

BOARD OF DIRECTORS REGULAR MEETING

December 3, 2021

MINUTES

1. CALL TO ORDER:

The regular meeting of the Board of Directors was held on December 3, 2021. The Meeting was called to order by President Wetter at 12:38 p.m. for items 2 – 9.1 and 9.9 – 9.10. The Meeting reconvened on December 4, 2021 at 8:14 a.m. to address remaining agenda items 9.2 – 9.8 and 10 - 14.

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

Members Absent: Director Jill Nunes.

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

Others Present: Mr. Byrne Conley (Gibbons & Conley), Charles Toretta (George Hills), Amber Abella (Sedgwick), Amy Whitman (Sedgwick), Wale Kajopaiye (PFM), Allison Kaune (PFM via Zoom), Rick Brush (PRISM), and Mr. Doug Wozniak (Alliant Insurance via Zoom).

2. INTRODUCTIONS:

None.

3. PUBLIC COMMENTS:

None.

4. CLOSED SESSION:

The Board convened to Closed Session regarding items 4.1 and 4.2 at 12:39 p.m. on December 3, 2021.

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

- Kreuzer v. Strawberry Recreation District
- Tounget v. Valley-Wide Recreation & Park District

- Willis/Mocci v. Valley-Wide Recreation & Park District
- Catalano v. Hayward Area Recreation & Park District
- CAPRI v. Southern California Edison
- CAPRI \$5K Summary

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

- Averlar Bustos v. Desert Recreation & Park District
- Chumber v. Fulton-El Camino Recreation & Park District
- Magaziner v. Fulton-El Camino Recreation & Park District
- Espinoza v. North of the River Recreation & Park District

The Board reconvened to Closed Session regarding item 4.3. at 4:25 p.m. on December 3, 2021.

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 regarding items 4.1 and 4.2 at 2:18 p.m on December 3, 2021. The Board returned to open session immediately after.

The Board returned from Closed Session regarding item 4.3 at 4:55 p.m. on December 3, 2021.

6. CONSENT AGENDA:

- 6.1** Approval of CAPRI Board Minutes
 - August 25, 2021
- 6.2** LAIF Regular Monthly Statement – October 2021
- 6.3** Warrant Listings for the months of July 2021 – September 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:

Vice President Larry Mazzuca made a motion to approve consent agenda items 6.1 – 6.6. Secretary Colin Miller seconded the motion.

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

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 PRISM Status Report

Mr. Rick Brush, PRISM's Chief Member Services Officer, presented the CAPRI Board with the 2021/2022 EAGLE Award, Innovation in Pool Management, for the creation and implementation of the CAPRI Member Portal. Mr. Brush also provided an update on PRISM's Member Services available to CAPRI members.

8.3 Insurance Market Update – Doug Wozniak, Alliant Insurance Services

Mr. Doug Wozniak with Alliant Insurance Services provided an update regarding the current insurance market as we look forward to next year's renewals. We are likely to again see high costs for Liability coverage as insurers continue to pull back from California. The Property coverage, however, is on the road to stabilizing although we are not likely to see much rate relief yet. Mr. Wozniak also noted that Cyber coverage continues to be difficult.

8.4 WC Program Status Report

Executive Director Duarte reviewed and discussed the status of the Workers' Compensation Program. In looking at annual benchmarking, claims frequency remains lower than in years past. Additionally, total open claims are expected to decrease as several cases are pending closure.

8.5 General Liability Program Status Report

Executive Director Duarte reviewed and discussed the status of the General Liability Program. In looking at annual benchmarking, claims frequency continues to trend downward. The CAPRI membership is currently averaging just 1 new claim per month. Also, we are anticipating additional file closures before the end of the calendar year, which may drop the total open claims into the 20s.

8.6 Property Program Status Report

Executive Director Duarte reviewed and discussed the status of the Property Program. In looking at annual benchmarking, the total claims count is down compared to years past. Two wildfire claims remain open from November 2018 and CAPRI awaits coverage analysis on one from 2019/20. Mr. Duarte noted that most common property loss causes are due to storm damage, vehicle accidents, and vandalism/theft.

9. DISCUSSION/ACTION ITEMS:

9.1 Investment Policy Review

Allison Kaune with PFM reviewed and discussed the investment policy. There are no changes to the Government Code, so no updates to CAPRI's policy are required. However, PFM requested the Board consider revisions to Section X, titled "Maximum Maturity", that would allow for longer-duration investment strategies. This revision would allow CAPRI to invest in select securities with maturities beyond five years.

MOTION:

Director Michelle Lacy made a motion to approve proposed revisions to the CAPRI Investment Policy with suggested revisions. Director Jim Friedl seconded the motion.

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

9.2 Proposed Amendment to NPA Return to Work Services Agreement

Executive Director Duarte discussed requested amendments to the NPA Agreement, specifically with regard to rates. NPA has provided Return to Work Services to CAPRI since 2010, and the current rate has not been updated in nearly four years. NPA has requested a quarterly step-up in 2022, until the rate reaches \$500 per claim, and has proposed annual 3% escalator beyond 2022.

MOTION:

Vice President Larry Mazzuca made a motion to authorize Executive Director Duarte to execute the proposed agreement with NPA, with the revised fee schedule. Director Jim Friedl seconded the motion.

