



**California Association of Recreation & Park Districts**

# Communicator

**April 2014**

**President's Message**



By Gene Hostetler

Welcome everyone to my last message from the President's chair. It has been a wonderful experience for me and I hope I was able to fulfill the position in a positive way.

First of all, I would like to encourage everyone to get involved with legislative outreach. I invite all of our districts to participate in the Legislative Committee; get involved and know what bills are important to your districts. Contact your Legislators and ask them to get onboard with the legislative bills that are being processed for possible votes. Contact Rick or Pat for more information on getting involved.

I also want to remind all of our districts to sign up for the CARPD Spring Conference that is being held in South Lake Tahoe at the Lake Tahoe Resort Hotel next month from May 15<sup>th</sup>-17<sup>th</sup>. It is going to be a great conference this year; we have excellent speakers and sessions lined up and everyone will gain something

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from attending.

If anyone would like to be a sponsor for the conference or knows of anyone who would like to sponsor the conference please contact Pat at (916) 722-5550. As well, if anyone would like to donate a gift to help raise funds for our scholarship program please contact Pat.

I would also like to thank Pat, Rick, Bebe and Tara for all the help and support that they have given me and the rest of the CARPD board. They have helped us with information and support; and through their tireless efforts have kept CARPD functioning at a very high level. Don't be afraid to contact them just to say hi or thank them for their support of our Mission. I would also like to thank the Board members for all their support and help with this job.

If all the districts bond together we will be strong and have a strong say in our future in this state. Have a great year and may God Bless you all.

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## Legislative Report

By Ralph Heim

April 2014 Legislative Update

### Legislature Grinds Toward Spring Recess

The Legislature will commence Spring Recess upon adjournment of Session on April 10<sup>th</sup> and will reconvene on April 21<sup>st</sup>. Following the Spring Recess, the Legislature will face a number of policy/fiscal committee deadlines, causing the pace of lawmaking to increase substantially.

### State Revenues Continue to Show Strong Growth

The State Controller's February Cash Analysis issued March 10<sup>th</sup> continues to reflect moderate to strong revenue growth, with February's year-to-date revenues up \$5.6 billion as compared to the Governor's proposed



non as compared to the Governor's proposed 2014-15 State Budget estimates. February's revenues alone were up \$825 million above the Governor's budget estimates.

The good news is tempered by more recent news suggesting the Governor's so-called "Wall-of-Debt," continues to grow, with the State Teachers Retirement System (STRS) now a whopping \$73.7 billion underfunded. A number of legislators have joined the Governor in calls to address the STRS problem during the current state budget discussions. Don't hold your breath for a quick solution...

### Park Bond Proposed

Newly elected Senate President Pro Tem Kevin de Leon has introduced Senate Bill 1086, The Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2014. While a "work-in-progress," SB 1086 does not contain funding for the specific funding categories, and in its current form, does not contain a pro rata allocation to recreation and park districts.

CARPD has adopted a Watch position on SB 1086 and requested the membership to write Senator de Leon and Senator Fran Pavley, Chair of the Senate Natural Resources and Water Committee, urging the inclusion of a per capita formula for recreation and park districts.

### Minimum Wage Increase Proposed

Senate Bill 935 by Senator Leno proposes raising the minimum wage for both private and public employers as follows: January 1, 2015, to not less than \$11 per hour; on or after January 1, 2016, to not less than \$12 per hour; and, on or before January 1, 2017, to not less than \$13 per hour. Senate Bill 935 also contains an automatic adjustment of the minimum wage annually thereafter, tied to California's rate of inflation and contains additional language that the minimum wage

cannot be decreased due to the rate of inflation.

### Redevelopment Wind-down

In addition to a proposed initiative that would reinstate over 400 redevelopment agencies with the power to continue taking tax increment from recreation and park districts, as well as all other special districts and counties, we are carefully following a number of bills related to redevelopment to ensure none will be amended to allow other forms of local infrastructure financing to utilize tax increment financing without the approval of the affected taxing agencies. To date there are none, but we will continue to monitor such bills and immediately oppose any that proposes the use of tax increment financing without opt-in/opt-out language.

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## 2014 Special District Legislative Days



By Pat Cabulagan

The **California Association of Recreation and Park Districts (CARPD)** is a proud Partner of the 2014 Special Districts Legislative Days (SDLD), scheduled for May 20-21 at the Sacramento Convention Center. This year's theme "Laying the Foundation for a Stronger Economy" will focus on policy and ballot proposals' impact on special districts delivery of core local services.

