

CALIF ORNIA STATE RETIREES

1108 O Street, Suite 300 • Sacramento, CA 95814 • (916) 326-4292 • (888) 808-7197 • www.csearetirees.org

AGENDA

**California State Retirees (CSR)
Board of Directors Meeting
February 24, 2012
8:30 a.m. – 4 p.m.**

Westin San Francisco Airport Hotel
1 Old Bayshore Highway (Entrance is at the first signal)
Millbrae, CA 94030
(888) 627-8404 or (650) 692-3500 (Reservations)
Complimentary Airport Shuttle from SF Airport
(Map and Directions to the Hotel Attached)

NEGOTIATED ROOM RATES

**\$129 – Single/Double (local taxes & fees not included)
Self-parking \$6.00 per day/overnight**

NEAREST HOSPITAL FACILITIES

**Mills Peninsula
1501 Trousdale Drive
Burlingame, CA 94010
(650) 696-5909**

**Sequoia Hospital
170 Alameda De Las Pulgas
Redwood City, CA 94062
(650) 369-5811**

1. **Call to order by President Roger Marxen at 8:30 a.m.**
2. **Salute to Flag**
3. **Roll Call:**

**Roger Marxen, President, Chapter 02, District E
Fritz Walgenbach Chapter 02, District E Board Member-Elect
Susan Sears, Executive Vice President, Chapter 14, District D
Jerry Evans, Vice President, Chapter 10, District B
Donna Hernandez, Chapter 9, District A
Gus Lease, Chapter 23, District C
Tim Behrens, Chapter 35, District F
Gene Waggoner II, Chapter 06, District G**

Harold Rose, Chapter 21, Chief Financial Officer
Barbara LaPlante, Chapter 01, Past President (excused)
Roger Marxen, Chapter 02, Past President
Headquarters Staff – Phil Sherwood, Trinda Lundholm, Terrence Conklin, Mary Reed and Laura Strang

- 4. Introductions and Agenda Changes, Corrections and/or Unscheduled Items**
- 5. Approval of Minutes of the November 4, 2011 Meeting**
- 6. Installation of Newly Elected Board Members in Districts D & E**
- 7. Election of Board Vice President and Installation of Board President, Executive Vice President and Vice President – Action – Board**
- 8. President's Report of Activities**
- 9. Board Member Reports**
- 10. Report on Executive Board Workshop – President**
- 11. Chief Financial Officer Report – Harold Rose**
- 12. Headquarters Report – Phil Sherwood**
- 13. CSEA President's Report – Information – Dave Hart**
- 14. CalPERS Board of Administration Update – Henry Jones**
- 15. CSEA Retirees, Inc. Committee Reports (only the committees that have met since the last board meeting are listed)**
 - A. Bylaws and Governing Rules Committee – Marilyn Ferrasci Hamilton**
 - B. Finance Committee – Harold Rose**
 - C. Grant Committee – Susan Sears**
 - D. Health Benefits Committee – Stephanie Hweg**
 - E. Membership Committee – Caryl Cole**
- 16. What's on Your Mind?**
- 17. Unfinished Business**
 - A. Review of 2012 Meeting Locations – Information**

18. New Business

- A. Motions from Presidents' Forum November meeting – Caryl Cole
(1) Presidents' Forum February Tentative Agenda
- B. Proposed Resolution for Submission to Delegate Assembly – Action – Marilyn Ferrasci Hamilton
- C. Proposed Amendments to Governing Rules – Action – Marilyn Ferrasci Hamilton
- D. Consideration of Chapter Grant Requests – Action – Susan Sears
- E. Election of Two CSR Retiree Board Members to Serve as General Council Delegates – Action – Board President
- F. Report on 2012 General Council/Delegate Assembly – Information Harold Rose
- G. Update on California State Retirees PAC – Information – Dick Mesa
- H. Update on Initiatives, Legislation and State Budget – Information – Sherrie Golden
- I. Report on February 4, 2012 CSEA's Board of Directors Meeting – Information – Roger Marxen / Harold Rose / Susan Sears
- J. Membership Report and Drawing – Information – Terrence Conklin
- K. CSEA Board Committee Reports
 - (1) Bylaws, Policies and Procedures – Marilyn Ferrasci Hamilton
 - (2) Member Benefits – Caryl Cole
 - (3) CSEA Women's Conference – Beverly Waller Wharton
- L. Federal Activities (CalPERS Federal Lobbyist's Written Report)
- M. Unscheduled Items
- N. Travel Expense Claim forms (5) and Instructions

THE WESTIN

SAN FRANCISCO AIRPORT

Old Bayshore Highway
Millbrae CA 94030
(650) 692-3500

DRIVING SOUTH FROM **SAN FRANCISCO OR THE SAN FRANCISCO AIRPORT ON HIGHWAY 101**

Take Highway 101 South. Exit on Millbrae Avenue East. This exit is the first exit after the San Francisco Airport. Proceed over the overpass and stay in the right hand lane. Turn right onto Old Bayshore Highway. The Westin entrance is at the first signal.

DRIVING NORTH FROM **SAN JOSE ON HIGHWAY 101**

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4:00 am – 9:00am	shuttle runs every 15 minutes
9:00 am – 5:00 pm	shuttle runs every 20 minutes
5:00 pm – 12:00am	shuttle runs every 15 minutes
12:00 midnight - 4:00am	shuttle will run on a as need basis

Between Midnight and 4:00 am, please use the courtesy phone in the baggage claim area to contact the Front Desk for pick-up.

