

- 6.1** Approval of CAPRI Board Minutes
 - August 19, 2020
- 6.2** LAIF Regular Monthly Statement – October 2020
- 6.3** Warrant Listings for the 3 Months of July 2020 – September 2020
- 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:

*Director, Lindsay Woods, made a motion to approve consent items #6.1 – #6.6.
Secretary, Colin Miller, seconded the motion.*

Ayes: *Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods*

Nays: *None*

Abstain: *None*

7. PULLED CONSENT ITEMS:

None.

8. SPECIAL REPORTS:

8.1 WC Program Status Report – Sedgwick

Ms. Dori Zumwalt and Ms. Amber Abella with Sedgwick reviewed and discussed the status of the Workers' Compensation Program. Ms. Zumwalt noted, compared to prior years, that the average number of days to close a file has been greatly reduced. As of this meeting there were no COVID-19 claims from the District members. We are also seeing lower claim frequency this year due to COVID-19's effect on District staffing and operations.

8.2 General Liability Program Status Report

Executive Director Duarte reviewed and discussed the status of the General Liability Program, noting that claim frequency is down approximately 45% for fiscal year 2019/2020. Additionally, since the start of the 2020/2021 fiscal year, CAPRI has received only five claims. With the casualty market in flux and defense costs on the rise, it will be beneficial to continue to strive for a low frequency of claims and a low number of total open cases.

8.3 Property Program Status Report

Executive Director Duarte and Mr. Doug Wozniak reviewed and discussed the status of the Property Program. Regarding the November 2018 wildfires and February 2019 floods, over \$4M in excess funds have been distributed to date and our adjuster, McLaren's continues to adjust several open claims. Mr. Wozniak addressed the topic of business interruption, stating that the business interruption coverage has a shared limit of \$10M annual aggregate in the Property Program. There are over 300 claims made for business interruption due to the pandemic, which means the recovery amount per claim will not cover the cost of the losses.

8.4 Insurance Market Update – Doug Wazniak, Alliant Insurance Services

Mr. Doug Wozniak with Alliant Insurance Services provided an update regarding the current insurance market and outlook for 2021. Unfortunately, the market is worse now than it was going into the 2020/2021 policy year renewal, which is largely attributed to the frequency and severity of losses. As of this meeting, based on Mr. Wozniak's analysis, we can expect to see double-digit percentage premium increases for Property and Casualty for 2021/2022. The Board was also provided with the PRISM premium budget estimates for the 2021/2022 renewal.

8.5 Investment Stats Report – Allison Kaune, PFM

Ms. Allison Kaune with PFM provided a report on the status of CAPRI's investment holdings. Ms. Kaune noted that the investment portfolio remains consistent with CAPRI policy.

9. DISCUSSION/ACTION ITEMS:

9.1 Investment Policy Review

Ms. Allison Kaune with PFM reviewed and discussed the investment policy. Ms. Kaune recommended revisions to the policy to address Senate Bill 998 (SB998) and Assembly Bill 857 (AB857). None of the changes related to SB998 will have a material impact on CAPRI's investment portfolio; the goal is for the policy language aligned with the California Government Code language. Regarding AB857, the recommended change does not change the policy, but will update language related to an investment type related to JPAs.

MOTION:

Director Jim Friedl made a motion to approve the proposed revisions to CAPRI's investment policy. Vice President Larry Mazzuca seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

9.2 Approval of 2019/2020 WC Final Payroll

Executive Director Duarte reviewed and discussed the outcome of the 2019/2020 Final Payroll figures and calculation of final premiums. With prior approval from the Board, Staff expedited the issuing of invoices and refunds after calculations were complete.

MOTION:

Director Lindsay Woods made a motion to approve the final payroll and ratify Staff's calculation of final premiums. Secretary Colin Miller seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods
Nays: None
Abstain: None

9.3 Workers' Compensation Premium Review

Executive Director Duarte reviewed and discussed the proposal to revise and reduce invoiced premiums for Quarter Three 2020-2021 Workers' Compensation Premiums in light of continued projections of payroll decreases flowing from COVID-19.

MOTION:

Vice President Larry Mazzuca made a motion to authorize Staff to revise and reduce invoiced premium for Q3 by 10%. Director Lindsay Woods seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods
Nays: None
Abstain: None

9.4 CAPRI WC Volunteer Reporting Policy

Staff reviewed and discussed the proposed CAPRI WC Volunteer Reporting Policy. From a risk management standpoint treating volunteers as employees for workers' compensation purposes is ideal in controlling potential claim costs, and under Labor Code 3363.5 this can be accomplished by adopting a resolution to cover volunteers in this manner. In addition, as a benefit to the members, Staff proposed that there be no charge for volunteers in the WC Program. Staff also prepared a Volunteer Toolkit as a resource to assist members in working responsibly with their volunteers. Upon approval of this policy, Staff will request a resolution from each member.

