



## SUMMARY OF MOTIONS

### SECOND 2012 CSEA BOARD OF DIRECTORS MEETING

**June 16, 2012**

Location: SEIU Local 1000, Field Office  
1325 S Street, Sacramento, CA 95811

Item:	Subject:	Action:
	<b>BOARD MINUTES:</b>	
2/4/2012 Minutes	Approval of First 2012 Board Minutes	Adopted as Printed BD 9/12/2
3/19/2012 Minutes	Approval of Telephone Conference Minutes	Adopted as Printed BD 10/12/2
	<b>BYLAWS, POLICIES, PROCEDURES AND PROGRAMS ITEMS:</b>	
B&P 6/12/2	<p>CSEA History Project Non-Profit Status</p> <p>An amendment to the motion was made for the amended recommended action to read: That the Board of Directors approve the seeking of non-profit status for the California State Employees Historical Foundation. <del>The Foundation</del> <u>Central Support staff</u> shall supply additional information to the Board for the non-profit status prior to approval of the Board by <u>August 30, 2012.</u></p>	Adopted as Amended BD 11/12/2
B&P 7/12/2	<p>Interpretation of Automatic Delegates</p> <p>That the CSEA Board of Directors interprets the Bylaws to affirm that the automatic delegates to General Council (Article IX, Section 2 (b) and (c)) shall include the three Board members from each affiliate and their designated alternate.</p>	Adopted as Presented BD 12/12/2
	<b>BENEFITS ITEMS:</b>	
BEN 1/12/2	Emergency Auto Roadside Assistance Plan	Adopted as Printed BD 13/12/2
BEN 2/12/2	Pet Insurance Plan	Adopted as Printed BD 14/12/2

	<b>FISCAL ITEMS:</b>	
FIS 2/12/2	<p>2013 – 2015 CSEA Central Support Budget [Also referred to as CSEA Budget for 2013 – 2015]</p> <p>An amendment to the motion was made for the recommended action to read: That the Board of Directors approve the attached budget for the three years ending December 31, 2015, and that a <u>cover letter signed by the four affiliate presidents will accompany the budget document in the delegates folder. In the budget, on page 31, Program 01, decrease total travel from \$75,000 to \$25,000; move \$50,000 to line item 7420, Accounting and Audit fees for each year 2013 - 2015.</u></p>	Adopted as Amended BD 15/12/2
FIS 3/12/2	<i>Adoption of 2011 [CSEA] Audit Report and Report to the Finance Committee</i>	Adopted as Printed BD 16/12/2



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## MINUTES

### SECOND 2012 CSEA BOARD OF DIRECTORS MEETING

June 16, 2012

Location: SEIU Local 1000, Field Office  
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The meeting was called to order at 9:00 a.m. by President Dave Hart. As there was no flag in the room, the meeting began with 30 seconds of silence in honor of those serving in the armed forces.

Members present were:

Dave Hart, President  
Donna Snodgrass, Vice President  
David Okumura, Secretary-Treasurer  
Patrick N. Gantt, CSUEU President  
Yvonne Walker, SEIU Local 1000 President  
Susan Sears, CSR President  
Arlene Espinoza, ACSS, Inc. President  
Loretta Seva'aetasi, CSUEU Vice President for Finance  
Russell Kilday-Hicks, CSUEU Vice President for Representation  
Cora Okumura, SEIU Local 1000 Vice President/Secretary-Treasurer  
Tamekia Robinson, SEIU Local 1000 Vice President Organizing/Representation  
(sitting in for Margarita Maldonado, SEIU Local 1000 Vice President Bargaining)  
Jerry Evans, CSR Executive Vice President  
Harold Rose, CSR Chief Financial Officer, Secretary  
(sitting in for Tim Behrens, CSR Vice President)  
Frank P. Ruffino, ACSS, Inc. Director at Large  
Carlos Chavez, ACSS, Inc. Director at Large  
(sitting in for Elnora Hunter-Fretwell, ACSS, Inc. Vice President)

Headquarters office was represented by: Lee King, Karen Jensen, Lao Sok and Stephanie Fowler.