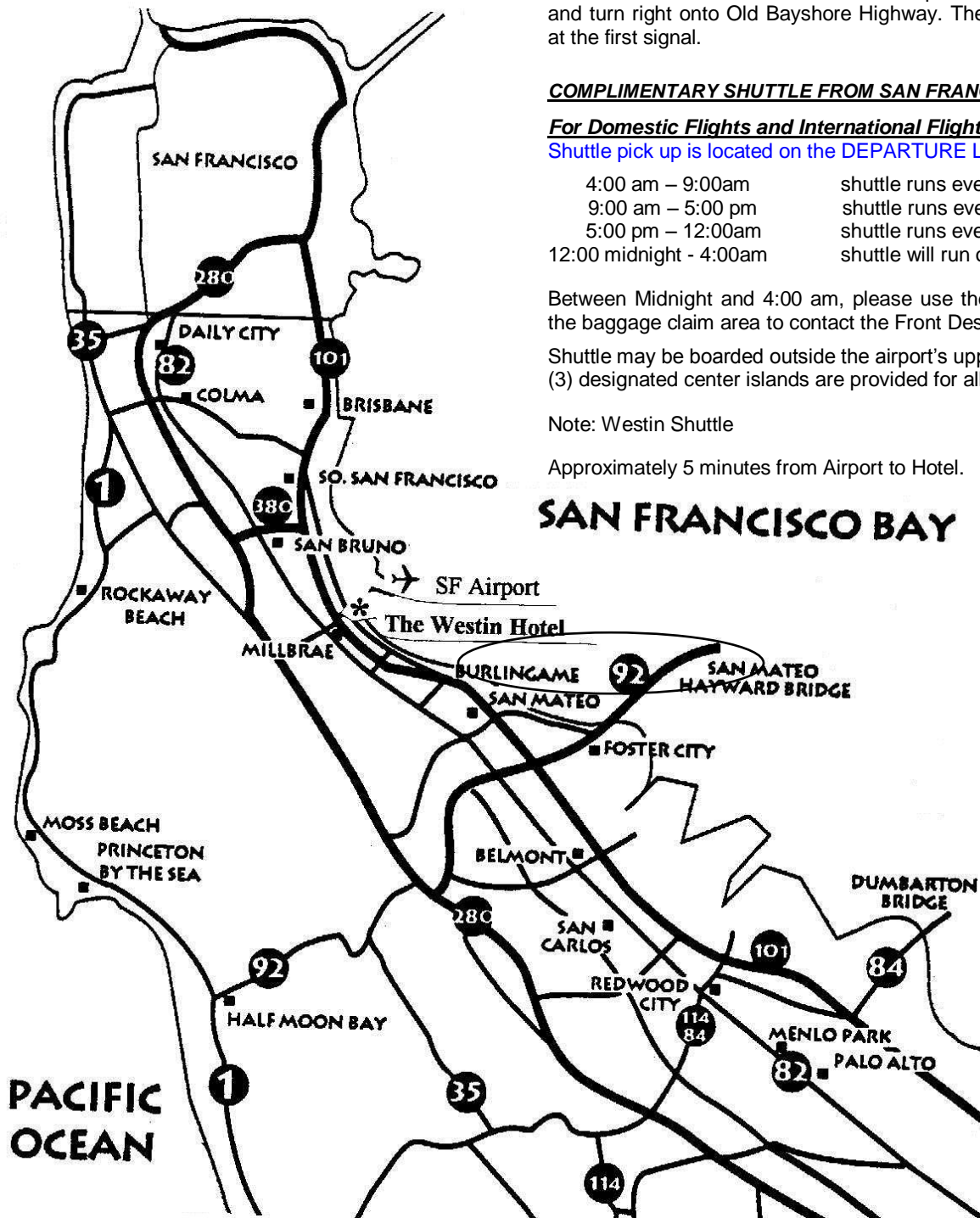
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(3) designated center islands are provided for all shuttle buses.

Note: Westin Shuttle

Approximately 5 minutes from Airport to Hotel.

SAN FRANCISCO BAY



CALIFORNIA STATE RETIREES

Date February 24, 2012

Agenda Item: 4

Title: Introductions and Agenda Changes, Corrections
and/or Unscheduled Items

Information

Presented by: Roger Marxen

Background: Any introductions and agenda changes, corrections and/or unscheduled items will be listed here.

CALIFORNIA STATE RETIREES (CSR)

Doubletree-Mission Valley, San Diego
November 4, 2011

1. Call to order

The meeting was called to order at 8:30 a.m. by President Roger Marxen.

2. Salute to flag

The pledge of allegiance to the flag was led by Gus Lease.

3. Roll Call

Members present were:

Roger Marxen, President, Chapter 2, District E
Susan Sears, Executive Vice President, Chapter 14, District D
Jerry Evans, Vice President, Chapter 10, District B
Donna Hernandez, Chapter 9, District A
Gus Lease, Chapter 23, District C
Tim Behrens, Chapter 35, District F
Gene Waggoner II, Chapter 6, District G
Harold Rose, Chief Financial Officer, Chapter 21
Barbara LaPlante, Chapter 1, Past President (excused)

Headquarters was represented by Phil Sherwood, Trinda Lundholm, Terrence Conklin, Mary Reed and Laura Strang.

4. Introductions and Agenda Changes, Corrections and/or Unscheduled Items

President Marxen introduced CSEA Past President Yolanda Solari, CSEA President Dave Hart, Vice President Donna Snodgrass, and ACSS President Arlene Espinoza. CSEA Employee Benefits Representative Mattie Mackerel was available outside the meeting room with Member Benefits information.

5. Approval of Minutes of the May 13, 2011 Meeting

CSR 30/11/3

MOTION: Sears, second by Waggoner - that the minutes of the CSEA Retirees, Inc. Board meeting of May 13 11, 2011, be approved as printed. CARRIED.

6. President's Report of Activities

President Marxen's printed report was included in the agenda material. He announced that Stephanie Hughes has been appointed chair of the Health Committee, noting that the committee will be examining the issue of long-term health care. Tim Behrens explained that former chair Jim Milbradt resigned due to his wife's illness, adding that it is important to have members talk before the PERS Board when the board starts discussing long-term care in February. Gene Waggoner is the new Vice President of CARA representing CSR.

7. Report on November 3, 2011 Executive Board Workshop

President Marxen reported that at its workshop session on November 3 the board discussed items coming before the board, working to formulate how to handle issues and respond to what's going on. He noted that some meeting dates may have to be changed. Members will be notified of workshop meetings, which will be open. The board also discussed the issue of PAC training which will be held in conjunction with the February meeting. Another big issue concerns what went on at Delegate Assembly -- there was good input on how to be better prepared for the brief Delegate Assembly at General Council in 2012. This year's Delegate Assembly was our first time around, and experience is a great teacher.

He further reported that at its August 17, 2011 workshop, the board extended Phil Sherwood's contract and discussed buying a new headquarters building.

8. Board Member Reports

The backup material contained printed activity reports from Susan Sears, Jerry Evans, Donna Hernandez, Tim Behrens, Gene Waggoner and Gus Lease. Susan Sears added that four members visited a local CSUEU chapter and were warmly received. The CSUEU members had been unaware that the retired chapter met in Chico -- they already had a stack of *State Retiree* newspapers, and there were people reading them. She urged others to connect with their local CSUEU chapter meetings if possible -- it is a good source of members for us. Jerry Evans reported that he had to cancel a few things, given his wife's illness, and appreciates Harold Rose filling in for him. Donna Hernandez added that she attended a pension reform meeting in Carson, the first of the hearings, and spoke of how important her pension is to her. Tim Behrens added that two of his chapters are looking at creating subchapters, Fresno at Hanford and Porterville at Bakersfield, and there are already volunteers in Bakersfield. He urged other remote chapters to look at subchapters for improved communication, noting that Anita McCabe in Chapter 5 has six subchapters, and chapters can apply for grant money to help make that happen. Gene Waggoner noted that an additional page of his report, showing his October activities, was on the information table. He added that Chapter 12 moves their meetings around their area, from Victorville to Tehachapi to Bishop. Gus Lease

added that District C has a PAC chair, also representatives for community services and membership chairs in each chapter, all doing a great job.

