

**CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY  
(CAPRI)**

**MINUTES OF THE BOARD OF DIRECTORS  
Meeting on November 5, 2018**

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A meeting of the Board of Directors was held on November 5, 2018 at Hilton Anaheim, California at 9:00 a.m.

**MEMBERS PRESENT:** Mr. Lindsay Woods, President, Hesperia Rec. & Park District  
Mr. Dean Wetter, Vice President, Valley-Wide Rec. & Park District  
Mr. Stephen Fraher, Secretary, Arcade Creek Rec. & Park District  
Ms. Lorena Cervantes, Bear Mountain Recreation & Park District  
Mr. Jim Friedl, Conejo Recreation & Park District  
Mr. Colin Miller, Arden Park Recreation & Park District

**MEMBERS ABSENT:** Mr. Larry Mazzuca, North Highlands Recreation & Park District

**OTHERS PRESENT:** Mr. Matthew Duarte, Executive Director (CAPRI)  
Mr. Patrick Cabulagan, Outgoing Executive Director (CAPRI)  
Mr. Rick Richards, Risk Manager (CAPRI)  
Ms. Bebe Pearson, Administrative Analyst (CAPRI)  
Mr. Doug Wozniak, Alliant Insurance Services  
Mr. Byrne Conley, Gibbons & Conley  
Ms. Dori Zumwalt, York Insurance Services  
Mr. Randy Rendig, George Hills Company  
Ms. Allison Kaune, PFM Management

**1. CALL TO ORDER**

The November 5, 2018 Board of Directors meeting was called to order at 9:00 a.m. by President Lindsay Woods.

**2. INTRODUCTIONS**

Mr. Matthew Duarte re-introduced himself to the Board of Directors.

**3. PUBLIC COMMENTS**

None

**4. CLOSED SESSION**

The Board convened to Closed Session, pursuant to Government Code section 54957.6 & section 54957(b) at 9:01 a.m.

The Board discussed the claims for the payment of tort Liability losses, Workers' Compensation losses and Property losses incurred by the Joint Powers Authority and employee evaluations.

**5. REPORT FROM CLOSED SESSION**

The Board reconvened to Open Session at 1:27 p.m. 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. SPECIAL REPORTS**

**C. WC Trending Report – York Insurance Services**

Ms. Dori Zumwalt gave an overview of the worker's compensation trending report; maintenance workers are leading in the most claims filed by member districts. This report gives insight for risk management and how to prevent the most common injuries.

**A. Investment Status Report – Public Financial Management**

Ms. Allison Kaune discussed in detail the investment portfolio. Ms. Kaune informed the Board that interest rates have continued to trend higher as the Federal Reserve continues to raise the Fed Funds target rate. The economy, coupled with a strong labor market and rising inflation, will cause the Fed to continue raising rates at a pace of about one quarter-percent hike per quarter well into 2019. PFM positioned the portfolio with a defensive duration posture, holding maturities resulted in very little incremental yield. On balance, the tradeoff between slightly lower yields and less exposure to the negative market value impact of the rise in rates during the quarter resulting in our performance. PFM purchased an additional supranational for the portfolio. A decline in issuance caused yield spreads to narrow during the quarter, resulting in a strong performance for the sector. Corporate returns dominated their government counterparts, adding significant value to the portfolio in the third quarter.

Investment Policy – PFM recommends language permitting investment in asset-backed securities to the investment policy agreement the language suggested in the Policy, including rating requirements and maximum allocation., is consistent with an update to Code 53601 subsection (o) that will go into effect January 1, 2019. ABS can offer CAPRI another way to diversify its holdings and potentially enhance return, as this asset class offers yields that are favorable relative to similarly rated issues in other asset classes.

*Director Friedl made a motion to approve the new language permitting investment in asset-backed securities (section 9.17) in the CAPRI investment policy. Director Miller seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**7. CONSENT ITEMS**

*Director Friedl made a motion to approve the consent items #6A - #6C. Vice President Wetter seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**8. PULLED CONSENT ITEMS**

**D. LAIF Regular Monthly Statement – July 2018 through September 2018**

Transferred monies to Bank of the West to pay for the insurance premiums due at the beginning of the fiscal year. There are no penalties or fees to transfer from or to account.

*Director Friedl made a motion to approve the LAIF Monthly Statement for July 2018 through September 2018. Secretary Fraher seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**E. Approval of CAPRI Board Minutes**

Mr. Cabulagan suggested to change board member Secretary Fraher listed as “member present” to “Others Present” in the minutes and remove him from being abstain on the motions throughout the minutes.

*Secretary Fraher made a motion to approve the Board Meeting minutes of September 19, 2018 removing Secretary Fraher from all motions and “Member Present” section to the “Others Section”. Vice President Wetter seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**10. DISCUSSION/ACTION ITEMS****A. Approval of 2017 – 2018 WC Final Payroll Calculations**

The Board of Directors reviewed the 2017 – 2018 and Matthew Duarte has reached out to those districts that have numbers over 10% difference to their estimate payrolls.

