

BOARD OF DIRECTORS (OPEN)

AGENDA ITEM 19a

ATTACHMENT 19a-I

CONSENT CALENDAR: *Approval of August 19, 2010 Open Meeting Minutes*

PRESENTED BY: Jeanne Cain

September 10, 2010

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

MINUTES OF OPEN SESSION MEETING

August 19, 2010

The Board of Directors of State Compensation Insurance Fund met on August 19, 2010 in the Milton Marks Conference Center, State Building, 455 Golden Gate Avenue, San Francisco, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order on August 19 at 10:00 a.m. and the following were present: Sheryl A. Chalupa, Acting Chair; Donald E. Garcia; Sen. Michael J. Machado (Ret.); Francis E. Quinlan; Thomas Rankin; James S. Richardson; and William Zachry. Absent (by prior arrangement): Jeanne Cain, Chair; Daniel Curtin; Lawrence Mulryan; Steven L. Rank; and non-voting member John. C. Duncan.

There was a quorum.

Also present: President and CEO Thomas Rowe; Chief Financial Officer Jay Stewart; General Counsel and Corporate Secretary Carol Newman; and Deputy Chief Counsel and Assistant Corporate Secretary Judith Sapper.

In the planned absence of Chair Cain and pursuant to the by-laws of State Compensation Insurance Fund that the Member with the longest tenure on the Board will be deemed Acting Chair, Ms. Chalupa served as Acting Chair for the meeting.

AGENDA ITEM 2: ANTITRUST ADMONITION

Ms. Chalupa called attention to and requested the Board members read State Fund's Antitrust Admonition which is included in each Board member's meeting materials.

AGENDA ITEM 3: PUBLIC COMMENTS ON THE APPROPRIATENESS OF CLOSED SESSION ITEMS 5 THROUGH 9

Ms. Chalupa requested public comment of which there was none. Ms. Chalupa closed the Open Session. The meeting convened into Closed Session at 10:05 a.m. and reconvened at 1:45 p.m. into Open Session.

AGENDA ITEM 10: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 1:45 p.m. and the following were present: Sheryl A. Chalupa; Donald E. Garcia; Sen. Michael Machado (Ret.); Francis E. Quinlan; Thomas Rankin; James S. Richardson; and William Zachry. Absent: (by prior arrangement) Jeanne L. Cain, Chair; Daniel Curtin; Lawrence Mulryan; Steven L. Rank; and non-voting member John. C. Duncan.

There was a quorum.

Also present: President and CEO Thomas Rowe; Chief Financial Officer Jay Stewart; Chief Information Officer Shaun Coyne; General Counsel and Corporate Secretary Carol Newman; and Deputy Chief Counsel and Assistant Corporate Secretary Judith Sapper.

AGENDA ITEM 11: APPROVAL OF JUNE 21-23, 2010 AND JULY 8-9, 2010 OPEN MEETING MINUTES

MOTION: Mr. Richardson Second: Mr. Rankin

To approve the minutes of the June 21-23, 2010 Open Meeting Minutes.

AYES: 7 NOES: 0 Motion Carried.

MOTION: Mr. Richardson Second: Mr. Rankin

To approve the minutes of the July 8-9, 2010 Open Meeting Minutes.

AYES: 7 NOES: 0 Motion Carried.

AGENDA ITEM 12: RATIFICATION OF APPOINTMENT OF PRESIDENT AND CEO

Ms. Chalupa requested General Counsel Carol Newman present the following Resolution ratifying the terms of employment for Thomas E. Rowe as President and Chief Executive Officer.

WHEREAS, the Board of Directors of the State Compensation Insurance Fund resolved on July 9, 2010 to appoint Mr. Thomas E. Rowe as the President and Chief Executive Officer of the State Compensation Insurance Fund; and

WHEREAS, the Board of Directors directed the Chair of the Board of Directors to negotiate the salary and other financial terms of the employment agreement with

Mr. Rowe and to take all such actions as are necessary to appoint Mr. Rowe as the President and CEO of the State Compensation Insurance Fund; and

WHEREAS, an employment agreement was entered into between State Compensation Insurance Fund and Mr. Rowe on or about July 26, 2010, with an effective date of August 2, 2010; and

WHEREAS, Mr. Doug Stewart has served as the Interim President and Chief Executive Officer of the State Compensation Insurance Fund since October 23, 2009; and

WHEREAS, Mr. Doug Stewart previously served as the Chief Risk Officer of the State Compensation Insurance Fund;

NOW, THEREFORE,

IT IS RESOLVED, that the Board of Directors hereby ratifies the employment agreement entered into between State Compensation Insurance Fund and Thomas E. Rowe;

IT IS FURTHER RESOLVED, that the President's annual base compensation shall be \$450,000, with a monthly \$1500 recruitment and retention differential, and a potential bonus of up to thirty percent (30%) of the base salary based on achievement of specifically defined metrics and performance goals; and

IT IS FURTHER RESOLVED, that the Board of Directors hereby ratifies all actions taken by the Chair of the Board of Directors as were necessary to appoint Mr. Rowe as the President and CEO of the State Compensation Insurance Fund;

IT IS FURTHER RESOLVED, that Mr. Doug Stewart will continue to serve as the Chief Risk Officer of the State Compensation Insurance Fund, upon the same terms and conditions previously established for that position.

Ms. Chalupa requested whether any Board member had any comments on the Resolution of which there were none. Ms. Chalupa requested public comments of which there were none. Ms. Chalupa called for the vote.

MOTION: Mr. Zachry Second: Mr. Richardson

To adopt the Resolution ratifying the terms of employment for Thomas E. Rowe as President and Chief Executive Officer.

AYES: 7 NOES: 0 Resolution Carried.

AGENDA ITEM 13: PUBLIC COMMENT

Ms. Chalupa requested public comments of which there were none.

ADJOURNMENT

There being no further business, Acting Chair Chalupa adjourned the meeting at 1:55 p.m.

The next regularly scheduled Board meeting will begin on Thursday, September 9, 2010 at 12 noon at the Milton Marks Conference Center, 455 Golden Gate Avenue, San Francisco.

Respectfully submitted,

Judith D. Sapper
Assistant Corporate Secretary