9. Chief Financial Officer Report

Harold Rose noted that he covered some of the items in his report at the Presidents' Forum meeting on November 3. He is working diligently with CSEA and the other affiliates on the 2012 General Council, taking into consideration some of the problems we found in our Delegate Assembly. For example, as 12 delegates didn't show and CSR had paid for their rooms, we paid \$1,150 for no shows and are looking at requiring members to make their own reservations. We had budgeted \$250,000 for the 2011 Delegate Assembly, not knowing how much it would cost, and the cost so far is about \$450,000 -- 11 people have still not turned in travel claims. The cost was about \$1,650 per delegate to attend. The Finance Committee agreed to pay each chapter the \$300 reward since chapter leadership did their upmost to get their travel claims in on time. CSR chapters currently have a total of \$386,214 in their treasuries.

Several things have changed in Accounting and now all travel claims submitted will require only one copy with the receipts stapled to it. When the claim is processed, the original claim and all of the receipts will be returned with the expense check.

The Finance Committee is working on the 2013-2014-2015 budget, and the 2012 budget will be adjusted because our income has changed. The committee will also be reworking the expense claim information for the 2012 General Council, planning on having all delegates and first alternates make their own reservations at the hotel -- that way those who have certain requirements can explain directly to the hotel. For Delegate Assembly, we had to make 124 changes for 274 delegates -- various room requirements included high floor, low floor, sun in the morning, sun in the afternoon, far from the elevator, close to the elevator, shower instead of a tub, full ADA, partial ADA. The committee also looked at how many Embassy Suite there are statewide. He noted that people get excited about how much things cost at hotels, and staying at Embassy Suites includes breakfast and an evening reception.

In the political arena, for the TargetSmart voter match done last year, we paid \$ 477, plus \$30 to the Secretary of State's office, for information on frequent voters, seldom voters, and updated addresses. To a question whether updated voter registration information can be transferred to chapters, he reported that the TargetSmart information has been given to IT and the information is for all chapters. We put a little over \$100,000 a year into the PAC fund, plus voluntary contributions; there is about \$360,000 in the fund now.

To a question concerning what was spent in the search for a new building, he reported there was a \$4,100 appraisal fee to Wells Fargo. To a request that zip codes on the chapter reports include the last four digits, he said he would talk to Sacramento.

10. Headquarters Report

Copies of the printed headquarters report were distributed. Phil Sherwood noted that there had been a request for Scott Kingston's presentation (under agenda item 14B) on what the process would be if CSR were to consider buying or leasing a building and that presentation will be posted on the website. Dr. Sherwood announced that Gus Lease's 89th birthday is Sunday, November 6, and led the singing of "Happy Birthday."

11. CalPERS Board of Administration Update - Henry Jones

Henry Jones remarked that it is always a pleasure to give members a brief update of the challenges facing CalPERS, including the Fund's financial condition, health care, pension reform, legislation and the new computer system. Concerning the financial condition, CalPERS had a very successful year with returns up 20.7%. That ties into PERS' assumed rate of return of 7 3/4% -- if we earn that we can pay all retirees forever. When there are a couple of bad years, people want to toss the baby out with the bathwater, but PERS is in it for the long term and had its best returns over the past 14 years. Some years earnings were under the assumed rate of return, and some years over, but over the last 20 years the average has been over 8%. It is also important to note that after that bad year of 23.4% decline, PERS came back with 11.6% and this year 20.7% -- the Fund is not back to where it was but is doing very well. When people question PERS' financial situation, he hands them the new "buck" showing the sources for every dollar paid to CalPERS pensioners.

Health care rates are going up 4% for 2012, but the increase was larger a year ago. On pharmaceuticals moving from brand name to generic, when doctors prescribe generic drugs, but members elect brand names, there will be a co-pay. If the doctor certifies that the member would have adverse effects from the generic and must use the brand name, there will be no charge. Last year at about this time PERS sent out a RFP for pharmacy service which resulted in Medco as number one and Caremark as number two. However, as the board directed staff to proceed with negotiations with Medco, it was discovered that two previous CalPERS board members and the CEO worked a special deal with Medco three years ago. With that information, the board could not go forward with Medco for ethical reasons -- that's how we ended up with number two, Caremark.

The subject of pension reform is heating up. The governor has released his proposal, which includes a provision that the employer and employee contribute 50/50. Currently the employer pays 21 cents and the employee 13 cents; the governor's proposal would be 17 cents each. Another provision would move away from the defined benefit plan by having 75% as it has been and 25% based on a defined contribution (401K) -- with market volatility, members would not know what their 25% was going to be at the time they retire. Other provisions would require new employees to work to age 67 (58 for safety members) and retirement based on the highest average three years rather than one year. The proposal also calls for a

cap on how many hours or days annuitants can work (960 hours a year), which already exists for state and school employees. Retirees convicted of fraud regarding their retirement benefits would no longer be eligible to receive those benefits. The governor also wants to add two independent members to the CalPERS Board and to increase the years of service required for full health benefits. A legislative committee of three members from the senate and three from the assembly has been established to gather input and bring it to the legislature next year. Mr. Jones urged members to be aware what is happening and be ambassadors of information to make sure all the facts are there.

Initiatives on the horizon include one saying that CalPERS must invest 85% of its funds in the State of California. PERS invests all over the world -- 85% invested only in California would be very bad, affecting CalPERS' number one priority to make sure we can pay benefits to members. Another initiative proposes to reduce guaranteed retiree benefits -- challenging vested benefits without replacing them. It costs about \$2 million to put a measure on the ballot and we don't know who is going to fund the signature gathering effort. If that proposal is approved by the voters, it will end up in court -- PERS continues to believe that changing the vested benefits of workers and retirees would be a violation of the law.

Two important pieces of legislation for PERS have been signed by the governor. One requested a CFO for CalPERS, which had finance people but not one person guiding the day-to-day cash flow. PERS will now start the process of recruiting a CFO. The second requires that a former board member or senior staff cannot participate in any activity to influence investments for four years at PERS or STRS, and if they become a placement agent they cannot do business with CalPERS for 10 years.

