

**STATE COMPENSATION INSURANCE FUND
GOVERNANCE COMMITTEE**

MINUTES OF OPEN SESSION MEETING

May 23, 2019

The Governance Committee met on May 23, 2019 at the State Fund Pleasanton Office, 5890 Owens Drive (Atlantic and Pacific rooms), Pleasanton, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:35 a.m. and the following Members were present: Thomas E. Rankin (Chair); Robin L. Baker; Daniel M. Curtin; David M. Lanier; and Jack L. Neureuter.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

Mr. Rankin welcomed Mr. Neureuter to the Governance Committee.

AGENDA ITEM 2: ANTITRUST ADMONITION

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

AGENDA ITEM 3: CONSENT CALENDAR

- 3a. Approval of February 14, 2019 Open Meeting Minutes**
- 3b. Board Member Upcoming Speeches, Articles or Webinars**
- 3c. Annual Review and Approval of State Fund By-Laws**
- 3d. Annual Review and Approval of Board Education and travel Expense Reimbursement Policy**
- 3e. Annual Review and Approval of Committee Charters**

Mr. Rankin noted that there is no approval of action for item 3b, "Board Member Upcoming Speeches, Articles or Webinars."

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

Mr. Rankin called for a Motion.

MOTION: Ms. Baker

SECOND: Mr. Neureuter

To approve the Consent Calendar as presented.

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

YES: 5

NO: 0

Abstain: 0

Motion carried.

AGENDA ITEM 4: GOVERNANCE, COMPLIANCE AND PRIVACY UPDATE

Governance, Compliance & Privacy Assistant Manager Lilibeth Jaballas reported on the following:

Effective Training, Communication and Awareness

State Fund had a 98.88% compliance rate for the annual filing of the Statement of Economic Interest forms.

The 2019 Mandatory Compliance Training Schedule has been provided to all employees, featuring material on security awareness, privacy, Code of Conduct, preventing workplace harassment, and anti-fraud.

Ethics and Privacy Reported Issues

Ethics reported issues for the first quarter of 2019 increased 33% from the fourth quarter of 2018. Human Resources (HR) related issues remain the highest reported category (78%, 28 of 36); Equal Employment Opportunity (12 of 28) and Inappropriate/Offensive Behavior issues (8 of 28) were the most reported HR related issues in that category.

Discussion ensued on the reason for the increase in reporting. Ms. Jaballas noted that the fourth quarter is always a slower reporting period.

AGENDA ITEM 5: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 8 THROUGH 11

Mr. Rankin requested public comment on the appropriateness of Closed Session for agenda items 8 through 11, of which there was none.

AGENDA ITEM 6: PUBLIC COMMENT

Mr. Rankin requested further public comment, of which there was none. The Governance Committee immediately convened into Closed Session at 8:35 a.m.

AGENDA ITEM 12: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:00 a.m. and the following Members were present: Thomas E. Rankin (Chair); Robin L. Baker; Daniel M. Curtin; David M. Lanier; and Jack L. Neureuter.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

AGENDA ITEM 13: APPROVAL OF REVISED BOARD COMMITTEE ASSIGNMENTS FOR 2019

Approval was deferred to the Board level as part of the Consent Calendar.

AGENDA ITEM 14: COMMITTEE MEMBER PRESENTATIONS

Mr. Rankin requested presentations from the Committee members, of which there were none.

AGENDA ITEM 15: PROPOSALS AND SUGGESTIONS FOR AUGUST 20, 2019 AGENDA

Mr. Rankin requested suggestions for agenda items for the August 20, 2019 Governance Committee meeting other than the standing agenda items, of which there were none.

Mr. Rankin also requested public comment, of which there was none, and he noted that the next Governance Committee meeting is scheduled for August 20, 2019 at The Lodge at Sonoma Renaissance, Sonoma, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Governance Committee, the meeting adjourned at 11:05 a.m.

Respectfully submitted,



Hilda B. Padua
Board Liaison and Assistant Corporate Secretary