

SUMMARY OF MOTIONS

THIRD 2012 CSEA BOARD OF DIRECTORS MEETING

August 30, 2012

The Westin Bonaventure Hotel & Suites
404 S Figueroa Street, Los Angeles, CA 90071

Item:	Subject:	Action:
	BOARD MINUTES:	
6/12/2012 Minutes	Approval of Second 2012 Board Minutes	Adopted as Printed BD 18/12/3
	BENEFITS ITEMS:	
BEN 3/12/3	Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as Printed BD 19/12/3
BEN 4/12/3	Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review	Adopted as Printed BD 20/12/3
BEN 5/12/3	Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review	Adopted as Printed BD 21/12/3
BEN 6/12/3	Disability Income Insurance Plans (Short Term and Long Term) – New York Life Insurance Company – Annual Review	Adopted as Printed BD 22/12/3
BEN 7/12/3	Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review	Adopted as Printed BD 23/12/3
BEN 8/12/3	Family Life Insurance Plan – American United Life Insurance Company – Annual Review	Adopted as Printed BD 24/12/3
BEN 9/12/3	Legal Plan – Legal Club of America – Annual Review	Adopted as Printed BD 25/12/3
BEN 10/12/3	Auto and Homeowners Insurance Plan – Unitrin Direct <i>preferred insurance</i> – Annual Review	Adopted as Printed BD 26/12/3
BEN 11/12/3	Emergency Assistance Plan (EA+) - OnCall International – Annual Review	Adopted as Printed BD 27/12/3



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August 30, 2012

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MINUTES

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The meeting was called to order at 11:00 a.m. by President Dave Hart. The pledge of allegiance was led by Donna Snodgrass.

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
Michael Geck, CSUEU Vice President for Organizing
Cora Okumura, SEIU Local 1000 Vice President/Secretary-Treasurer
Margarita Maldonado, SEIU Local 1000 Vice President for Bargaining
Jerry Evans, CSR Executive Vice President
Tim Behrens, CSR Vice President
Frank P. Ruffino, ACSS, Inc. Vice President of Governmental Affairs
Elnora Hunter-Fretwell, ACSS, Inc. Executive Vice President

Headquarters office was represented by: Lee King, Janis Mickel-Szichak, Karen Jensen, Kay Thomas, Sherrie Golden, Stephanie Fowler and Lao Sok; Philip Sherwood (CSR), Rocco Paternoster (ACSS).

COMMUNICATIONS

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

REPORT OF CLOSED SESSION

Secretary-Treasurer David Okumura reported that the board voted in closed teleconference session on August 20 to authorize the CSEA management bargaining team to impose the last, best and final offer with the CSEA employee staff union. Yvonne Walker noted that Local 1000 officers did not participate in the August 20 meeting and did not vote.

READING AND APPROVAL OF THE SECOND 2012 BOARD OF DIRECTORS MINUTES

BD 18/12/3 MOTION: That the Board of Directors approve the Minutes from the Second 2012 Board of Directors Meeting. 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 3/12/3 Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review
- BEN 4/12/3 Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review
- BEN 5/12/3 Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review
- BEN 6/12/3 Disability Income Insurance Plans (Short Term and Long Term) – New York Life Insurance Company – Annual Review
- BEN 7/12/3 Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review
- BEN 8/12/3 Family Life Insurance Plan – American United Life Insurance Company – Annual Review
- BEN 9/12/3 Legal Plan – Legal Club of America – Annual Review
- BEN 10/12/3 Auto and Homeowners Insurance Plan – Unitrin Direct *preferred insurance* – Annual Review
- BEN 11/12/3 Emergency Assistance Plan (EA+) – OnCall International – Annual Review
- BEN 12/12/3 24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review
- BEN 13/12/3 Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review
- BEN 14/12/3 Travel Accident Insurance Plan – New York Life Insurance Company – Annual Review
- BEN 15/12/3 Final Expense Life Insurance Plan
- BEN 16/12/3 Auto Insurance Plan – Request for Proposal (RFP)

FIS 4/12/3, CSEA History Project Non-Profit Status, was withdrawn from the agenda by the proponent.