Mr. Jones asked that members be patient with the new CalPERS computer system -- they are still working out the bugs in the system, which took 48 archaic systems and combined them into one. The PERS Ambassadors program is doing well, with one training going on today at PERS headquarters. The phone number is (916) 795-9101 for members to RSVP for future Ambassador training programs.

Mr. Jones asked for questions so he will know what the hot-button issues are for members. To a question on what is being proposed for the long-term care program, Mr. Jones explained that the PERS Board is waiting for the actuarial study. There are only two sources of funding for the program, investments and premiums. Due to the market decline, PERS had to stop new members coming into the program and is now waiting for a report on the current condition of the funds. In related news, the PERS Benefits Committee and Health Benefits Committee are being combined. Concerning the proposal requiring that retirees have 15 years of service for health benefits, it was noted that retirees have an average of 14.7 years of service -- half of future retirees would be eliminated from health benefits.

To questions concerning long delays in return of phone calls, he noted that the computer change was a major undertaking -- staff is giving priority to calls regarding a death or a person retiring immediately, but routine transactions are being delayed. He knows that transactions were stopped for the changeover -- it was supposed to be for two weeks but turned out to be nearly a month, and he will ask what is being done to accelerate the process. Mary Reed reported that apparently the new system will keep arranging call backs 24/7, but there are no staff people there at night and the backlog got so huge staff could not arrange the call backs.

To a question noting that STRS is no longer sending out material to members with direct deposit, requiring members to go on line to get information, Mr. Jones responded that CalPERS has no such plans.

To a question whether the governor's proposals which require a change in the state constitution are the start of bargaining negotiations, Mr. Jones agreed it is clearly a bargaining point because the governor doesn't have the two-thirds vote to put such an initiative on the ballot.

To concern expressed at the Presidents' Forum that PERS could do more to clarify actual retirement benefits of state employees, he explained that PERS already does that -- PERS sends information to the news media, but they don't print it. Members can see that information on the website under "CalPERS responds." There was one suggestion that it may be time for PERS to purchase ads that give facts, since newspapers are not inclined to publish information.

12. California State Retirees (CSR) Committee Reports

12A. Bylaws and Governing Rules Committee

Minutes of the Bylaws and Governing Rules Committee meeting of October 12, 2011 were available on the information table. The committee's recommendations were presented in agenda items 15 B and C.

12B. Finance Committee

Minutes of the Finance Committee meeting of October 13, 2011 were available on the information table. Harold Rose reported that the committee adopted five recommendations to the board.

CSR 31/11/3

MOTION: Rose, second by Waggoner -- that an Investment Committee of three members consisting of the CFO and two members who are knowledgeable in investments shall be appointed by the President, with recommendations from the CFO/Secretary, to oversee the investment program. The committee shall make recommendations for investments to the Finance Committee, who will make recommendations to the

Board. CARRIED.

CSR 32/11/3 MOTION: Rose, second by Waggoner – that the CSR Board of Directors submit a budget in the form of a resolution to be sent to the delegates at the next Delegate Assembly, including the following proposed amendments to Bylaws Article X, Section 2:

Article X, Section 2. The Budget, A. Adoption. The Corporation's fiscal affairs shall be managed pursuant to the three-year budget approved by the Delegate Assembly. At least 30 days prior to ~~each triennial meeting of~~ consideration of the budget at the Delegate Assembly, the Board of Directors shall mail to each Delegate, in the form of a resolution, a budget for the next three fiscal years. The Delegate Assembly may make amendments to the proposed budget. CARRIED.

CSR 33/11/3 MOTION: Rose, second by Waggoner – that the Board of Directors move up to \$200,000 in unallocated funds to balance the 2011 budget. CARRIED.

CSR 34/11/3 MOTION: Rose, second by Waggoner – that PAC training expenses be paid out of the PAC funds that are held by our PAC administrators, and not out of the California State Retirees budget. CARRIED.

CSR 35/11/3 MOTION: Rose, second by Sears – that the California State Retirees forgive small debts \$10 and under that are on our aging report on December 31, 2011. CARRIED.

12C. Grant Committee

Susan Sears reported that the Grant Committee met on November 3 and considered three grants, for Chapters 3, 5 and 9.

CSR 36/11/3 MOTION: Sears, second by Waggoner – that the CSR Board of Directors approve the following chapter grants: \$1,850 to Chapter 3, \$2,000 to Chapter 5 and \$1,000 to Chapter 9. CARRIED.

In a discussion on whether chapters which previously received grants had made reports, it was noted that Rule 14.05 states that upon completion of the program a detailed report go to the CFO and any unused portion of the grant be returned. It was suggested that the rules be amended to provide that the report go back to the Grant Committee – since there is a grant application form, perhaps there should be a grant report form, and Marilyn Ferrasci reported that the Rules Committee will look at the issue. Ms. Sears reported that approximately \$10,000 in available grant

money was not requested in 2011, and in February we will start with a new \$25,000 in grant funds for the calendar year 2012.

12D. Membership Committee

Caryl Cole reported that the Membership Committee had an excellent meeting on November 3, with a fantastic turnout. Copies of the committee's report were available on the information table. Chapters 8, 15 and 35 still do not have membership chairs, so membership information will be sent to the chapter presidents. There were two issues raised concerning the membership brochures – a question on why professional photos were used rather than real members, and why the brochure includes a membership application and a PAC application but no explanation of why people need to join both. President Marxen explained that it had been a lot cheaper to use professional photos, and when the brochure is reprinted those problems will be addressed.

Donna Snodgrass reported that Fresno State University and CSU Stanislaus have a lot of people retiring and have requested that CSR come to their campuses.

13. What's on Your Mind

Doris Lithgow, Chapter 14, noted that there was not time at the Presidents Forum for chapter announcements -- Chapter 14 has a new secretary and a new treasurer. She thanked IT for putting membership classifications on the chapter roster, showing whether members are retirees, associates or beneficiaries. She also urged members to let the board members do what they were elected to do. When we elect our senators and congressional representatives, do they call you before making decisions? Hers don't, and she doesn't expect to be contacted on each decision the board makes.

Mary McDonnell, Chapter 3, noted that there has been a lot of confusion on Phil Sherwood's duties and suggested he let everybody know what is expected from him. Phil Sherwood reported that three months prior, Harold Rose came to him with a list of 87 items that he does; with added items the total is 108. Part of what he's been doing is in his report in the June issue of the *State Retiree*. He provides updates on resolutions, supervises a five-person staff, reviews and approves staff work and the 16-page *State Retiree*. He is in constant contact with two board members, attends meetings such as SCORE, is staff support to the PAC and Finance Committees, serves on the staff negotiating team, speaks at chapter meetings, advises on membership development plans, oversees development of the board agenda, develops proposed goals for CSR using board direction, works with the Leadership Institute. He is in contact with Harold Rose six days a week and with our attorney once a week and he worked on evaluating lease opportunities regarding a new building. That's an example of the 108 items he's working on.