**CARPD** will host a roundtable session and provide an open forum for candid conversations and idea exchanges.

In addition, attendees will have the opportunity to participate in pre-arranged legislative visits at the Capitol. This is a great opportunity to let your Senator and Assembly Member know what is important to special districts and, specifically, your district. In order to reserve enough time for scheduling, **Please register by April 25** to guarantee your spot in these visits. **Register now to secure your spot at SDLD.**

Plus, SDLD offers opportunities to network with your legislators and exchange ideas with other special district leaders throughout the Sacramento

cial district leaders both in the Capitol and at a hosted legislative reception, held at Chops, an award winning restaurant and bar across the street from the Capitol and a favorite among the Capitol community. Visit [www.csda.net/sdld](http://www.csda.net/sdld) to register and view updated conference agenda.

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## 2014—2015 Insurance Projections



By Pat Cabulagan

I'm sure many of our Recreation and Park District's are starting or are fully into the budgeting process. Here is the conservative outlook on the insurance marketplace and what District's can expect in rate increases for CAPRI.

**Workers' Compensation** : Workers' Compensation coverage appears to be continuing on the same path as prior years which is an overall increase in premium for WC coverage. We are expecting a 10-15% increase in premium from our excess carrier, CSAC Excess Insurance Authority. This is due to an overall increase in catastrophic WC claims, very low investment returns and an overall increase in medical care costs. It appears as though CAPRI's layer of WC coverage (\$0 to \$250,000) will also increase probably 5% since we are seeing an increase in claims and reserves in our open claims. **Overall, we are looking at 10-15% increases in WC charges NOT including your Experience Modification Factors or increases in payroll.** If your Ex Mod Factor increased from last year then you might see a higher increase. If you have a decrease in your Ex Mod Factor then your premium could be less than the projected 10-15% premium increase. Also, if you have an increase in payroll compared to last year then you may see an additional increase in premiums. For those of you in the State's WC fund, you may want to consider obtaining a quote from CAPRI for your WC coverage. We have been able to save many of our Districts 20-50% savings compared to State WC rates.

Give us a call to get your WC Ex Mods. WC premium letters should be going out within the next few weeks.

**Liability Coverage** : The Excess Coverage, which is currently provided by CSAC Excess Insurance Authority, likely will see a 10-15% increase in

ance Authority, likely will see a 10-15% increase in premium to CAPRI as result of some catastrophic losses in the excess layers. The CAPRI layer of coverage (\$0 to \$1,000,000) will likely see flat to a slight increase in premium as a result of lower returns on investment and as a result of a some large claims from Districts in the \$0 to \$1,000,000 layer. **Overall, CAPRI is expecting a 5-10% increase; however, if you have losses in the last 5 years or your payroll increased compared to last year, you may see a higher increase.**

**Property Coverage** : Knock on wood – the property market appears to be favorable. As long as there are no catastrophic events worldwide from now until June 30, 2014 and as long as CAPRI doesn't have any large losses from now until June 30, 2014 it should be a favorable renewal. **Overall, we are expecting a flat to 5% decrease in property premiums.** This does not include overall increases in values or additions to your property schedule which should be taken into consideration.

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## CARPD Conference Scholarship Recipients



By Tara Tappan

CARPD would like to announce and congratulate our 2014 Conference Scholarship Award recipients! The winners were selected by the CARPD Awards Committee. We had a great turnout of applicants and the Committee had a very hard time choosing between all of the very deserving candidates.

This year's scholarship recipients were Matt Young who is the District Manager from Tehachapi Recreation and Park District (full scholarship), Angie Velarde who is the Vice Chair on the Shafter Recreation and Park District Board of Directors (partial scholarship), and Dr. Aleta Wallace who is the Chairman of the Board for the Western Gateway Recreation and Park District (full scholarship sponsored by SCI). The scholarships awarded to Matt Young and Angie Velarde

were both provided by CARPD from the raffle funds at last year's conference. We plan on awarding conference scholarships annually, so make sure to buy plenty of raffle tickets at the conference this year! We are going to have great prizes again this year, but if you would like to donate a raffle item please contact our offices prior to the conference.

The scholarship that was awarded to Dr. Aleta Wallace was provided by SCI Consulting Group. SCI Consulting Group is also a Gold Level Sponsor at this year's conference, so we want to thank SCI on behalf of CARPD and all of our Member Districts.

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Questions or Comments? Email us at [pcabulagan@capri-jpa.org](mailto:pcabulagan@capri-jpa.org) or call (916) 722-5550  
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