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

- FIS 5/12/3 Adoption of State Employees Building Corporation Buy/Sell Agreement

The Agenda was adopted as reported by general consent.

REPORT OF PRESIDENT

President Hart reported that he is working nearly full time on the campaign for B&P 1/12, to establish a new governance structure for the Association. There is a group of people trying to do the best thing for CSEA and its members, concerning both B&P 1/12 and the proposed State Employees Building Corporation Buy/Sell Agreement. There is more work to be done on the CSEA History Project and he has confidence in the Board of Directors doing the right thing. While there was some initial mistrust, he and Janis Mickel Szichak and Lee King worked it out with daily meetings and have been working as a team for three years. He has been very grateful for the learning experiences that he never would have had on his state job and it has reinforced his trust in the group. He will be running out his vacation to his birthday, December 31, which will be his first day of retirement.

REPORT OF VICE PRESIDENT

Donna Snodgrass reported that it's been a busy time, raising money for the Scholarship Fund. The Foundation's goal is to raise \$30,000 by the end of the year. Donations are tax deductible, and if that goal is reached, scholarship amounts can be raised to \$1,000. This year, there were four scholarship recipients, chosen in a double-blind review so no one knew who the applicants were.

REPORT OF SECRETARY-TREASURER

Secretary-Treasurer Dave Okumura reported as follows:

The financial statement for the first seven months ending July 31, 2012 reflects no items of concern and we can safely project that we should be at least \$500,000 below budget in terms of total expenditures chargeable to the Affiliates. The chief reasons for this favorable variance are (1) salary savings due to unfilled positions; (2) lower than expected insurance costs; (3) union leave costs lower than budgeted; and (4) pension, supplies and capital purchases also lower than projected in the budget developed over three years ago.

The Member Benefits program is having a good year and should generate a net profit of between \$225,000 and \$250,000. Based on current projections and reduced staffing levels, it is conceivable that this department might start generating net annual profits of \$500,000 by 2014. These net profits can serve to offset the net central support costs chargeable to the Affiliates.

Finally, as this may be the last Board meeting as Secretary-Treasurer to CSEA, he reminded the Board of what we have been able to accomplish:

- (1) Merged our pension plan into SEIU International, thus ending the volatility of the annual pension contributions we faced as an organization.
- (2) Successfully wound down our print shop operations that were generating annual losses in excess of \$300,000 a year without significant financial impact to the Affiliates.
- (3) Replaced our old legacy accounting system with a modern "cloud based" system that allowed remote users, such as him and other Affiliate users, the ability to access financial information and drill down to the individual invoice level.
- (4) Reduced the internal processing time for expense claims.
- (5) Provided more transparency to the Affiliates on how central support resources are spent.
- (6) For the upcoming three-year budget cycle, had the most collaboration in terms of balancing Affiliates' needs for service versus their budgetary limitations.
- (7) Continued receiving unqualified annual audit reports and reduced the time for the annual closing of the books.

Mr. Okumura thanked the staff, Fiscal Committee and the Board for the support that they have provided him in his five years of service as CSEA Secretary-Treasurer, with special thanks to Lee King. As a state auditor, he has dealt with many CPAs and never met one as knowledgeable.

REPORT OF GENERAL MANAGER/DIRECTOR OF ORGANIZATIONAL DEVELOPMENT

General Manager Lee King noted that General Council is an event that takes a lot of planning and recognized Janis Mickel-Szichak and her team for their efforts. Janis related that it was her pleasure to work with central support staff people who developed what needed to be done and developed teams and team leaders -- Karen Jensen and her team, Stephanie Fowler and Lao Sok were great.

Rosmaire Duffy reported that new programs had been developed for CSEA Member Benefits, improving the insurance plans and adding new products. We can now buy \$1 million of term insurance at market rates and Member Benefits continues to investigate new benefits.