### COMMUNICATIONS

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

### REPORT OF CLOSED SESSION

Secretary-Treasurer David Okumura reported that the board had received a bargaining update in closed session.

## **READING AND APPROVAL OF THE FIRST 2012 BOARD OF DIRECTORS MINUTES AND MINUTES OF THE TELEPHONE CONFERENCE MEETING OF MARCH 19, 2012**

BD 9/12/2 MOTION: That the Board of Directors approve the Minutes from the First 2012 Board of Directors Meeting. Motion was adopted by general consent. CARRIED.

BD 10/12/2 MOTION: That the Board of Directors approve the minutes from the Telephone Conference meeting of March 19, 2012. Motion was adopted by general consent. CARRIED.

### **REPORT OF AGENDA COMMITTEE**

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

BEN 1/12/2 Emergency Auto Roadside Assistance Plan  
BEN 2/12/2 Pet Insurance Plan  
FIS 3/12/2 Adoption of 2011 CSEA Audit Report and Report to the Finance Committee

The Agenda Committee added the following emergency item to the agenda:

B&P 7/12/2 Interpretation of Automatic Delegates.

The Agenda was adopted as reported by general consent.

### **REPORT OF PRESIDENT**

President Hart reported that he is spending most of his time at CSR meetings and finds it interesting that retirees seem to be understanding the Article XIX: New Governance Structure for the Association [B&P 1/12] issue -- 25% get it, 25% hate it and 50% are in the middle. He feels that the retirees are being quite open and want to do the right thing; they are beginning to understand the money part of CSEA being a business operation. On the issue of how to lead staff through this difficult period, he and Lee King asked UAW to talk about the issue before bargaining, but did not hear from them – we are trying to do what we can to provide training for people to make the transition.

### **REPORT OF VICE PRESIDENT**

Donna Snodgrass reported that the CSEA Foundation has raised \$12,000 so far this year and currently has about a \$44,000 balance. The Foundation received 52 scholarship applications for four \$800 awards; three were eliminated as incomplete and the Scholarship Selection Committee is reviewing the remaining 49 in a double blind process. The applications are first reviewed by Joan Kennedy, who redacts personal information and gives them numbers. After the committee makes its selections, Joan will then put on the names. The Foundation cannot conduct any more raffles this year – she discovered that they must apply for a permit at the Attorney General's Office with raffle dates for the entire year. Instead of raffles at the CSR Board meeting, they sold candy bars for \$5 and also got contributions from chapters. The next major fund raising will be at the CSUEU Board meeting, where the Foundation will have a

boutique set up in a separate room and also sell sponsorships, giving sponsors tote bags with goodies. If it works well, there will be a boutique at General Council. The goal is to raise \$30,000 for the year.

## **REPORT OF SECRETARY-TREASURER**

Secretary-Treasurer Dave Okumura reported as follows:

- Central Support concluded the year ending December 31, 2011 under-budget by approximately \$84,000. We would have been approximately \$500,000 under budget but we experienced a chargeback of over \$400,000 in additional liability owing to SEIU International as a result of having to amend our old CSEA Pension Plan to pay a “premium” to those retirees who worked beyond their “normal retirement age.” Major areas of savings were labor and associated fringe costs, travel and meeting costs and insurance costs.
- We completed the CSEA audit for the year ending December 31, 2011 and issued audit reports two months earlier than the prior year. We received a “clean” or what is called an “unqualified opinion” which is the highest level of opinion that an outside auditor can issue -- meaning that based on their audit of CSEA’s financial statements, the auditors concluded that they were fairly presented in conformity with the generally accepted accounting principles. Additionally, the auditors concluded that they did not identify any deficiencies in internal control that they considered to be a material weakness.
- The accounting department was also able to complete the year end audits for the four affiliates with similar results in terms of unqualified opinions and timelines. The Hudson reports for the two union affiliates were also completed with plenty of time to spare in terms of meeting the required deadlines.
- The financial statements for the first four months ending April 30, 2012 reflect no items of concern. Although projections this early in the year are more “art” than “science,” we are currently projecting to be approximately \$400,000 under budget for 2012.

