

BOARD OF DIRECTORS (OPEN)

AGENDA ITEM 17a

ATTACHMENT 17a-II

APPROVAL of OPEN MEETING MINUTES

- July 9-10, 2009
- July 20, 2009
- July 31, 2009
- August 25, 2009

PRESENTED BY:

September 11, 2009

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

**MINUTES OF OPEN SESSION
SPECIAL MEETING**

July 20, 2009

The Board of Directors of State Compensation Insurance Fund met by teleconference on July 20, 2009. Teleconference locations were:

State Compensation Insurance Fund
1275 Market Street, 2nd Floor "PAC"
Room
San Francisco, CA 94103

2275 Gateway Oaks Drive,
Sacramento Room
Sacramento, CA 95833

10105 Pacific Heights Blvd., 4th Floor
Torrey Pines Conference Room
San Diego, CA 92121

1750 E. 4th Street, 1st Floor Main
Conference Room
Santa Ana, CA 92705

The meeting was called to order at approximately 2:00 p.m.

AGENDA ITEM 1: APPOINTMENT OF SECRETARY PRO TEM

Chair Cain appointed Randall Keen as Secretary Pro Tem.

AGENDA ITEM 2: ROLL CALL

The following members were present:

Sacramento: Jeanne L. Cain, Chair; Sen Michael J. Machado; Daniel M. Curtin.

San Francisco: Thomas Rankin.

Santa Ana: Sheryl A. Chalupa; Francis E. Quinlan.

San Diego: Steven L. Rank.

Absent: Vincent E. Mudd and nonvoting member John C. Duncan.

Also present: President and CEO Janet D. Frank; General Counsel Carol R. Newman; Randall Keen, Esq., of Manatt, Phelps & Phillips, LLP; Ronald B. Turovsky, Esq., of Manatt, Phelps & Phillips, LLP.

AGENDA ITEM 3: ANTITRUST ADMONITION

Chair Cain called attention to State Fund's Antitrust Admonition which is included in each member's packet.

AGENDA ITEM 4: FINDING THAT 10-DAY NOTICE REQUIREMENT WOULD CAUSE SUBSTANTIAL HARDSHIP

Chair Cain noted that in order to hold a Special Meeting, the Board must find that the 10-day notice requirement under the Bagley-Keene Act would cause a substantial hardship. Chair Cain read a proposed resolution and finding:

WHEREAS, the Governor of California issued Executive Order S-16-08 on December 19, 2008, which ordered the Department of Personnel Administration to adopt a plan to implement a furlough of state employees for two days per month; and

WHEREAS, the Governor of California issued Executive Order S-13-09 on July 1, 2009, which ordered the Department of Personnel Administration to adopt an amended plan to implement a furlough of represented state employees for three days per month, regardless of funding source; and

WHEREAS, the Service Employees International Union (or "SEIU") filed a Petition for a Writ of Mandate in Superior Court in San Francisco on or about June 12, 2009 against the Governor and against Janet Frank as President of the State Compensation Insurance Fund seeking an order from the court that the State Compensation Insurance Fund employees represented by CASE are exempt from the furlough;

WHEREAS, in response to an ex parte motion filed by SEIU, the court has set a hearing for July 22, 2009 and required parties to file an Answer on July 23, 2009; and

WHEREAS, the delay necessitated by providing notice 10 days prior to a meeting as required by Government Code Section 11125 would not allow the Board of Directors sufficient time to confer with staff and legal counsel prior to the dates established by the court; and

WHEREAS, the Board of Directors has an immediate need to confer with staff and legal counsel on additional pending litigation;

NOW THEREFORE,

It is RESOLVED, that the Board of Directors finds that the delay necessitated by providing notice 10 days prior to a meeting as required by Government Code Section 11125 would cause a substantial hardship on the State Compensation Insurance Fund and its Board of Directors.

Mr. Rankin noted the hardship to State Fund if backpay was ordered for employees who had not worked because of the furlough.

There was no public comment.

MOTION: Senator Machado

SECOND: Mr. Rank

To adopt the proposed resolution and finding.

Roll call vote:

Jeanne L. Cain:	Aye
Sheryl A. Chalupa:	Aye
Daniel M. Curtin:	Aye
Sen. Michael J. Machado:	Aye
Vincent E. Mudd:	Absent
Francis E. Quinlan:	Aye
Steven L. Rank:	Aye
Thomas Rankin:	Aye

The motion carried.

The meeting convened immediately into Closed Session at approximately 2:15 p.m. for a discussion on agenda Item 6. Vincent E. Mudd and nonvoting member John C. Duncan joined the Board meeting during the closed session discussion.

The Board reconvened into Open Session at approximately 4:15 p.m. Due to technical difficulties, Thomas Rankin in the San Francisco location did not re-join the open session of the teleconference meeting.

AGENDA ITEM 7: REPORT OF ANY ACTION TAKEN IN CLOSED SESSION

Chair Cain stated that the Board did not take any reportable actions during the closed session.

ADJOURNMENT

There being no further business, Chair Cain adjourned the meeting at approximately 4:25 p.m.

Respectfully submitted,

Randall Keen,
Secretary *pro tem*