Diane Whorton, Chapter 17, related that it bothers her that a speech at the

Presidents' Forum pushed responsibility back on the members concerning conflicts, and comments were being made regarding e-mails, some of which she wrote and takes responsibility for. She reads, listens and forms her own opinions and the questions she raised were from her experience working on site searches in detail, including investigations for code violations. She said she made a request to the president regarding feasibility and environmental studies. She suggested that the focus on legislative business and benefits needs to come back and said she will send board members an e-mail of everything she's said today.

Bertha Canty, Chapter 3, said she resents using models instead of members on the membership brochure, suggesting that the small stuff carries on to the big stuff.

Ceil Andersen, Chapter 20, introduced their new Vice President and challenged all chapters to include a generous donation to the Foundation in their budgets.

Morris McFarland, Chapter 14, reported that he was appointed treasurer of Chapter 14 in August. This is his first board meeting and opportunity to speak before the board, and he felt compelled to speak after receiving numerous e-mails derogatory to leaders of the organization. His considered opinion is that the board and staff want what is best for CSR -- given the facts, we should support their decisions and move forward.

Anita McCabe, Chapter 5, reported that the Chapter 5 budgeted \$100 to go to the Foundation, noting that they are a small chapter and that is what they can afford.

Fritz Walgenbach, Chapter 2, commended staff for setting up lunch.

14. Unfinished Business

14A. Review of 2011 California State Retirees Board Meeting Dates and Locations

Dates and locations for the California State Retirees (CSR) Board meetings for 2012, including Delegate Assembly at General Council on August 31-September 1, were included in the agenda material. Other dates are February 22-24 at the Westin, San Francisco Airport; May 9-11 at the Hilton Sacramento Arden West and November 7-9 back at the Hilton San Diego Mission Valley.

Tim Behrens noted that chapter members ask how we come up with hotels and locations. Mr. Marxen reported that staff negotiates through an outside consultant. Phil Sherwood explained that we use a professional from a firm called Helms Briscoe. He discusses with the board where they would like to have board meetings, and there are requirements in the rules. We work out dates and finally locations, then a bid goes out from Helms Briscoe and quotes return from hotels. Staff has to review the property if we haven't seen it before. For this meeting, he reviewed five hotels in one day in San Diego. We have all the hotels selected for

2012 because now is the time to contract while room rates are low. Hilton properties often come out the best. Last year we were at the Holiday Inn at the Wharf for \$139; here it is \$119. We tried to get Embassy Suites for the San Francisco meeting, but the rooms were \$20 more, there was \$17 parking instead of \$6, and a meeting room fee. He suggested that any input for 2013 would be appropriate, and Tim Behrens suggested Indian Casinos, Reno or Las Vegas. Caryl Cole asked that handicapped access be thoroughly researched, noting that this hotel has only four handicapped parking places and handicapped accessible rooms are farthest from the elevator. It was noted that many places provide free valet parking for cars with disabled placards.

14B. Proposal to Purchase a New Headquarters Building

President Marxen noted that at its October 14 workshop, the board voted to purchase a new CSR headquarters building. However, with a subsequent legal opinion that an abstention vote was a “no” vote, and a communication from our real estate attorney advising us not to go through with the purchase because the seller specified “as is” without a warranty, there will be no vote on whether to purchase the building at this meeting, but he asked our commercial real estate broker to explain the process.

Broker Scott Kingston explained what the processes would be if CSR were to consider buying or leasing a new headquarters building and explained the process we undertook to review purchasing a building. Three things are involved in looking at commercial real estate: overview of the building, analysis of the purchase price and sales comparables, and investment analysis. CSR goals were additional space, ADA accessible, modern space, easy plentiful parking, affordable, allows for growth, close to the downtown Capitol, and near amenities.

We considered over 50 buildings and found 25 possibilities -- 15 buildings for lease and 10 for purchase – everything that was on the market at every price range, and then discussed the best options. As applied to the building we were looking at, the lease cost for 4,000 square feet would be \$7,500 a month in rent. The purchase cost for 11,000 square feet would be about \$8,000 a month. In considering lease versus purchase, they look at lease equity and purchase equity. After five years, equity is zero for lease and \$158,000 for purchase. After ten years, it is zero versus \$361,000. After fifteen years, it is zero versus \$621,000. Regarding rental income from a purchase, assuming 60% of the space rented at \$1.15 per square foot and allowing 12 months every five years to find a tenant, equity plus rental income would be \$400,000 after five years; \$905,000 after ten years; and \$1.5 million after fifteen years. Considering affordability, in 2008 the asking price for the River Plaza building was \$275 to \$300 per square foot. In 2011, the asking price was \$135 per square foot. CSR’s initial offer was \$101 per square foot, and the accepted offer was \$118 per square foot.

Mr. Kingston also reviewed the sales comparables, investment analysis and

underwriting assumptions. The ten-year cash flow analysis shows the breakeven point is at the end of year two. In considering purchase of a building, you must consider tenant improvements -- how much are you going to spend improving the building? The bank said it would finance those improvements in the case of the River Plaza building. The estimated cost was \$50 a square foot, covered by the bank loan. In discussing the analysis of leasing vacant space, considerations include rent at the lower end, tenant improvements, and how to market the space. The broker would work hand in hand to identify tenants,

In summary, analysis showed that CSR would save and generate far more money by buying, especially at the lowest price in the last 15 years. Buying would be a great investment in the short- and long-term with few conservative assumptions.

To a concern raised that analysis should include costs CSR will continue to pay at 1108 "O" Street, President Marxen reported that Lee King told the special board meeting on October 14 the cost to CSR would be \$35 a month if we moved out. To a question on the flexibility in leasing, Mr. Kingston explained that if a space were good as is, CSR could get a six-month lease. If the landlord had to configure the space, it might require a three to five-year lease.

CSR 37/11/3 MOTION: Waggoner, second by Evans – based on recent information, that the CSR Board of Directors terminate purchase of the property at 2512 River Plaza Drive, Sacramento. CARRIED.

CSR 38/11/3 MOTION: Behrens, second by Sears – that the CSR President appoint a Building Committee made up of one chapter member from Southern California, one from Northern California and one from Central California, familiar with real estate, and three board members, one of whom will be chair of the committee. The committee will give equal consideration to leasing or purchasing a new building. CARRIED.

