

**STATE COMPENSATION INSURANCE FUND  
GOVERNANCE COMMITTEE**

**MINUTES OF OPEN SESSION MEETING**

**NOVEMBER 18, 2010**

The Governance Committee met on November 18, 2010 in the Milton Marks Conference Center, State Building, 455 Golden Gate Ave, San Francisco, California.

**AGENDA ITEM 1: ROLL CALL**

The meeting was called to order at 10:00 a.m. and the following Members were present: Jeanne Cain, Chair; Sheryl Chalupa; and Lawrence E. Mulryan, Alternate. Daniel M. Curtin was absent by prior arrangement.

Also present: President and CEO Tom Rowe; Chief Risk Officer Doug Stewart; Acting Chief Financial Officer Dan Sevilla; General Counsel and Corporate Secretary Carol R. Newman; and Deputy Chief Counsel and Assistant Corporate Secretary Judith D. Sapper.

There was a quorum.

**AGENDA ITEM 2: APPROVAL OF SEPTEMBER 9, 2010 OPEN MEETING MINUTES**

MOTION: Mr. Mulryan                      Second: Ms. Chalupa

To approve the minutes of the September 9, 2010 Open meeting of the Governance Committee as presented.

YESSES: 3                      NOES: 0                      Motion carried.

**AGENDA ITEM 3: REVIEW OF THE BOARD MEMBER EDUCATION AND TRAVEL EXPENSE REIMBURSEMENT POLICY**

The Board Member Education and Travel Expense Reimbursement Policy was reviewed and no changes were made. The policy and procedure for obtaining advance approval and reimbursement for Board-related educational courses was explained. Potential courses are listed in the training log provided to Board Members and requests for attendance and reimbursement are placed on the Board's consent calendar for approval as a control mechanism. Mr. Curtin received prior approval to attend an overnight conference in October.

#### **AGENDA ITEM 4: 2011 MEETING SCHEDULE**

Proposed Governance Committee meeting dates for 2011 and recommendation of 2011 Board meeting schedule were deferred to the full Board for approval.

#### **AGENDA ITEM 5: REVIEW AND RECOMMENDATIONS ON BOARD TRAINING FOR 2011**

Ms. Valerie Lampson, Learning and Development Manager, joined the meeting to discuss Board training recommendations that arose out of the Board Member evaluations including less lecture-style and more interactive, web-based, and Committee-specific training. Ms. Lampson requested input on the topics and format for the proposed full day training sessions. The Committee suggested a general session for all members followed by interactive focused breakout sessions and discussions for committee members. Potential dates for full day training in February and August 2011 were proposed, with venues at State Fund facilities or offsite. The Committee requested training be held in State Fund facilities from 9:00a.m. - 2:00p.m. beginning in March or April 2011 so potential new Board Members would be included.

Board Members will also be encouraged to take offsite courses to meet statutory training requirements and enhance Board effectiveness. Staff will send out 45-day email reminders for courses on the Board training log. At the January 2011 Governance Committee meeting Ms. Lampson will submit a proposal for a more complete training program including both ongoing and new member training.

#### **AGENDA ITEM 6: UPDATE ON GOVERNANCE, COMPLIANCE, AND ETHICS INITIATIVES**

Barbara Simmons, Governance & PRO Manager, joined the meeting to present an update on the initiative to review the portfolio of corporate policies and procedures, retire obsolete material, remove redundancies, and address gaps. The multidisciplinary Policy Advisory Group oversight committee with legal guidance identified and reviewed pertinent statutes, regulations, and the CDI Operational Review to evaluate the portfolio; reduced the portfolio by one third; divided the policies into seven easily categorized types in a centralized repository; and will annually review the policies and procedures and submit recommendations to the Executive Management Committee. Six key policies are linked to the proposed State Fund Code of Conduct and were given priority focus. Ms. Simmons provided an updated status on which policies have been approved by the Policy Advisory Group and Executive Management Committee. Ms. Cain requested the Business Ethics and Incompatible Activities Policies be presented to the Governance Committee for approval at the January 2011 Governance Committee meeting.

Ms. Simmons was excused.

**AGENDA ITEM 7: BOARD MEMBER UPCOMING SPEECHES OR ARTICLES**

Ms. Cain requested Board members identify any upcoming speeches and articles of which there were none.

**AGENDA ITEM 8: PUBLIC COMMENT ON THE APPROPRIATENESS OF CLOSED SESSION ITEMS 10-14.**

Ms. Cain requested public comment of the appropriateness of closed session agenda items 10-14 of which there was none. The Governance Committee immediately convened into Closed Session at 10:35 a.m.

**AGENDA ITEM 15: CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 12:10 p.m. following the conclusion of the Closed Session and the following Members were present: Jeanne Cain, Chair; Sheryl Chalupa; and Alternate Lawrence E. Mulryan. Daniel Curtin was absent by prior arrangement.

Also present: Interim President and CEO Doug Stewart; Chief Financial Officer Jay Stewart; General Counsel and Corporate Secretary Carol R. Newman; and Deputy Chief Counsel and Assistant Corporate Secretary Judith D. Sapper.

There was a quorum.

**AGENDA ITEM 16: PROPOSALS AND SUGGESTIONS FOR JANUARY 2011 AGENDA**

In addition to the standing Agenda items, the Committee directed staff to include closed agenda items for the review of the 2010 performance of the CEO and Executives, and the review of the proposed 2011 closed session Board and Governance Committee agendas; and an open session agenda item for the ratification of new Executive Committee members. Ms. Cain requested public comment of which there was none.

**AGENDA ITEM 17: PUBLIC COMMENT**

Ms. Cain requested public comment of which there was none.

The next Governance Committee meeting is tentatively scheduled for January 20, 2011 at 10:00 a.m. in San Francisco, California.

**ADJOURNMENT**

There being no further business before the Governance Committee, the meeting adjourned at 12:15 p.m.

Respectfully submitted,

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Judith D. Sapper,  
Asst. Corporate Secretary