

## SUMMARY OF MOTIONS

### THIRD 2011 CSEA BOARD OF DIRECTORS MEETING

September 24, 2011

California Museum  
1500 11<sup>th</sup> Street, Sacramento, CA

Item:	Subject:	Action:
	<b>BOARD MINUTES:</b>	
4/30/2011Minutes	Approval of SECOND 2011 Board Minutes	Adopted as Printed BD 30/11/3
	<b>BENEFITS ITEMS:</b>	
BEN 5/11/3	Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as Printed BD 31/11/3
BEN 6/11/3	Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as Printed BD 32/11/3
BEN 7/11/3	Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review	Adopted as Printed BD 33/11/3
BEN 8/11/3	Disability Income Insurance Plans (Short Term and Long Term) – New York Life Insurance Company – Annual Review	Adopted as Printed BD 34/11/3
BEN 9/11/3	Cancer Insurance Plans – Monumental Life Insurance – Company – Annual Review	Adopted as Printed BD 35/11/3
BEN 10/11/3	Family Life Insurance Plan – American United Life Insurance Company – Annual Review	Adopted as Printed BD 36/11/3
BEN 11/11/3	Legal Plan – Legal Club of America – Annual Review	Adopted as Printed BD 37/11/3
BEN 12/11/3	Auto and Homeowners Insurance Plan – Unitrin Direct preferred insurance – Annual Review	Adopted as Printed BD 38/11/3

BEN 13/11/3	Emergency Assistance Plan (EA+) – OnCall International – Annual Review	Adopted as Printed BD 39/11/3
BEN 14/11/3	24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review	Adopted as Printed BD 40/11/3
BEN 15/11/3	Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – annual Review	Adopted as Printed BD 41/11/3
	<b>FISCAL ITEMS:</b>	
FIS 7/11/3	Approval of CSEA entering into a Line of Credit Agreement with Wells Fargo Bank in the amount of \$250,000	Adopted as Printed BD 42/11/3
FIS 8/11/3	2010 Audit Report	Adopted as Printed BD 43/11/3
FIS 9/11/3	CSEA History Project	Adopted as Printed BD 44/11/3

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September 24, 2011

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## MINUTES

### THIRD 2011 CSEA BOARD OF DIRECTORS MEETING

September 24, 2011

California Museum  
1500 11<sup>th</sup> Street, Sacramento

The meeting was called to order at 9:00 a.m. by President Dave Hart. The Pledge of Allegiance was led by Vice President Donna Snodgrass.

Members present were:

Dave Hart, President  
Donna Snodgrass, Vice President  
David Okumura, Secretary-Treasurer  
Pat Gantt, CSUEU President  
Yvonne Walker, SEIU Local 1000 President  
Roger Marxen, CSR President  
Arlene Espinoza, ACSS, Inc. President  
Russell Kilday-Hicks, CSUEU Vice President for Representation  
Loretta Seva'aetasi, CSUEU Vice President/Finance  
Cora Okumura, SEIU Local 1000 Vice President/Secretary-Treasurer  
Margarita Maldonado, SEIU Local 1000 Vice President Bargaining  
Susan Sears, CSR Executive Vice President  
Harold Rose, CSR Board Alternate  
(sitting in for Jerry Evans, CSEA Retirees, Inc. Vice President)  
Frank Ruffino, ACSS, Inc. Director at Large  
Elnora Hunter-Fretwell, ACSS, Inc. Vice President

Headquarters office was represented by: Janis Mickel-Szichak, Karen Jensen, Kay Thomas, Lee King, Philip Sherwood, Danny Beagle, Steve Aunan, Lao Sok, Phil Coonley, Vicki Cichocki, and Marilyn Ferrasci.

#### REPORT OF AGENDA COMMITTEE

Secretary-Treasurer David Okumura reported that the Agenda Committee approved the following items for the Consent Calendar and adopted as printed:

- BEN 5/11/3 Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review
- BEN 6/11/3 Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review
- BEN 7/11/3 Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review
- BEN 8/11/3 Disability Income Insurance Plans (Short Term and Long Term – New York Life – Insurance Company – Annual Review
- BEN 9/11/3 Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review
- BEN 10/11/3 Family Life Insurance Plan – American United Life Insurance Company –

- Annual Review
- BEN 11/11/3 Legal Plan – Legal Club of America – Annual Review
- BEN 12/11/3 Auto and Home Owners Insurance Plan – Unitrin Direct *preferred insurance* – Annual Review
- BEN 13/11/3 Emergency Assistance Plan (EA+) – OnCall International – Annual Review
- BEN 14/11/3 24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review
- BEN 15/11/3 Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review
- FIS 7/11/3 Approval of CSEA Entering into a Line of Credit Agreement with Wells Fargo Bank in the Amount of \$250,000
- FIS 8/11/3 2010 Audit Report
- FIS 9/11/3 CSEA History Project

The Agenda was adopted by general consent.