AFFILIATE REPORTS

(CSR)

Susan Sears reported that CSR held its chapter officer training in July, with 11 new chapter presidents. There were two sessions, one in the north and one in the south, with members conducting the training. Feedback indicated that members learned from each other. The new CSR Goals and Objectives Committee will meet on October 16 and 17 in Sacramento, working to set the direction for our affiliate. CSR is continuing to seek options for a headquarters facility, and four options will be presented at the CSR Board meeting in November, including purchasing space, leasing a facility with the option to buy, leasing or moving to another location within the 1108 "O" Street building. The next Lobby Day is scheduled for April 9, 2013.

(ACSS, Inc.)

Arlene Espinoza reported that ACSS held its Delegate Assembly in July, where it made changes to its corporate structure, including new officer titles, and is moving forward on its program to develop and grow membership. She was fortunate to be reelected as President and will do everything she can to represent members on the board and for the affiliate. Frank Ruffino is Vice President of Governmental Affairs; Todd D'Braunstein is Vice President of Membership Development; Pam Robison is Secretary-Treasurer and Elnora Hunter-Fretwell is Executive Vice President. ACSS held its eleventh successful lobby day and is getting better at it each year.

(CSUEU)

Patrick Gantt reported that CSUEU conducted elections for statewide officers at its June board meeting. Alisandra Brewer is the new Vice President for Representation and Michael Geck, Vice President for Organizing. At its orientation and retreat, the board considered resources and structure, planning for how to move forward, out of a reactive mode and into a strategic mode. The first challenge is to understand what it costs to run an organization statewide – what we do and how it helps our members. CSUEU is also active in the campaigns for Yes on Proposition 30; No on Proposition 32, which was designed to take unions out of politics. CSUEU is working to maximize voter registration and communicate the message that we don't need another budget cut that could cause massive layoffs.

(SEIU Local 1000)

Yvonne Walker reported that she has really appreciated working with all the board members, who have been able to forge a relationship for the benefit of our organization and good of the members. Retirement security is a big thing for Local 1000, which was part of a pilot program on retirement security for SEIU International, and the next crisis will likely be health care. Local 1000 has supported SB 1234, which would create an opportunity for private sector retirement that would really be good for us. Local 1000 has been lobbying in the Capitol and talking to people in the community, and she encouraged other affiliates to take positions and write to the governor asking him to sign SB 1234. Current focus is on passing Proposition 30, defeating Proposition 32, and reelecting President Obama. Proponents of Proposition 32 had been calling it “payroll protection” but are now calling it “campaign reform.” However, the only thing they are after is unions. Local 1000 has already started phone banking and precinct walking and invites anybody to phone bank and precinct walk with them. In Sacramento, they are operating out of the Local 1000 office at 1808 “S” Street and other sites are listed on the website. Local 1000 is also focused on working with the community and demystifying state workers, with a “value added” program – such things as creek cleanups, and giving away backpacks. Local 1000 has a new Fresno office, and its grand opening on September 15 will be used as an opportunity for a community group fundraiser and local food bank.

As part of the Affordable Care Act, California is on the forefront in setting up its call center. Local 1000 worked to make sure that the call center would be staffed with state workers, which should be 1500 jobs. We have the opportunity to change the way labor relations happens in the State of California.

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BEN 3/12/3 (Snodgrass) Group Term Life Insurance Plan – Anthem Life Insurance Company – Annual Review

BD 19/12/3 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 increase member participation; (3) monitor the impact of the new plan design on the contingency reserve. Motion was adopted by general consent. CARRIED.

BEN 4/12/3 (Snodgrass) Group Ordinary Life Insurance Plan – Anthem Life Insurance Company – Annual Review

BD 20/12/3 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 increase member participation. Motion was adopted by general consent. CARRIED.