MOTION:

Director Lindsay Woods made a motion to authorize Staff to formalize a policy regarding volunteers for purposes of claims handling and Workers' Compensation payroll reporting. Director Mathew Fuzie seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods
Nays: None
Abstain: None

9.5 Resolution No. 4-2020 – WC Coverage to Volunteers

In line with the previous agenda item, Staff also reviewed CAPRI’s policy regarding volunteers. CAPRI’s excess workers’ compensation insurer, PRISM, provides coverage for volunteers if the Board has adopted a resolution. Staff was unable to locate any such resolution addressing volunteers. Staff prepare resolution 4-2020 declaring volunteer workers of CAPRI and its member agencies to be employees for purposes of the Workers’ Compensation Act.

MOTION:

Secretary Colin Miller made a motion to adopt Resolution No. 4-2020 declaring volunteer workers of CAPRI and its member agencies to be employees for purposes of the Workers’ Compensation Act. Director Mathew Fuzie seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

9.6 Law Enforcement Liability Review

Executive Director Duarte and Mr. Doug Wozniak reviewed and discussed law enforcement as it relates to recreation and park districts, as well as the cost for this added coverage. Three CAPRI Member Districts provide such a program to serve and protect their communities. With law enforcement comes added liability exposure and potentially high-dollar claims that may impact the pool. The current premium charged for this coverage is not in line with the exposure and generous insurance limits provided.

MOTION:

Director Jim Friedl made a motion to replace the flat fee with an FTE based fee at the 75% confidence level, maintain \$25M limits, and establish a \$25k deductible threshold. Additionally, Staff was given direction to further examine the rate calculation for the FTE based fee. Director Mathew Fuzie seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, and Fuzie

Nays: None

Abstain: Woods

9.7 WC MOC Review

Executive Director Duarte and Mr. Byrne Conley reviewed and discussed the proposed revisions to CAPRI's Workers' Compensation Program Memorandum of Coverage in advance of the 2021-2022 fiscal year.

MOTION:

Secretary Colin Miller made a motion to direct Staff to revise the 2021-2022 Workers' Compensation Memorandum of Coverage as proposed, with the following amendment:

Under Premium, No. 3. Remuneration part D, the last sentence should read, "... solely on items 3.A. through 3.C. above."

Director Lorena Cervantes seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

9.8 CAPRI BOD Meeting Calendar 2021

Executive Director Duarte reviewed the CAPRI Board Meeting Calendar for the upcoming calendar year.

MOTION:

Director Lindsay Woods made a motion to approve the proposed meeting schedule for the CAPRI Board of Directors for 2021. Secretary Colin Miller seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

9.9 Executive Director Contract Review

The Board reviewed and discussed the Executive Director Contract under Closed Session item 4.3. From that discussion the Board made amendments in two separate motions and authorized the President of the Board to execute an amendment consistent with Board direction.

MOTION 1:

Secretary Colin Miller made a motion to approve the renewal of the Executive Director contract. Director Lindsay Woods seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

MOTION 2:

Director Lindsay Woods made a motion to approve the addition of one year to the contract with a 5% merit increase from \$176,550 per annum to \$185,378 per annum and \$100 monthly stipend for electronics. Director Lorena Cervantes seconded the motion.

Ayes: Wetter, Mazzuca, Miller, Cervantes, Friedl, Fuzie, and Woods

Nays: None

Abstain: None

10. EXECUTIVE DIRECTOR/STAFF REPORTS:

The Executive Director and Staff will report on the following topics:

10.1 District Visit Update

The Board of Directors had no comments or questions on this writeup.

10.2 CARPD Update

The Board of Directors had no comments or questions on this writeup.

10.3 CAPRI Staff Update

The Board of Directors had no comments or questions on this writeup.

10.4 BOD Election Update

The Board of Directors had no comments or questions on this writeup.

10.5 ADA Compliance Program & Trainings Update

The Board of Directors had no comments or questions on this writeup.

10.6 CAPRI Website Update

The Board of Directors had no comments or questions on this writeup.

10.7 News of Note

The Board of Directors had no comments or questions on this writeup.

11. BOARD MEMBER REPORTS:

11.1 Board Member Comments

The members of the Board and Staff thanked Director Mathew Fuzie for his guidance, contributions, and service on the Board.

12. FUTURE AGENDA ITEMS:

The Board of Directors had no comments or questions on this item.

13. ANNOUNCEMENTS:

The next CAPRI Board of Directors meeting will be held on February 24, 2021 at 10:00 a.m. at the CAPRI Office in Roseville, CA or again via Zoom.

14. ADJOURNMENT:

The Board adjourned the meeting at 3:22 p.m.



Colin Miller,
Secretary for the CAPRI Board of Directors