

**BOARD OF DIRECTORS REGULAR MEETING**

February 7, 2023

**MINUTES**

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**1. CALL TO ORDER:**

The regular meeting of the Board of Directors was held on February 7, 2023. The Meeting was called to order by President Wetter at 1:06 p.m.

Members Present: President Dean Wetter, Secretary Colin Miller, Director Lorena Cervantes (Zoom), Director Jim Friedl (Zoom), Director Michelle Lacy, and Director Jill Nunes.

Members Absent: Vice President Larry Mazzuca.

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

Others Present: Mike Harrington (Bickmore), Charles Torretta (George Hills), Amy Whitman (Sedgwick), Wale Kajopaiye (PFM), Sidney DiDomenico (PRISM), Byrne Conley (Gibbons and Conley), and Doug Wozniak (Alliant Insurance).

**MOTION:**

*Director Colin Miller made a motion to hold this meeting via Zoom in accordance with AB 361. Director Michelle Lacy seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

**2. INTRODUCTIONS:** None.

**3. PUBLIC COMMENTS:** None.

**4. CLOSED SESSION:**

The Board convened to Closed Session at 2:23 p.m.

- 4.1 **Liability & Property – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)**
  - Rands v. Livermore Area Recreation & Park District
  - CAPRI \$5K Summary
  
- 4.2 **Liability & Property – Anticipated Litigation Pursuant to Government Code § 54956.9(d)(2)**
  - 2 cases
  
- 4.3 **Worker’s Compensation – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)**
  - Freitas v. Durham Recreation & Park District
  - Magaziner v. Fulton-El Camino Recreation & Park District
  - Mendoza v. Greater Vallejo Recreation District
  - McMurray v. Sunrise Recreation & Park District

Closed Session was concluded at 3:07 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
  - November 30, 2022
- 6.2 Warrant Listings – October 2022 – December 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:**

*Director Colin Miller made a motion to approve consent agenda items 6.1 – 6.3. Director Jim Friedl seconded the motion.*

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

7. **PULLED CONSENT ITEMS:** None.

8. **SPECIAL REPORTS:**

**8.1 Investment Stats Report – PFM**

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

**8.2 Insurance Market Report – Alliant Insurance Services**

Doug Wozniak with Alliant Insurance Services provided an update regarding the current insurance market and outlook for 2023/24. The Workers' Compensation Program is holding steady, while the Liability and Property Programs are being marketed for best possible rates and retentions. While Cyber was a concern at last years' renewal, it has since stabilized.

**8.3 General Liability Program Status Report**

Executive Director Duarte reviewed and discussed the status of the General Liability Program. The total reserved amount is down significantly when compared to this time last year. Claim expenses are also coming in below expected.

**8.4 Property Program Status Report**

Executive Director Duarte reviewed and discussed the status of the Property Program. Two 2018 wildfire claims account for a little over 75% of the total reserved amount. One of those two is close to closure, while the other is a little farther away from resolution. There have been no large losses so far this policy year.

**8.5 WC Program Status Report**

Amy Whitman with Sedgwick reviewed and discussed the status of the Workers' Compensation Program. Amy also provided highlights regarding current claim trends including frequency, severity, and claim closures. The total reserved amount is down a bit when compared to this time last year. The Board was provided with a summary of the WC loss history by fiscal year.

9. **DISCUSSION/ACTION ITEMS:**

**9.1 Captive Feasibility Report Review**

Mike Harrington with Bickmore Actuarial reviewed the Captive Feasibility Study with the Board and addressed the Board's questions. Based on the Study, it was recommended to move forward with the establishment of a captive insurance company. The Board provided direction to Staff regarding next steps.

**MOTION:**

*Director Michelle Lacy made a motion to authorize Staff to take initial steps to establish the captive company including meeting with regulator and resident attorney, creating a proposed captive management budget, preparing the Captive Application for the State of Utah, and other administrative items necessary to return this item to the Board for final review and approval for a startup date of July 1, 2023. Director Jim Friedl seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

**9.2 Employee Assistance Program**

Sidney DiDomenico, PRISM’s Director of Employee Benefits, provided a comprehensive review of the Employee Assistance Program (EAP) available to CAPRI and its Member Districts as PRISM members. An EAP program assists employees with personal problems and/or work-related problems that may impact their job performance, health, mental and emotional well-being. EAPs generally offer free and confidential assessments, short-term counseling, referrals, and follow-up services for employees and their household members. The Board discussed the development of an employee assistance program and provided direction to Staff.

**MOTION:**

*Director Jill Nunes made a motion to direct Staff to negotiate with PRISM for EAP services for CAPRI’s member agencies. Director Michelle Lacy seconded the motion.*

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

**Nays:** None

**Abstain:** None

**Absent:** Mazzuca

**9.3 Target Equity Policy Review**

The Board reviewed and discussed the adoption of a target equity policy. Historically, CAPRI has not had a policy related to its insurance program equities. A Target Equity Policy develops guidelines setting target funding levels in the risk sharing layers of the Liability & Property and Workers Compensation programs. The policy seeks to establish a prudent funding threshold to ensure the programs are actuarially sound.

**MOTION:**

*Secretary Colin Miller made a motion to approve the CAPRI Target Equity Policy as presented. Director Michelle Lacy seconded the motion.*

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

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Mazzuca*

**9.4 Consideration of George Hills Contract Extension**

The Board reviewed and discussed the proposed contract extension for third-party claims administration services with George Hills Company. CAPRI's five-year contract with George Hills Company ("GHC") expires at the end of this fiscal year on June 30, 2023. GHC has proposed a five-year extension of the agreement with some proposed rate increases.

**MOTION:**

*Director Michelle Lacy made a motion to authorize the Executive Director to negotiate terms of a contract extension with GHC not to exceed five years. Director Jill Nunes seconded the motion.*

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

**Nays:** *None*

**Abstain:** *None*

**Absent:** *Mazzuca*

**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.

**11. BOARD MEMBER REPORTS:**

**11.1 Board Member Comments**

There were no comments.

**12. FUTURE AGENDA ITEMS:**

The Board of Directors had no comments or questions.

**13. ANNOUNCEMENTS:**

Secretary Colin Miller was presented with an award in recognition of 10 years of service on the CAPRI Board of Directors. Congratulations, Colin!

The next CAPRI Board of Directors Meeting will be held on May 17, 2023.

**14. ADJOURNMENT:**

The Board adjourned the meeting at 4:58 p.m.



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Colin Miller,  
Secretary for the CAPRI Board of Directors