President Marxen noted that there is general agreement that we must leave the 1108 "O" Street building. We thought we had a great deal until our real estate attorney found that we would have no warranty in a flood plain.

14C. Proposal to amend 2011 and 2012 budgets

This item was handled under the Report of the Finance Committee, agenda item 12B.

15. New Business

15A. Motions from Presidents' Forum August Meeting

Caryl Cole reported that the Presidents' Forum had a long meeting on November 3 with a lot of discussion, and there was not time for individual chapter reports. The Forum adopted a motion disapproving of the handling of Delegate Assembly and the proposal to purchase a building, and wanted that vote of no confidence in the CSR officers brought forward so the board could hear it

15B. Proposed Amendments to Governing Rules

Marilyn Ferrasci reported good attendance at the October 12, 2011 meeting of the Bylaws and Governing Rules Committee; minutes of that meeting were available on the information table. The committee will meet again in January and will discuss further changes concerning the Grant Committee. She asked chapters to review the chapter section of the Governing Rules which were e-mailed to all chapters asking for their comments.

15B(1) Proposed Changes to Governing Rules and Bylaws of the Corporate Name

CSR 39/11/3 MOTION: Marxen, second by Rose – that the CSR President direct the Executive Director to have staff change the name “CSEA Retirees, Inc.” to “California State Retirees” wherever it appears in the Bylaws and Governing Rules. CARRIED.

15B(2) Proposed Amendment to Governing Rule Section 4.07 Board Member

CSR 40/11/3 MOTION: Behrens, second by Hernandez - that the proposed amendment to Governing Rule Section 4.07, concerning authorization of a stipend to the President and the Chief Financial Officer/Secretary, be referred back to the Bylaws and Governing Rules Committee. CARRIED.

15B(3) Proposed Amendments to Governing Rule Sections 6.01 Officers to the CSEA Board and 6.03 Board Members

Ms. Ferrasci reported that members need just one consent form for all offices they want to run for and noted that any references to CSEA Retirees, Inc. will be corrected to California State Retirees as part of the search authorized in CSR 39/11/3.

CSR 41/11/3 MOTION: Marxen, second by Waggoner – that the CSR Board of Directors approve the amendments to Governing Rules Sections 6.01(b) and 6.03 (e) as follows:

6.01(b) The nominations for President, Executive Vice President and Vice President shall be made ~~by Board members~~ upon submission of a consent to run form. One form may be submitted for all

offices to which a person wishes to run. The nominations for the office of Chief Financial Officer/Secretary may be made by Board members or Chapter Presidents.

6.03(e) Candidate Consent Form Statement

The written statement of consent should be in substantially the following form and signed by the candidate:

CANDIDATE CONSENT STATEMENT

PLEASE PRINT FULL NAME AS IT IS TO APPEAR ON THE BALLOT

I _____, self-nominate and consent to be
a Candidate for the office(s) of _____.

Name: _____ Chapter No.: _____ Last 4 SS# or Member ID #

Address: _____ City: _____ Zip Code: _____

Telephone No.: _____ E-mail: _____

Candidates may submit [this paragraph unchanged]

If my eligibility is verified, I hereby affirm my willingness to be a candidate and to serve if elected.; and I affirm my willingness to serve by (1) Attending Chapter and Chapter Executive Board meetings unless excused by the chapter president, (2) Abiding by the Bylaws and Governing Rules of California State Retirees (CSR) as well as the CSEA Bylaws and Policies, (3) Attending sessions of the Delegate Assembly and General Council unless excused by the Corporate President. I understand failure to abide by these provisions will result in my removal from office.

CARRIED (roll call vote was unanimously in favor: Marxen, Sears, Evans, Hernandez, Lease, Behrens, Waggoner and Rose).

15B(4) Proposed Amendment to Governing Rule Section 7.00 Delegate Assembly

Ms. Ferrasci explained that the proposed amendments require that the business of the corporation be done first at future Delegate Assemblies, specify what will be in the delegate folder, require that committees meet prior to the Delegate Assembly and that all workshops be held after the Delegate Assembly. To a question regarding the use of “shall” rather than “must,” she noted that our attorney stated the terms were interchangeable.

CSR 42/11/3 MOTION: Marxen, second by Waggoner – that the CSR Board of Directors approve the amendments to Section 7.00 of the Governing Rules as follows and the remaining sections be renumbered accordingly:

7.01 Delegate Assembly

The President with concurrence of the Board of Directors shall determine the date, time and place of a Delegate Assembly.

7.01 7.02 Delegates

Delegates and alternates shall have their current dues paid prior to being seated as delegates to the Delegate Assembly. Delegates to the Delegate Assembly shall have the right to vote on all matters coming before the Delegate Assembly.

7.02 7.03 Delegate Folder

The delegate folder shall include at least the following:

- (a) a current copy of the Bylaws and Governing Rules;
- (~~ab~~) a section describing the action on all resolutions not rejected by the previous Delegate Assembly;
- (~~bc~~) a section reporting on the status of significant legislation before the ~~current~~ legislature;
- (~~ed~~) a section containing the report of the Chief Financial Officer/Secretary; including a copy of the proposed budget in Resolution format and a current financial statement. This should be sent no later than 30 days prior to the opening session of the Delegate Assembly;
- (~~de~~) a section containing a list of all members of the Delegate Assembly;

(ef) a section containing ~~Delegate Assembly committee~~ reports of the Board of Directors standing committee reports;

(fg) a section containing resolutions before the ~~current~~ Delegate Assembly; and

(gh) a section containing rules from the preceding Delegate Assembly; ~~and/or proposed amendments to the rules.~~

(i) an agenda for the Delegate Assembly;

(j) a copy of the Delegate Oath of Office: As a delegate to the California State Retirees Delegate Assembly, I do solemnly affirm that I will faithfully discharge the duties as a Delegate Assembly delegate, the office to which I have been elected, the Rules of the Delegate Assembly and the Bylaws and Governing Rules of the California State Retirees, as well as the policies and bylaws of the California State Employees Association; and

(k) Reports of the officers.

7.03 Delegate Rights ~~Delegates to the Delegate Assembly shall have the right to vote on all matters coming before the Delegate Assembly.~~

7.04 Reports [section deleted; no longer needed.]

7.06 Committees of the Delegate Assembly ~~If deemed necessary or appropriate, the President may establish~~ augment any or all of the following committees: when they are hearing proposed resolutions prior to the opening session of the Delegate Assembly.

(a) Subject Committees

Bylaws
Fiscal Finance
~~Benefits~~ Health

Only those committees having resolutions shall meet one day prior to the opening of the Delegate Assembly for resolution hearings.