BEN 5/12/3 (Snodgrass) Accidental Death and Dismemberment Insurance Plan – New York Life Insurance Company – Annual Review

BD 21/12/3 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 6/12/3 (Snodgrass) Disability Income Insurance Plans (Short Term and Long Term) – New York Life Insurance Company - Annual Review

BD 22/12/3 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 to market both plans to rebuild plan membership. Motion was adopted by general consent. CARRIED.

BEN 7/12/3 (Snodgrass) Cancer Insurance Plans – Monumental Life Insurance Company – Annual Review

BD 23/12/3 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 8/12/3 (Snodgrass) Family Life Insurance Plan – American United Life Insurance Company – Annual Review

BD 24/12/3 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 9/12/3 (Snodgrass) Legal Plan – Legal Club of America – Annual Review

BD 25/12/3 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 10/12/3 (Snodgrass) Auto and Homeowners Insurance Plan – Unitrin Direct *preferred insurance* – Annual Review

BD 26/12/3 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 11/12/3 (Snodgrass) Emergency Assistance Plan (EA+) – OnCall International – Annual Review

BD 27/12/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with OnCall International at current rates. Motion was adopted by general consent. CARRIED.

BEN 12/12/3 (Snodgrass) 24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review

BD 28/12/3 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 approval of the move to Hartville. Motion was adopted by general consent. CARRIED.

BEN 13/12/3 (Snodgrass) Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review

BD 29/12/3 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.

BEN 14/12/3 (Snodgrass) Travel Accident Insurance Plan – New York Life Insurance Company – Annual Review

BD 30/12/3 MOTION: That the Board of Directors adopt the following recommendations: (1) conclude that there is no contingency reserve surplus; (2) continue the plan with New York Life at current rates; (3) work with the carrier to collect data necessary to evaluate plan experience. Motion was adopted by general consent. CARRIED.

BEN 15/12/3 (Snodgrass) Final Expense Life Insurance Plan

BD 31/12/3 MOTION: That the Board of Directors adopt the Anthem Life Final Expense Life Insurance Plan as a new Member Benefit program. Motion was adopted by general consent. CARRIED.

BEN 16/12/3 (Snodgrass) Auto Insurance Plan – Request for Proposal (RFP)

BD 32/12/3 MOTION: That the Board of Directors retain Kemper Select as the carrier of CSEA's Auto Insurance Plan. Motion was adopted by general consent. CARRIED.

FIS 4/12/3 (Hart) CSEA History Project Non-Profit Status

This item was pulled from the agenda by the proponent.

FIS 5/12/3 (Hart) Adoption of State Employees Building Corporation Buy/Sell Agreement

BD 33/12/3 MOTION: That the Board of Directors adopt acceptance of the Buy Sell Agreement. Motion was adopted by general consent. CARRIED.

MEETING ADJOURNMENT

With many expressions of thanks and appreciation, President Hart was presented with a red vest and beret to be worn in his upcoming position as a Past President of CSEA.

The meeting was adjourned by President Hart at 12:20 p.m.

Respectfully submitted,
Jerilyn Johnson

BEN 12/12/3	24PetWatch Pet Insurance Plan – Pethealth Incorporated – Annual Review	Adopted as Printed BD 28/12/3
BEN 13/12/3	Comprehensive Accident Plan (CAP) – Hartford Life and Accident Insurance Company – Annual Review	Adopted as Printed BD 29/12/3
BEN 14/12/3	Travel Accident Insurance Plan – New York Life Insurance Company – Annual Review	Adopted as Printed BD 30/12/3
BEN 15/12/3	Final Expense Life Insurance Plan	Adopted as Printed BD 31/12/3
BEN 16/12/3	Auto Insurance Plan – Request for Proposal (RFP)	Adopted as Printed BD 32/12/3
	FISCAL ITEMS:	
FIS 4/12/3	CSEA History Project Non-Profit Status	Pulled from agenda
FIS 5/12/3	<u>Emergency Agenda Item:</u> Adoption of State Employees Building Corporation Buy/Sell Agreement	Adopted as Printed BD 33/12/3