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

Nays: None

Abstain: None

Absent: Nunes

9.3 Review of 2020/2021 WC Final Payroll

The Board reviewed and discussed 2020/2021 Final Payroll for the Workers' Compensation program. In anticipation of payroll over-projection due to COVID-19, the Board approved a 10% reduction to member invoicing for three of the four quarters of FY20-21. Because of the Board's action, members were able to access and utilize nearly \$400,000 during the pandemic. CAPRI has now collected all final payroll and has calculated final premiums for the Program. As a pool, actual payroll totals decreased 18% as compared to the member estimates. This results in net refunds of approximately \$268,880 to members.

MOTION:

Secretary Colin Miller made a motion to approve Workers' Compensation program final payroll and final premium calculation for fiscal year 20/21. Director Michelle Lacy seconded the motion.

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

Nays: None

Abstain: None

Absent: Nunes

9.4 Annual WC Program Dividend Distribution Review

The Board reviewed and discussed the financial position of the WC Program and the possibility of a dividend. Per Board approval, CAPRI provided a 10% discount on billing for three of the four quarters as our membership was impacted by the pandemic. This may be considered in lieu of a dividend, as we collected less premium than was budgeted.

MOTION:

Director Jim Friedl made a motion to decline to issue dividends for the Workers' Compensation program for the 20/21 fiscal year. Director Lorena Cervantes seconded the motion.

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

9.5 Cazadero CSD – Member Review

The Board reviewed and discussed the status of interim member, Cazadero CSD, and considered approval of full membership. In 2019, Cazadero contacted CAPRI regarding potential membership to obtain liability and property insurance. In February 2020, after considering their application, the CAPRI Board granted Cazadero interim membership in the General Liability and Property program.

MOTION:

Secretary Colin Miller made a motion to approve Cazadero CSD for full membership conditioned upon removal of non-compliant conditions. Vice President Larry Mazzuca seconded the motion.

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

9.6 CAPRI District Visit Report Criteria & Scoring Review

The Board reviewed and discussed the updated CAPRI District Visit Report Criteria and Scoring. Staff proposed a structure change to the Report that groups scoring items into three categories to improve the Report itself as well as to assist the Districts when preparing for Visits. Staff also proposed minor changes to the scoring rubric and the addition of three scoring items. Both amendments to the scoring will emphasize the importance of specific categories which are most significant for health and safety and best practices.

MOTION:

Director Michelle Lacy made a motion to approve proposed revisions to the District Visit Report criteria and scoring system. Director Jim Friedl seconded the motion.

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

9.7 CAPRI Board Meeting Calendar 2022

The Board reviewed the proposed CAPRI Board Meeting Calendar for 2022. At this time four of the five meetings are planned to be in person at various locations noted.

MOTION:

Director Michelle Lacy made a motion to approve the proposed CAPRI Board Meeting Calendar for 2022 with the changes below. Secretary Colin Miller seconded the motion.

- *Move the Meeting and Retreat to December 1, 2022 – December 2, 2022*
- *Locations for August and December meetings to be determined*

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

9.8 CAPRI Board Manual Review

The Board reviewed and discussed the updated CAPRI Board Manual, which was included in the agenda packet. The Manual was last updated in 2018 and needed more current information. The appendices of this Manual may also require updating, to meet CAJPA Accreditation standards, and will be brought to the Board for review approval at future meetings.

MOTION:

Vice President Larry Mazzuca made a motion to approve the CAPRI Board Manual with discussed edits. Secretary Colin Miller seconded the motion.

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

9.9 Annual Executive Director Contract Review

The Board reviewed and discussed the Executive Director employment contract. This matter was before the Board as part of the annual performance evaluation process for the Executive Director. In its review, the Board may consider amendments to the Contract.

MOTION:

Secretary Colin Miller made a motion to approve amendments to the Executive Director's contract as noted below. President Dean Wetter seconded the motion.

- *5% increase in salary to \$194,647*
- *\$300 monthly contribution to Executive Director's 457 plan*
- *Add one year to the contract*
- *All terms retroactive to October 1, 2021*

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

9.10 CAPRI Employee Market Range Adjustment

The Board reviewed and established a pay range for the Executive Director position. In June 2021 the Board established Market Ranges for three CAPRI Staff positions. The Executive Director position, however, was not discussed at that time and it was determined that this item would be discussed at a later meeting. Staff proposed, per the Employee Handbook and California law, that the Board establish a range for the Executive Director position, but expressly refrained from making a recommendation as to the range itself.

MOTION:

Secretary Colin Miller made a motion to approve the pay range for the Executive Director position with a minimum of \$165,410, midpoint of \$194,647, and maximum of \$233,790. Director Michelle Lacy seconded the motion.

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

Nays: *None*

Abstain: *None*

Absent: *Nunes*

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 CAJPA Accreditation Update

The Board of Directors had no comments or questions.

10.4 CalPERS Unfunded Accrued Liability Update

The Board of Directors had no comments or questions.

11. BOARD MEMBER REPORTS:

11.1 Board Member Comments

Vice President Mazzuca expressed appreciation to be able to meet in person again for this meeting.

President Wetter thanked the Staff for their efforts to host the Board.

12. FUTURE AGENDA ITEMS:

- WC Trending Report
- Board of Directors Manual – Final Review

13. ANNOUNCEMENTS:

The next CAPRI Board of Directors Meeting will be held on March 2, 2022 in Anaheim, CA.

14. ADJOURNMENT:

The Board adjourned the meeting at 5:05 p.m. on December 3, 2021. As noted under item 1, the Board resumed the meeting on December 4, 2021 at 8:14 a.m. and adjourned at 9:14 a.m.



Colin Miller,
Secretary for the CAPRI Board of Directors