(b) Procedural Committees

Arrangements

Rules

Courtesy
Credentials
Resolutions Screening

Sergeant-at-arms

7.07 Order of Business

The first order of business for the Delegate Assembly shall be the business of the Corporation. Any activities not related to the business of the Corporation shall be held after the business meeting of the Delegate Assembly.

CARRIED (roll call vote: CARRIED (roll call vote was unanimously in favor: Marxen, Sears, Evans, Hernandez, Lease, Behrens, Waggoner and Rose).

15C. Proposed Resolutions for Submission to Delegate Assembly

15C(1) Proposed Resolution to Delegate Assembly -- Bylaws Article III, Section 2, Qualification for Membership

CSR 43/11/3 MOTION: Behrens, second by Lease – that agenda item 15C(1) be referred back to the Bylaws and Governing Rules Committee to consider the possibility of adding other retirees who are receiving warrants from PERS. CARRIED.

15C(2) Proposed Resolution to Delegate Assembly -- Bylaws Article IX, Sections 1 and 2

Ms. Ferrasci noted that the provision in this resolution, adding Sections 1 and 2 to Bylaws Article IX, was contained in the resolution regarding the 100/1 delegate ratio which was rejected by the 2010 Delegate Assembly, requiring another resolution to accomplish it.

CSR 44/11/3 MOTION: Marxen, second by Waggoner – that the CSR Board of Directors submit the proposed resolution adding Sections 1 and 2 to Bylaws Article IX to the delegates at the next Delegate Assembly. CARRIED (Lease voted against).

15C(3) Proposed Resolution to Delegate Assembly -- Bylaws Article IX, Section 9, Resolutions, B. Prior Notice

This proposed resolution would allow submission of resolutions by electronic means.

CSR 45/11/3 MOTION: Marxen, second by Waggoner – that the CSR Board of Directors submit the resolution entitled Bylaws Article IX, Delegate Assembly, Section 9, Resolutions, B.

Prior Notice, to the delegates at the next Delegate Assembly. CARRIED.

15C(4) Proposed Resolution to Delegate Assembly – Bylaws Article X, Finance, Section 2, The Budget, A. Adoption

CSR 46/11/3 MOTION: Rose, second by Sears – that the CSR Board of Directors submit the proposed resolution entitled Bylaws Article X, Finance, Section 2, The Budget, A. Adoption, to the delegates at the next Delegate Assembly. CARRIED.

15C(5) Proposed Resolution to Delegate Assembly, Bylaws Article X, Finance, Section 5, Investment of Corporate Funds

CSR 47/11/3 MOTION: Rose, second by Sears – that the CSR Board of Directors submit the proposed resolution entitled Bylaws Article X, Finance, Section 5, Investment of Corporate Funds, to the delegates at the next Delegate Assembly. CARRIED.

15D. Update on California State Retirees PAC

Dick Mesa reported that the makeup of the PAC Committee was changed to have someone representing each district and the committee had an orientation session in Sacramento. Reapportionment is still not final for legislative districts – when it is, we will finalize our PAC structure. Right now activities are recruiting and appointing PAC chairs for the chapters. Some chapters are having legislators attend their meetings who will be candidates when the new district lines are known. In Sacramento, we thought that two candidates favorable to us would be running against each other, but that has been resolved.

As of July there were 1,039 contributors to the PAC, not counting annual pays; that has increased to 1,090. An aggressive recruitment program at Delegate Assembly picked up 58 new PAC members; unfortunately we have lost some members. The PAC gained about \$130 a month; \$5,200 strictly from contributing members plus the 40 cents a month CSR puts in for each member. There will be PAC training at the next board meeting and district lines should be drawn by then so we can work to get involved with elections.

He noted that the new membership application includes a place at the bottom to sign up for the PAC and we need to impress upon members that they are really not becoming a member of another organization by joining the PAC, but that the PAC is the part of our organization that gives money to make us a player in the political game. Now that we are on our own, we need to develop more dollars. Out of 31,000 members, we have approximately 1,100 in the PAC. The goal at Delegate Assembly was to get 100% of the delegates as PAC members. We have 11 chapters who have 100% of their delegates. Chapter 2 had 70% going into

Delegate Assembly, 80% coming out, and one person who joined at the last chapter meeting. It would be good to go into General Council with all of our delegates contributing to the PAC, and he urged chapters to invite PAC Committee members to their chapter meetings.

15E. Legislative Speaker

There was no legislative speaker.

15F. Guest Speaker – Alzheimer's Association – San Diego/Imperial Chapter

This agenda item was deleted because of time constraints.

15G. Membership Report and Drawing

Terrance Conklin reported that CSR membership is currently 31,500, with 90 new members in the last month. There will be website training at the next board meeting in February. Because of the situation with PERS computers, we don't have an update or rollover numbers from PERS. Winners of \$50 awards in the recruiters drawing were Sallyanne Thorp, Beverly Waller-Wharton, Vic Martinez, Elva Cole and Christine Thomas.

15H. Report on CARA Convention

Gene Waggoner reported that he and Harold Rose attended CARA's 8th annual convention in Southern California, where they talked about some of the legislation that will take place as well as initiatives that may be on the ballot. CARA emphasized the importance of members not signing anything to help get a proposition on the ballot unless they are very sure what it is. Signature gatherers get paid for each signature; they don't care what the issue is. We must also start educating relatives, neighbors and friends that state employees are doing a tremendous job at a lower cost than if it were done by private enterprise. We must be aware of who we are voting for; hold interviews; visit incumbents and get commitments from them about retirees.

15I. Report on September 24, 2011 CSEA Board of Directors Meeting

President Marxen, Susan Sears and Harold Rose attended the September 24, 2011 meeting of the CSEA Board of Directors; a copy of the agenda was included in the backup material for agenda item 15J. The board met in the California Museum at the State Archives building. President Marxen reported that CSEA's line of credit at Wells Fargo has been extended to \$250,000. There was a presentation on CSEA's History Project, which is really digging into old files and photos. The project is well worthwhile and it is amazing how much information there is. Information on the History Project will be on the internet and will be updated with videos. Susan Sears added that the board got a hands-on look at what members will be able to see on

the computer to find people they know and things they remember doing. The History Project is conducting a lot of oral history interviews and is still looking at materials, including pictures.

