

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

MINUTES OF OPEN SESSION MEETING

June 16, 2020

The Board of Directors of the State Compensation Insurance Fund met on June 16, 2020 via telephone/video conference using Zoom webinar.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

Board Liaison Hilda Padua welcomed everyone who joined the meeting via telephone/video conference. Ms. Padua went over the Housekeeping rules for the meeting, including how to submit Public Comments by sending an email to BoardofDirectors@scif.com. Ms. Padua noted that the information was also posted on the State Fund website.

The meeting was called to order on June 16, 2020 at 1:00 p.m.

Mr. Lanier requested Ms. Padua to call roll. The following were present: David M. Lanier (Chair); Senator Tom C. Berryhill (Ret.); Daniel M. Curtin; Richard J. Guggenhime; Senator Michael J. Machado (Ret.); Jack L. Neureuter; Alexis A. Podesta; Arthur H. Pulaski; Thomas E. Rankin; Angela D. Tate; William M. Zachry; Katrina S. Hagen (Ex-officio).

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary and Chief of Internal Affairs Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Executive Program Analyst Candace W. Fong.

Board Chair David Lanier welcomed everyone who joined the meeting via telephone/video conference.

AGENDA ITEM 2: ANTITRUST ADMONITION

Mr. Lanier called attention to, and requested confirmation that, the Board members read State Fund's Antitrust Admonition, which is included in each Board member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

- 3a. Approval of February 27-28, 2020 and April 17, 2020 Open Meeting Minutes
- 3b. Board Member Educational Opportunities and Approval of Planned Board Member Education and Expense Reimbursement
- 3c. Annual Review and Approval of State Fund By-Laws
- 3d. Annual Review and Approval of Committee Charters
- 3e. Annual Review and Approval of Board Education and Travel Expense Reimbursement Policy

- 3f. Annual Review and Approval of Board Delegated Authority and Approval Levels
- 3g. Approval of Board Committee Assignments for 2020
- 3h. Annual Review and Approval of Internal Audit Charter and Compliance with International Audit Standards
- 3i. Approval of Retirement Resolutions

Mr. Lanier asked whether any Board member had comments on the items on the Consent Calendar of which there were none.

Mr. Lanier called for a Motion.

MOTION: Mr. Zachry

SECOND: Mr. Neureuter

To approve the Consent Calendar as presented.

Mr. Lanier requested public comment of which there was none. Mr. Lanier called for the vote.

YES: 11

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: STATEMENT OF ACTUARIAL OPINION

Mr. Lanier noted that this item is read only, unless there are questions, of which there were none.

AGENDA ITEM 5: FINANCIAL REPORT

Mr. Lanier noted that this item is read only, unless there are questions, of which there were none.

AGENDA ITEM 6: REPORTS BY THE CHAIRS OF COMMITTEE ACTIVITIES

Mr. Lanier thanked the Committee Chairs for the great job they have done, considering the unique challenges of running a virtual meeting through Zoom.

6a: GOVERNANCE COMMITTEE

Governance Chair Mr. Rankin reported that the Governance Committee met on May 28, 2020 through Zoom online meeting. During the Open session under Consent Calendar, the Committee reviewed and approved the following:

- State Fund By-Laws
- Committee Charters
- Board Education and Travel Expense Reimbursement Policy
- Board Delegated Authority and Approval Levels
- Board Committee Assignments for 2020

During the Closed session, the Committee discussed the recommended plans for the upcoming Board Strategic meeting.

6b: AUDIT COMMITTEE

Audit Chair Mr. Zachry reported that the Audit Committee met on May 27, 2020 through Zoom online meeting. During the Open session, under the Consent calendar, the

Committee reviewed and approved the Audit Committee Charter with no recommended changes, and approved the Internal Audit Activity Charter and Compliance with International Audit Standards with non-substantive changes. During the Closed session, the Committee heard a report from the External Auditor regarding the 2019 Audit results; and, heard an update from staff on Internal Audit activities and the Model Audit Rule update.

Mr. Zachry acknowledged and thanked the State Fund Financial staff team for their work and collaboration with the external auditor, EY.

6c: INVESTMENT and RISK COMMITTEE

Investment and Risk Committee Chair Senator Machado reported that the Investment and Risk Committee met on Friday, May 29, 2020 through Zoom online meeting. During the Open session, the investment transactions and compliance reports, for the period of January 1, 2020 to March 31, 2020, were approved by the Investment and Risk Committee pursuant to its delegated authority. The Investment and Risk Committee also reviewed and approved the Investment and Risk Charter with no recommended changes. During the Closed session, the Investment and Risk Committee heard a report from staff on portfolio performance; a report from New England Asset Management Investment managers; an update on State Fund's Information Security Program; and, a report from the Enterprise Risk Management program.

AGENDA ITEM 7: CHAIRPERSON'S REPORT

Mr. Lanier thanked every member of the State Fund team for their hard work, support, and adaptability during this difficult and challenging time. State Fund transitioned to a work-from-home (WFH) environment and has done well supporting each other. Mr. Lanier wished everyone to stay safe and healthy.

AGENDA ITEM 8: BOARD MEMBER REPORTS

Mr. Lanier asked if there were any Board member reports, of which there were none.

AGENDA ITEM 9: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 12 THROUGH 20

Mr. Lanier requested public comment on the appropriateness of Closed Session for agenda items 12 through 20, of which there was none.

AGENDA ITEM 10: PUBLIC COMMENT

Mr. Lanier confirmed that no public comment was received.

ADJOURNMENT

There being no further business, Mr. Lanier adjourned the meeting at 1:10 p.m. to immediately reconvene in Closed Session.

June 16, 2020

AGENDA ITEM 21: CALL TO ORDER AND ROLL CALL

The Open Session meeting reconvened at 6:25 p.m. via telephone/video conference (Zoom webinar) and the following Members were present: David M. Lanier (Chair); Senator Tom C. Berryhill (Ret.); Daniel M. Curtin; Richard J. Guggenhime; Senator Michael J. Machado (Ret.); Jack L. Neureuter; Alexis A. Podesta; Arthur H. Pulaski; Thomas E. Rankin; Angela D. Tate; William M. Zachry; Katrina S. Hagen (Ex-officio).

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary and Chief of Internal Affairs Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Executive Program Analyst Candace W. Fong.

AGENDA ITEM 22: PROPOSALS AND SUGGESTIONS FOR AUGUST 25, 2020 AGENDA

Mr. Lanier requested suggestions for agenda items for the August 2020 Board meeting, of which there were none.

Mr. Lanier requested public comment, of which there was none. He noted that the next Board meeting is scheduled for August 25, 2020, location to be determined, unless noticed for a new date and time

Mr. Lanier adjourned the meeting at 6:30 p.m.

Respectfully submitted,



Hilda B. Padua
Board Liaison and Assistant Corporate Secretary