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

### **OPERATIONAL HIGHLIGHTS**

General Manager Lee King reported on the following operational highlights:

- We successfully completed our audit season that involved 10 separate audit reports -- all audits were completed earlier than the year before and he is happy to report that all were clean/unqualified audit reports, meaning that the auditors concluded that the financial statements were fairly presented in conformity with generally accepted accounting principles. Additionally, the auditors did not identify any deficiencies in internal controls that they considered to be “material weaknesses.”
- As previously reported, the SEBC (State Employees Building Corporation) Board retained 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. The initial draft included 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 Golden One management team has delayed presenting this to their Board for approval and has their in-house counsel reviewing the agreement for comments. In the recently concluded SEBC Board meeting, the Golden One representatives stated that they are seeking an outside attorney’s opinion on how this affects their “represented interests.” The Buy/Sell Agreement that is in front of this Board is vital to CSEA’s interests as it gives us flexibility to either sell or develop the building and/or the parking lot in a manner that preserves the market value of an owner that wishes to sell or develop the property. As of Thursday this week, we received a “red lined” version that had numerous changes from the original draft prepared by the SEBC engaged attorney. These changes came about as a result of Golden One engaging another firm to review the Agreement on their behalf. On initial review, it appears that we can live with the edits but he thinks it prudent to engage an outside attorney specializing in real estate to review the Agreement to ensure that CSEA’s interests are protected. We are in the midst of locating such an attorney and should be able to present this to the Board in the near future for approval.

- We completed an installation Windows & and Office 2007 upgrades.
- In late March 2012, Local 1000 became their own employer and all former CSEA employees assigned to Local 1000 (excluding two) accepted employment with Local 1000. The staff contract expired on March 31, 2012 and the staff bargaining team withdrew from the table as a result of CSEA not bargaining for current employees of Local 1000. We have invited the staff bargaining team to return to the table but they have yet to respond.

## **AFFILIATE REPORTS**

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

Arlene Espinoza reported that ACSS has worked with Assembly member Joan Buchanan and former DPA Director Ron Yank to establish an excluded employee council. There are 16 recognized organizations, but 13 have agreed to participate with the Excluded Employee Council, which has met twice and has a third meeting scheduled for July. ACSS also surveyed its members regarding the May revise and proposed alternate work week. Overwhelming response to the survey was that the alternate work week would not work in members’ facilities or units. If members are stuck with a reduction, they prefer a new Personal Leave Program (PLP) or one-day furlough rather than a 4/38 work week. One of ACSS’s members has been reappointed by Governor Brown to the Vocational Nursing and Psychiatric Technician Board. ACSS members will have an important Delegate Assembly on July 20-22 in Sacramento with important bylaws/resolutions coming before them.

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

Yvonne Walker reported that SEIU Local 1000 is currently in negotiations with DPA, and Local 1000 was successful in the primary elections, with its chosen candidates moving forward to November, where the top priority is to re-elect President Obama. Local 1000 is participating in the Alliance for a Better California to fight what had been called the “Paycheck Deception Act,” now called the “Special Exemptions Act.” The campaign website is

[www.stopspecial exemptions.org](http://www.stopspecial exemptions.org). Passage of that act would curtail unions' payroll deduction for political purposes -- it does not address dues deduction, but it is the first step. It goes beyond not having a level playing field, as it only places the restriction on unions, not on corporations although it is being sold as an anti-corporate measure. She urged that we must get serious about voter registration and turning voters out.

**(CSR)**

Susan Sears reported that CSR also conducted a survey, which was sent with the *California State Retiree* in May. A total of 2,232 responses came from almost every state in the union, with the largest group being people retired more than 20 years. The biggest concern in healthcare was over the long-term care program. Chapter elections have been completed, with 11 of the 25 chapters electing new presidents. The CSR Governing Rules require an officer training within eight weeks of the elections, and there will be one training in the North and one in the South. The CSR Lobby Day on May 8 had over 60 members participating at the State Capitol with appointments with their legislators. Before Lobby Day, there was a day of training on May 7, and it all went well thanks to Sherrie Golden and CSR staff. CSR is continuing to work on its Chapter Ambassador Program to reach out to employees before they retire and is also working to establish an ombudsman program so people will have someone to call with problems. CSR's Delegate Assembly will be August 31, 2012.

