

BOARD OF DIRECTORS REGULAR MEETING

August 31, 2022

MINUTES

1. CALL TO ORDER:

The regular meeting of the Board of Directors was held on August 31, 2022. The Meeting was called to order by President Wetter at 2:02 p.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 and Administrative Analyst Monica Breck.

Others Present: Mr. Mike Harrington (Bickmore Actuarial), Ms. Lesley Murphy (PFM), Ms. Amy Whitman (Sedgwick), Charles Torretta (George Hills), Mr. Wale Kajopaiye (PFM), Mr. Byrne Conley (Gibbons and Conley), and Mr. Doug Wozniak (Alliant Insurance).

2. INTRODUCTIONS: Introductions were made around the room.

3. PUBLIC COMMENTS: None.

4. CLOSED SESSION:

The Board convened to Closed Session at 4:15 p.m.

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

- CAPRI v. Southern California Edison
- Cullifer v. Carmichael Recreation & Park District
- Hill v. Rancho Simi Recreation & Park District
- Reyes v. Cordova Recreation & Park District
- CAPRI \$5K Summary

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

- Aro v. Hayward Area Recreation & Park District
- Mike v. Hayward Area Recreation & Park District
- Ruiz v. North of the River Recreation & Park District
- Vollmer v. Rancho Simi Recreation & Park District

Closed Session was concluded at 4:50 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

- May 18, 2022
- June 22, 2022

6.2 Warrant Listings – April 2022 – June 2022

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:

Vice President Larry Mazzuca made a motion to approve consent agenda items 6.1 – 6.3. 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 **Alternative Reinsurance Strategy – Captive Fund**

MR. Mike Harrington of Bickmore Actuarial and Ms. Lesley Murphy of PFM Asset Management presented information regarding the use of captives. The use of captives by risk-sharing pools in California has gained popularity to expand reinsurance options and potentially increase investment earnings. The Board directed Staff to refer this matter to the Finance Committee and move forward with a feasibility study.

8.2 Investment Stats Report – 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.

8.3 Insurance Market Report – Alliant Insurance Services

Mr. Doug Wozniak with Alliant Insurance Services provided an update regarding the current insurance market and outlook for 2023/24. Mr. Wozniak reported that he is seeing the impact of inflation and reduced capacity in the casualty market. Carriers are reducing limits but expecting the same or similar premiums. Liability claims and verdicts continue to increase year over year. Cyber is on the rise, while Property is looking like it will start to stabilize and Workers’ Compensation remains stable.

8.4 General Liability Program Status Report

Executive Director Duarte reviewed and discussed the status of the General Liability Program. The total volume and frequency of claims made against CAPRI members has continued to trend down.

8.5 Property Program Status Report

Executive Director Duarte reviewed and discussed the status of the Property Program. There was a slight increase in the number of property claims suffered by CAPRI members in 2021-2022. However, the severity decreased somewhat with only one excess claim incurred.

8.6 WC Program Status Report

Ms. Amy Whitman with Sedgwick reviewed and discussed the status of the Workers’ Compensation Program. Ms. Whitman also provided highlights regarding current claim trends including frequency, severity, and claim closures. The Board was provided with a summary of the WC loss history by fiscal year.

9. DISCUSSION/ACTION ITEMS:

9.1 CAPRI Board of Directors Election 2022

The Board reviewed and discussed the time and manner of the 2022 CAPRI Board Election.

MOTION:

Secretary Colin Miller made a motion to approve Staff's proposal for the time and manner of the 2022 CAPRI Board of Directors Election. Director Michelle Lacy seconded the motion.

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

Nays: None

Abstain: None

9.2 Biennial Conflict of Interest Code Review

The Board reviewed the CAPRI Conflict of Interest Code and discussed whether amendments were necessary.

MOTION:

Director Jim Friedl made a motion to approve the Conflict of Interest Code with no changes and direct Staff to complete the notice to the FPPC, indicating that there are "No amendments necessary". Secretary Colin Miller seconded the motion.

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

Nays: None

Abstain: None

9.3 Annual CalPERS Unfunded Accrued Liability Update

Executive Director Duarte reviewed, and the Board discussed, the status of the annual CalPERS Unfunded Accrued Liability. This report was information only. No action was taken. Staff will continue to keep the Board apprised of the status.

9.4 Annual Workers' Compensation Program Dividends Review

The Board reviewed and discussed whether the issuance of dividends in the Workers' Compensation program was warranted this fiscal year.

MOTION:

Director Michelle Lacy made a motion to decline issuance of dividends from the WC program this fiscal year. Director Jill Nunes seconded the motion.

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

Nays: None

Abstain: None

9.5 Annual GL & Property Program Dividends Review

The Board reviewed and discussed whether the issuance of dividends in the GL & Property program was warranted this fiscal year.

MOTION:

Director Jim Friedl made a motion to decline issuance of dividends from the GL & Property program this fiscal year. Director Michelle Lacy seconded the motion.

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

Nays: None

Abstain: None

9.6 Biennial Workers' Compensation Audit Results

The Board reviewed and discussed the results of the Workers' Compensation Audit has conducted by ALC Claims Collaborations.

MOTION:

Secretary Colin Miller made a motion to accept the results of the WC Claims Audit of 2022 as prepared by ALC Claims Collaborations. Director Lorena Cervantes seconded the motion.

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

Nays: None

Abstain: None

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 Member Training Update

This item was information only.

10.4 CAJPA Tort Liability Project

This item was information only.

11. BOARD MEMBER REPORTS:

11.1 Board Member Comments

Vice President Larry Mazzuca noted that DAC is a bit behind in their delivery and inquired if others were experiencing the same.

President Dean Wetter praised CAPRI Staff, calling them "small, but mighty!".

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 December 1, 2022.

14. ADJOURNMENT:

The Board adjourned the meeting at 4:55 p.m.

MOTION:

Secretary Colin Miller made a motion to adjourn the meeting at 4:55 p.m. Director Jill Nunes seconded the motion.

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

Nays: *None*

Abstain: *None*



Colin Miller,
Secretary for the CAPRI Board of Directors