### **READING AND APPROVAL OF THE SECOND 2011 BOARD OF DIRECTORS MINUTES**

- BD 30/11/3 MOTION: That the Board of Directors approve the Minutes from the SECOND 2011 Board of Directors Meeting. Motion was adopted by general consent. CARRIED.

### **REPORT OF EXECUTIVE SESSION**

Secretary-Treasurer David Okumura noted that there was no report from executive session.

### **COMMUNICATIONS**

Secretary-Treasurer David Okumura reported that there were no communications.

### **BENEFITS ITEMS**

#### **BEN 5/11/3 (Snodgrass) Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review**

- BD 31/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is substantial surplus in the contingency reserve; (2) continue working with the carrier to implement improved plan designs and rates, and to increase member participation; and (3) monitor the impact of the new rates and plan designs on the contingency reserve. Motion was adopted by general consent. CARRIED.

#### **BEN 6/11/3 (Snodgrass) Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review**

- BD 32/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is a small surplus in the contingency reserve; (2) continue working with the carrier to implement improved plan designs and rates, and to increase member participation. Motion was adopted by general consent. CARRIED.

**BEN 7/11/2 (Snodgrass) Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review**

BD 33/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is a surplus in the contingency reserve; (2) continue the plan with New York Life at current rates; (3) continue efforts to increase plan participation, particularly among active members. Motion was adopted by general consent. CARRIED.

**BEN 8/11/3 (Snodgrass) Disability Income Insurance Plans (Short Term and Long Term) – New York Life Insurance Company – Annual Review**

BD 34/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is a modest surplus in the contingency reserve; (2) continue the plans with new York Life at current rates; (3) continue to market both plans to rebuild plan membership. Motion was adopted by general consent. CARRIED.

**BEN 9/11/3 (Snodgrass) Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review**

BD 35/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that the plans have begun to generate surplus in the contingency reserve; (2) continue the plans with Monumental Life at current premium rates. Motion was adopted by general consent. CARRIED.

**BEN 10/11/3 (Snodgrass) Family Life Insurance Plan – American United Life Insurance Company – Annual Review**

BD 36/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with American United at current rates. Motion was adopted by general consent. CARRIED.

**BEN 11/11/3 (Snodgrass) Legal Plan – Legal Club of America – Annual Review**

BD 37/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with Legal Club of America at current rates. Motion was adopted by general consent. CARRIED.

**BEN 12/11/3 (Snodgrass) Auto and Homeowners Insurance Plan – Unitrin Direct preferred insurance – Annual Review**

BD 38/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude there is no contingency reserve surplus; (2) continue the plan with Unitrin Direct *preferred insurance* at current rates, pending the outcome of RFP discussions; (3) continue marketing to increase plan participation; (4) negotiate a retention agreement or improved premium rates. Motion was adopted by general consent. CARRIED.

**BEN 13/11/3 (Snodgrass) Emergency Assistance Plan (EA+) – OnCall International – Annual Review**

BD 39/11/3 MOITON: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with OnCall International at current rates. Motion was adopted by general consent. CARRIED.

**BEN 14/11/3 (Snodgrass) 24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review**

BD 40/11/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with Pethealth at current rates, pending the outcome of RFP discussions. Motion was adopted by general consent. CARRIED.

**BEN 15/11/3 (Snodgrass) Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review**

BD 41/11/3 MOTION: that the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with Hartford Life and Accident Insurance Company at current rates; (3) continue marketing to increase plan participation; (4) discuss potential for a retention agreement with the carrier as the plan grows. Motion was adopted by general consent. CARRIED.

**FIS 7/11/3 (Okumura) Approval of CSEA Entering into a Line of Credit Agreement with Wells Fargo Bank in the Amount of \$250,000**

BD 42/11/3 MOTION: That the Board of Directors direct the General Manager to consummate a line of credit with Wells Fargo in the amount of \$250,000. Motion was adopted by general consent. CARRIED.

**FIS 8/11/3 (Okumura) 2010 Audit Report**

BD 43/11/3 MOTION: That the Board of Directors adopt the 2010 Audit Report of CSEA. Motion was adopted by general consent. CARRIED.

**FIS 9/11/3 (Hart) CSEA History Project**

BD 44/11/3 MOTION: That the Board of Directors approve an additional \$50,000 to be used solely for the CSEA History Project. Deliverables include the following:

1. Complete work consolidating, organizing and scanning photo and subject files in CSEA archive, as well as disposal of duplicates and irrelevant materials.
2. Create an interactive website to make photos and documents accessible, to make it possible for members to participate in the process of identification and to add comments or additional documents.
3. Partner with educational and archival institutions such as the State Archives and CSU-Sacramento to preserve and house these materials.