**(CSUEU)**

Pat Gantt reported that CSUEU has ratified its contract and is now in the process of printing it for distribution. He said it is fortunate that the CSUEU contract is in place during this troubling time. CSUEU will finishing up Chapter elections by the end of June, and CSUEU is working on registering people to vote and getting members educated for the fall election. The problem being faced now is with increased workload due to the layoffs last year -- 50% of CSU's state funding has disappeared and the budget cuts will potentially be more if the governor's tax measure does not pass. CSUEU is waiting to see what the impact of the budget discussions will be.

**B&P 6/12/2 (Hart) CSEA History Project Non-Profit Status**

BD 11/12/2 MOTION: That the Board of Directors approve the seeking of non-profit status for the California State Employees Historical Foundation. The foundation shall supply additional information to the Board for the non-profit status prior to approval of the Board.

An amendment to the motion was made: Hart, second by Sears -- That the Board of Directors approve the seeking of non-profit status for the California State Employees Historical Foundation. ~~The foundation~~ Central Support Staff shall supply additional information to the Board for the non-profit status prior to approval of the Board by August 30, 2012.

Motion was adopted as amended by general consent. CARRIED.

It was noted that the intent is to keep the History Project alive until the board can decide how big the project might be. Staff will look at the advantages of non-profit status and have some information for the board by its next meeting. [August 30, 2012] Donna Snodgrass suggested that



the current CSEA Foundation could be used as a temporary vehicle for donations, which would be earmarked in a separate account. Lee King reported that project costs to date are \$51,000 out of pocket, not including staff time.

**B&P 7/12/2 (Espinoza) Interpretation of Automatic Delegates**

Arlene Espinoza explained that the proposed action deals with the fact that General Council passed B&P 8/07, which changed directors but did not change automatic delegates.

BD 12/12/2 MOTION: That the CSEA Board of Directors interprets the Bylaws to affirm that the automatic delegates to General Council (Article IX, Section 2 (b) and (c)) shall be the three Board members from each affiliate and their designated alternate. Motion was adopted by general consent. CARRIED.

**BEN 1/12/2 (Snodgrass) Emergency Auto Roadside Assistance Plan**

BD 13/12/2 MOTION: That the Board of Directors accept Road America as its Emergency Auto Roadside Assistance provider as a new Member Benefit program. Motion was adopted by general consent. CARRIED.

**BEN 2/12/2 (Snodgrass) Pet Insurance Plan**

BD 14/12/2 MOTION: That the Board of Directors accept A&H Intermediaries (Hartville) as CSEA's Pet Insurance Plan carrier. Motion was adopted by general consent. CARRIED.

**FIS 2/12/2 (Okumura) CSEA Budget for 2013-2015**

BD 15/12/2 MOTION: That the Board of Directors approves the budget attached to FIS 2/12/2 for the three years ending December 31, 2015.

An amendment to the motion was made: Gantt, second by Rose – That the Board of Directors approves the budget attached to FIS 2/12/2 for the three years ending December 31, 2015, and that a cover letter signed by the four affiliate presidents will accompany the budget document in the delegates folder. In the budget, on page 31, Program 01, decrease total travel from \$75,000 to \$25,000 and move \$50,000 to 7420 Accounting & Audit Fees for all years.

Motion was adopted as amended by general consent. CARRIED.

**FIS 3/12/2 (Okumura) 2011 Audit Report**

BD 16/12/2 MOTION: That the Board of Directors adopt the 2011 Audit Report of CSEA. Motion was adopted by general consent. CARRIED.

**MEETING ADJOURNMENT**

The meeting was adjourned by President Hart at 10:35 a.m. in the name of the 99%.

Respectfully submitted,

Jerilyn Johnson