*Director Miller made a motion to approve the 2017-2018 WC Final Payroll calculations. Director Friedl seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes and Director Friedl.*

*Nays: None*

*Abstain: None*

**B. WC New Member Proposal – La Selva Beach Recreation and Park District**

Staff recommends starting La Selva Beach Recreation and Park District into the WC Program at a \$1,200 premium starting on November 1, 2018.

*Vice President Wetter made a motion to accept La Selva Beach Recreation and Park District into the WC Program at a \$1,200 premium. Director Miller seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes and Director Friedl.*

*Nays: None*

*Abstain: None*

**C. WC and Liability Loss/Premium Comparison**

Board of Directors have moved this item for further discussion to the February meeting.

**D. Bank Account Signature Authority Review and Update**

Staff recommended removing Patrick Cabulagan from both Bank of the West account and add Matthew Duarte as an authorized signer; additional signers would be President Woods, Vice President Wetter and local board member either Director Miller or Secretary Fraher (depending on ballot outcome). Staff also recommended removing Patrick Cabulagan from the Union Bank account and adding Matthew Duarte.

*Vice President Wetter made a motion to approve Matthew Duarte, President Woods, Vice President Wetter and local board member as signers on the Bank of the West account*

*and remove Patrick Cabulagan from the account; also, approve Matthew Duarte as authorized signer for the Union Bank account and remove Patrick Cabulagan. Director Friedl seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**E. Resolution 1-2018: Resolution Delegating Authority to Order Deposit or Withdrawal on Monies in the Local Agency Investment Fund**

It is proposed that the Board formally resolve that CAPRI Executive Director, Mr. Matthew Duarte, as well as additional signers President Woods and Vice President Wetter be authorized to order deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purpose of the resolution and the transactions contemplated herein. .

*Vice President Wetter made a motion to adopt Resolution 1-2018 delegating authority to the Executive Director, Matthew Duarte additional signers President Woods and Vice President Wetter to deposit or withdraw monies in the Local Agency Investment Fund. Director Miller seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**F. Review of 2019 CAPRI Board Meeting schedule**

The Board of Directors decided the board meeting will be scheduled in Lake Tahoe on May 22, 2018 at 10am.

The Board of Directors also decided to schedule the February meeting to Anaheim on February 13, 2019 at 9am.

**G. Proposed Executive Director Relocation Reimbursement**

The Board review and approve moving expenses for the new Executive Director, Matthew Duarte whom would be required to provide written documentation of these expenses.

*Secretary Fraher made a motion to approve reimbursement of expense related to the*

*relocation of the Executive Director not to exceed \$8,000.00. Director Friedl seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

## **9. SPECIAL REPORTS**

### **A. Insurance Market Update – Alliant Insurance Services**

Doug Wozniak gave a presentation regarding the insurance market 2019. Commercial insurance prices accelerated due to the natural disaster losses. Weather extremes, wildfires, catastrophic losses and investment earnings remain areas of concern for insurers. Overall losses from worldwide natural catastrophes in 2017 totaled \$330 billion, up from \$184 billion in 2016.

Personal automobile losses have increased due to the cost of repair and increase price of new vehicles. Cyber risks grow as we become more interconnected.

Expect upward pressure on property rates: buyers of property insurance should budget conservatively. We could see rates flat, increases of 10% with larger increases for insureds with average losses. General liability may see modest increases, while others such as law enforcement liability, automobile liability and employment practices may see higher price increases. Dramatic price increases and reductions in coverage can be expected for sexual abuse and molestation.

*Recessed for lunch at 12:16pm*

*Reconvened from lunch at 1:53 pm.*

## **11. EXECUTIVE DIRECTOR/ STAFF REPORTS**

### **A. Update on District Visitations**

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

### **B. Executive Director Transition Update**

Matthew informed board of directors that Pat has set up office in the conference and now he is taking the lead of the organization. Matthew thanked Pat for the smooth transition and how helpful he has been with everything. Also announced that CAPRI would be a hosting a small retirement party at the end of the month.

**C. CARPD Board Meeting Update – October 17, 2018**

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

**D. PARMA Conference Update**

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

**E. CAPRI Election Update**

The Board of Directors declared the vacancy for the Lower 1/3 Tier and proposed to appoint Director Cervantes for the Lower 1/3 Tier position after the 2018 cycle is completed.

*Vice President Wetter made a motion to declare the vacancy for the Lower 1/3 Tier position and appoint Ms. Cervantes to that position after the 2018 election cycle is complete. Director Friedl seconded the motion.*

*Ayes: President Woods, Vice President Wetter, Director Miller, Secretary Fraher, Director Cervantes, and Director Friedl.*

*Nays: None*

*Abstain: None*

**F. Liability Claims Summary Reports**

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

**G. Workers' Compensation Claims Summary Reports**

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

**H. Property Claims Summary Reports**

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

**12. BOARD MEMBER REPORTS****A. Personnel/Finance Committee Report**

The Board of Directors had no meeting and had no additional comments.

**13. BOARD MEMBER AND STAFF COMMENTS**

The Board of Directors and Staff had no additional comments or questions.

**14. ANNOUNCEMENTS**

The next CAPRI Board of Directors meeting will be held on February 13, 2018, location is TBD.

**15. ADJOURNMENT**

The Board adjourned the meeting at 2:06 p.m.

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CAPRI Board of Directors Secretary