4. Partner with educational institutions, such as CSU-Sacramento and UC Berkeley to design an oral history program, and to train and monitor volunteers conducting oral history interviews.
5. Work with institutions identified above, to compete for grants from agencies such as the California Council for the Humanities for continuation of this project.
6. Partner with the affiliates, if possible, to manage historical records now in the affiliates' possession.
7. Survey individual members for donations of items of historical interest from their own private collections.

Motion was adopted by general consent. CARRIED.

### **REPORT OF PRESIDENT**

President Dave Hart reported that the affiliates have been meeting in board workshops, looking at making governance more responsive to affiliates and members. He gave a presentation to the Retirees Delegate Assembly in August, which he will be showing to the other affiliates. The goal is to have the necessary bylaws changes ready by February 4, 2012, to allow plenty of time to let members know what we believe needs to be changed. He thanked Janis Mickel-Szichak and Danny Beagle for their work on the CSEA History Project, relating that he sat across from Robert Carlson at the presidents' dinner in 2009, and he was really excited about the project. History is usually neglected, so he pushed the idea, and Janis and Danny have taken the ball and run with it. He hopes the History Project can become self-supporting in the future to keep the project going.

### **REPORT OF VICE PRESIDENT**

Donna Snodgrass gave an update to the CSEA Foundation 2011 budget, noting that an additional \$2,000 should be added to the spreadsheet which was distributed earlier. She explained that names were redacted from scholarship applications when the committee reviewed them, and it turned out that there was one scholarship recipient from each affiliate. Letters and checks were sent out to the recipients on September 15. In a discussion on the change in the Foundation's procedure, sending the scholarship checks directly to the school instead of to the scholarship recipient this year, Elnora Hunter-Fretwell explained that the change was to be sure the person uses the money for school, and school enrollment is usually a scholarship requirement. Loretta Seva'aetasi, who is the scholarship coordinator for her college, explained that the procedure may reduce the amount the student may take out in loans – that money sent to the school will be included as part of the student's package. President Hart suggested that the Foundation could work with Loretta Seva'astasi to seek a solution. It was also noted that chapters may make donations to the Scholarship Fund but may not donate for a specific person.

Ms. Snodgrass reported that the Women's Committee is still meeting, and the Women's Conference has been moved to the LAX Westin after the Manhattan Beach Marriott cancelled. All reservations are being transferred to the Westin and the deadline was extended to September 26. The Women's Conference will commemorate the 100<sup>th</sup> anniversary of women's right to vote in California. The Foundation is selling shirts with women's logos and for breast cancer awareness; orders for personalized shirts will be taken at the conference.

## **REPORT OF SECRETARY-TREASURER**

Secretary-Treasurer Dave Okumura reported as follows:

- For the first 8 months of 2011 we are projected to be ahead of budget by approximately \$600,000. Major areas of savings are labor and associated fringe costs, travel and meeting costs and insurance costs.
- We again received an “Unqualified“ auditors’ opinion on CSEA’s 2010 financial statements. This is the highest level of opinion that an outside auditor can render on an organization’s financial statements. The auditor made some suggestions for improvements that are covered in its management letter. Lee, in his report, will report on management’s actions in response to the auditor’s suggestions.
- The proceeds from the sale of the print shop business and the sale of its corresponding real estate were sufficient to liquidate all the outstanding liabilities of closing the print shop. This includes paying off the three affiliates that lent the print shop money to acquire the Heidelberg press, pay off the unexpired Xerox leases and to pay the enhanced severance package for the displaced print shop personnel.
- The audit committee renewed the contract of our outside audit firm, Gilbert & Associates, for another three-year term. There is no increase in fees for 2011 and 2012 and 2013 reflect only a 2% per annum increase.

## **REPORT OF GENERAL MANAGER/DIRECTOR OF ORGANIZATIONAL DEVELOPMENT**

General Manager Lee King reported on the following operational highlights:

### **OPERATIONAL ISSUES**

- All audits for 2010 for CSEA completed (with the 401k audit being issued 2 days ago). In FIS 8/11/3 the board approved the audit report for CSEA for the year ending December 31, 2010. Two minor audit deficiencies concerned journal entries and non-timely payroll submissions; these issues were not considered significant and have been addressed.
- Since the last board meeting, we successfully moved the 401k plan administration from John Hancock to Standard Insurance in June of this year. Additionally we have retained UBS as the financial advisor to monitor our plan offerings to insure that we meet our continuing fiduciary responsibilities and will have our first quarterly meeting to review the performance in October. The Finance Committee will be the Investment Committee.
- Print Shop—both the sale of the business of the print shop (equipment and intangible assets) and the sale of the real property were successfully completed. We continue to receive monthly payments from Commerce Printing on the unpaid balance. As the Secretary-Treasurer mentioned, the sale of the real estate was an all cash deal. All existing obligations (save the moving or training costs that terminated employees can ask for reimbursement) have been paid.
- The SEBC Board has agreed to retain a real estate attorney to examine how the property should be held in order to accommodate a co-owner wanting to sell their interest and being able to get fair market value for it. In addition, it includes a provision that will allow an owner to develop the property without the other owner participating and provides that the increased value due to development being allocated to the “participating owner.” The draft was presented to the SEBC Board on September 20, 2011. The Board will go to their respective Boards to seek approval of the “Buy Sell

Agreement” with the expectation that it get approved by the SEBC Board early next year. This could be an agenda item for the next Board meeting on February 2, 2012.

## **REPORT OF AFFILIATE ADMINISTRATORS**

### **(CSUEU)**

Pat Gantt reported that CSUEU is still in full contract bargaining. CSUEU has received the sunshine proposals from CSU and is trying to bargain; however, CSU is not as enthusiastic – the CSU the system has received a \$650 million cut and expects more cuts in December.

### **(ACSS, Inc.)**

Arlene Espinoza reported that ACSS has been actively involved in quite a few meet and confer sessions, about fifteen to date, working to limit the impact of layoffs and department mergers for ACSS members.

### **(CSR)**

Roger Marxen reported that the Retirees Delegate Assembly was held in Orange County in August. It was a little disappointing that the proposal to change the delegate ratio did not pass; reducing the number of delegates would have resulted in a big cost savings as well as increased flexibility in meeting locations. The resolution to change the affiliate’s name from CSEA Retirees, Inc. to California State Retirees was adopted and is being cleared through the Secretary of State’s Office. The other big issue is that the affiliate is trying to get a new location for its headquarters and is looking at purchasing a building in the Natomas area, off the Garden Highway. It is a new building in a complex developed by the California Farm Bureau and The Allen Group, in a park-like setting with plenty of parking, where we would be able to design the interior to suit our needs. The affiliate would still receive its services from Central Support and could occupy the space in late spring 2012.

### **(SEIU Local 1000)**

Yvonne Walker reported that SEIU Local 1000 is still involved in “fight for a fair economy” presentations and in the middle of a COPE drive, working toward the 2012 elections where there is an opportunity to capture two senate seats. The IT project is on track and may come in under budget. In addition Local 1000 is working with DPA over the CDCR realignment, which will cause shifts of populations and possible layoffs. We had success in layoffs at CDCR headquarters, where 300 notices went out and we lost just one member to retirement. Local 1000 is continuing to monitor budget changes and participated in a town hall with Attorney General Kamela Harris, whose budget took a \$71 million hit which effectively locks out a lot of their bureaus, mainly special agents. We are working with the Attorney General, trying to get funding restored.

## **HISTORICAL PROJECT POWER POINT PRESENTATION / REPORT**

Janis Mickel-Szichak distributed handouts and gave a detailed power point presentation on the status of the CSEA History Project. She noted that the project is continuing its work to allow members to tell their stories and to enable the public to understand the story of CSEA in all its richness and diversity. The scanning of photos and documents is about half-way through CSEA archives.

Karen Jensen has received in-depth training in archival techniques at UC Berkeley, and CSEA is continuing discussions with the California State Archives to give the material a permanent home. On the oral history part of the project, pilot oral history interviews have been conducted.

The project's website will be officially launched at the beginning of the year, and webmaster Steve Aunan reported on what is currently available and what he is working on. There is a tab to the history project on CSEA's website, calcsea.org, which contains some of the pictures that have been scanned by the student interns. He is working on a new collection which will be available on the main menu with photographs organized by decade. Once it is set up, members who are registered users will be able to add their comments and tell their stories, and we hope to be able to identify the people in the photographs.

Preliminary marketing materials have been developed, to get the word out to CSEA members to participate by being interviewers and donating materials.

The next steps for the History Project are to complete scanning of photos and documents, sign an agreement with the State Archives, launch the oral history program, launch the new website and prepare an ongoing strategy. CSEA is also in discussions with CSU Sacramento and UC Berkeley and will work to win grant funding. We also may be able to get our material on the Library of Congress website. On behalf of the CSEA History Project, Ms. Mickel-Szichak thanked the board for its continued support.

#### **MEETING ADJOURNMENT**

The meeting was adjourned by President Hart at 11:55 a.m. in the name of Troy Davis, an innocent man.

Respectfully submitted,

Jerilyn Johnson