

GOVERNANCE COMMITTEE MEETING (OPEN)

AGENDA ITEM 6

ATTACHMENT 6-I, 6-II

MINUTES OF July 9, 2009 OPEN GOVERNANCE COMMITTEE MEETING
MINUTES OF August 25, 2009 OPEN GOVERNANCE COMMITTEE MEETING

PRESENTED BY: Sheryl Chalupa

September 10, 2009

**STATE COMPENSATION INSURANCE FUND
GOVERNANCE COMMITTEE**

MINUTES OF OPEN SESSION MEETING

July 9, 2009

The Governance Committee met on July 9, 2009 in the Auditorium of 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 10:00a.m. and the following Members were present: Jeanne Cain, Chair; and Daniel Curtin. Absent: Sheryl Chalupa (by prior arrangement); and Alternate Sen. Michael Machado (Ret.).

There was a quorum.

Also present: President Janet Frank; Chief Risk Officer Doug Stewart; General Counsel and Corporate Secretary Carol Newman; Assistant Chief Counsel and Assistant Corporate Secretary Judith Sapper; Human Relations Consultant Teresa Smiley; and Randall Keen, Esq. of Manatt Phelps & Phillips.

AGENDA ITEM 2: PUBLIC COMMENT ON THE APPROPRIATENESS OF CLOSED SESSION ITEMS 4-5.

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

The Governance Committee immediately convened into Closed Session.

AGENDA ITEM 3: APPROVAL OF MAY 14, 2009 CLOSED MEETING MINUTES Closed Session.

AGENDA ITEM 4: BOARD STRATEGIC MEETING AGENDA REGARDING SHORT TERM AND LONG TERM STRATEGIES Closed Session.

AGENDA ITEM 5: STATE FUND ORGANIZATIONAL STRUCTURE Closed Session.

AGENDA ITEM 6: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:55 a.m. following the conclusion of the Closed Session and the following Members were present: Jeanne Cain, Chair; Daniel Curtin; and Alternate Sen. Michael Machado (Ret.). Absent: Sheryl Chalupa (by prior arrangement).

There was a quorum.

Also present: President Janet Frank; Chief Risk Officer Doug Stewart; General Counsel and Corporate Secretary Carol Newman; Assistant Chief Counsel and Assistant Corporate Secretary Judith Sapper; Staff Counsel Linda Platisha; Kristina Veaco of the Veaco Group; and Ashley Dunning Esq. and Randall Keen, Esq. of Manatt Phelps & Phillips.

AGENDA ITEM 7: APPROVAL OF MAY 14, 2009 OPEN MEETING MINUTES

MOTION: Sen. Machado (Ret.) Second: Mr. Curtin

To approve the minutes of the May 14, 2009 Open Session of the Governance Committee as presented.

AYES: 3 NOES: 0 Motion carried

AGENDA ITEM 8: BOARD MEMBER SELF-PERFORMANCE REVIEW

Ms. Cain called upon Ms. Linda Platisha, in-house counsel at State Fund and Kristina Veaco of the Veaco Group, a corporate governance advisory firm, to discuss the approach, strategy, and objective of Board evaluations. Ms. Platisha and Ms Veaco presented five different approaches that are used by Boards to evaluate their effectiveness including open board room discussion; questionnaire; interview-based evaluation; third-party evaluation and a web-based evaluation. The Board considered advantages and disadvantages to each approach as well as the cost for an independent and confidential self-assessment rather than peer evaluations. Ms. Veaco indicated it should cost \$25,000-30,000. Ms. Cain requested public comment of which there was none.

MOTION: Mr. Curtin Second: Sen. Machado (Ret.)

To direct the Corporate Secretary to explore utilization of an outside third party for Board evaluations conducted by confidential questionnaire or interview with associated costs. In addition, the Corporate Secretary or her designee will report her findings to the full Board for approval of the selection, timing, process, and cost.

AYES: 3 NOES: 0 Motion carried

AGENDA ITEM 9: TRAVEL POLICY FOR STATE FUND EMPLOYEES, EXECUTIVE AND BOARD

Ms. Newman and Ms. Dunning made a presentation on the proposed Education and Travel Reimbursement Policy requested by the Board for reimbursement of actual and necessary expenses incurred in the

performance of duties as Board members. The Committee discussed questions about Board education, travel, hotel, pre-authorization, and reporting of reimbursement requests. Ms. Cain requested public comment of which there was none.

MOTION: Ms. Cain Second: Sen. Machado (Ret.)

To direct staff to develop a policy for education, travel and reimbursement for the full Board's consideration at the September 2009 meeting.

AYES: 3 NOES: 0 Motion carried

AGENDA ITEM 10: COMMITTEE MEMBER PRESENTATIONS

There was no presentation for this standing agenda item and no public comment.

AGENDA ITEM 11: PROPOSALS AND SUGGESTIONS FOR MAY 2009 AGENDA

In addition to the standing Agenda items the Committee directed staff to include a discussion of the Education and Travel Reimbursement Policy with identification of Board education opportunities. Ms. Cain requested public comment of which there was none.

AGENDA ITEM 12: PUBLIC COMMENT

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

The next Governance Committee meeting is scheduled for September 10, 2009 at 10:00 a.m. in San Francisco, California.

ADJOURNMENT

There being no further business before the Governance Committee, the meeting adjourned at 12:05 p.m.

Respectfully submitted,

Carol R. Newman,
Corporate Secretary