15J. CSEA President's Report

President Hart reported there had been one personnel change – the CSEA Controller left and we are in the last stage of a search for replacement. He had hoped to get direct deposit for expense checks, but that has been pushed back. There is an initiative starting at Central Support in 2009 looking at how CSEA has provided services in the past. Everybody on the management staff and some affiliate leaders were put into leadership training. “Project Management Training” has spread into the service industry because of IT advances. People with “PMT” behind their names include Dave Samuels and his replacement, Susan Gould. We created a project management advisory team and identified rank-and-file staff to put together a manual on how it would help on projects. The manual is designed so that anyone can use it to develop projects and get them through to a successful end. With a smaller Central Support staff, we must do more with less, and the manual will help – we are using it in General Council planning. .

In Member Benefits, we are working on improvements in the website and brochures. People are using the Member Benefits website more than they used to -- Danny Beagle and Amy in IT are working on it. We are also working to see what we can do to extend the offering of benefits to outside entities, particularly insurance which returns money to CSEA, and brought on AGIA to figure out what is a minimum size for marketing to people, plus to service those people – the target is 10,000 members. We created special brochures for the “Association Partnership Program” and have identified 18 statewide employee organizations that qualify for size - there are 6 or 7 we may pursue. Kay Thomas recently met with a fairly large organization. We have to avoid organizations with occupational classifications in risk pools different than that of our members.

Another large project is implementation of CRM (customer relations management). The software will be a replacement for Jeeves and our computer database in the next six months. It is an affiliate-driven process and CSEA Central Support is drafting in behind Local 1000. The first big step includes updating software from Microsoft 2003 to Microsoft 2007 -- Microsoft 2010 is available but it is very similar to 2007. The entire e-mail system will be down for five days over the Thanksgiving weekend. The next step will be to renew all our laptop hardware, and we saved about \$70,000 by buying hardware that is six months old.

Finally, the CSEA Board has been meeting in workshops for three years trying to figure out what the future of CSEA looks like – he gave a power point presentation at the CSR Delegate Assembly. Local 1000 spends \$5 million on customer service that they figure they could do internally for \$2 million. But if CSEA let affiliates pay for only the services they want, the financial impact on the other affiliates is large. CSR's share has been about 2% in the past, and the other two affiliates have been

at about 6% to 9%. Local 1000 President Yvonne Walker has been adamant about saying that Local 1000 is willing to absorb some of that cost. By January, he hopes to have a business model that will get the job done by three affiliates; Local 1000 will do all their business internally except Member Benefits. Three attorneys have looked at the proposals to make sure they meet the Corporations Code and the concept the board is looking at. He promised that members will have material in writing for at least four or five months before General Council concerning the bylaw changes required to allow this to happen. All affiliates agree they have to grow or die and he hopes members will keep an open mind on the monumental changes being proposed. He said he believes e-mail is a particularly bad forum for discussing this kind of thing -- e-mail is good for data, but these proposals should be discussed at live meetings. The board has worked on omnibus bylaws that will set a new direction and it will be up to the delegates to decide. Members will have the language at least four or five months ahead of time and it will also be posted online. Marilyn Ferrasci added that CSEA's B&P Committee will consider all this at its meeting on December 3 and members are urged to attend if they want to hear the discussion.

Regarding 1108 "O" Street, President Hart noted that last winter we had no leaks. This year, we've had one storm and terrible leaks. We had to move CSUEU out of the fifth floor to the new Sacramento Library building, another example of the building we are in. He is working with State Employees Building Corporation to plan how we can make a decision regarding the building. We cannot rent it out to a state agency -- we found out that the required retrofit would cost \$2 million. Golden One wants to stay there but is willing to look at possibilities. Renovating the building is really too expensive, but there is a possibility of building on the parking lot and tearing down 1108 "O" Street.

15K. CSEA Board Committee Reports

15K(1) Bylaws, Policies and Procedures Committee

Marilyn Ferrasci reported that the CSEA B&P Committee will meet on December 3, and President Hart will make a presentation at that meeting.

15K(2) Member Benefits Committee

Caryl Cole reported that Member Benefits Committee conducted its annual review, and several programs went out to bid to see if we can do better, including the auto plan and pet insurance -- there are only 15 members with pet insurance. CSEA also has a long-term care plan and is looking into a discount program for shoes. Winners in the drawing from the Member Benefits table were Andrell Liley, Chapter 12; Viv Fitzgerald, Chapter 9 and Sharon Stoltzman, Chapter 4.

15K(3) CSEA Women's Committee/Women's Conference

Beverly Waller-Wharton noted that there is not a complete report yet on the Women's Conference, but she believes it was one of the most successful. Thanks to the generous sponsors, ads and various fees, the conference did well, especially considering that a few weeks before the conference the Marriott had to cancel due to remodeling but arranged to transfer reservations to the Westin. There was great support from the affiliates and speakers were well received, including a report that more women are being elected to open legislative seats. One of the door prizes was a laptop, which was won by one of the two men attending. Ms. Waller-Wharton thanked Dina Marie McGowan and Sherrie Golden for their help putting together this conference and earlier conferences. She also thanked Donna Snodgrass, Nancy Cabatta and Marianne Bauske, among others, for their help. She noted that October 10 was the 100th anniversary of women winning the right to vote in California. The Women's Conference theme was "Embracing our Past and Envisioning our Future" and she hopes there will be a future for the Women's Committee.

15L. Federal Activities (CalPERS Federal Lobbyist's Written Report)

Copies of the most recent report from CalPERS' federal lobbyist were available on the information table.

15M. Unscheduled Items

There were no unscheduled items.

Donna Snodgrass reported that during the meeting the CSEA Foundation raised \$119, and an additional \$6 donation made the total \$205. It was the Foundation's goal to raise \$30,000 for this year and it has raised \$22,000 so far, including \$1,200 at the Women's Conference. Also, CSUEU is meeting today and having a silent auction to benefit the Foundation. She reported that Ceil Andersen's work at the Women's Conference with special T-shirts was all to benefit the Foundation, and Ceil will continue to take orders once we get more T-shirts. Prize winners in the Foundation drawing were Viv Fitzgerald, Diane Whorton and Ilse Goodfield. Gus Lease noted that there a line item in the CSR budget designates \$1,000 for the Foundation.

The meeting was adjourned at 3:20 p.m.

Roger Marxen
President

CALIFORNIA STATE RETIREES

Date February 24, 2012

Agenda Item: 5

Title: Approval of Minutes of November 4, 2011 California State Retirees Board Meeting

Action

Presented by: Roger Marxen

Recommended Action: That the California State Retirees Board approve the minutes of the November 4, 2011 California State Retirees Board Meeting.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 6

Title: Installation of Newly Elected Board Members in Districts D and E

Information

Presented by: Roger Marxen

Background: In accordance with CSEA Retirees, Inc. Governing Rules Section 6.03(b) the term of office for the District Board members shall commence with the installation at the first board meeting after their respective elections and shall terminate when their successors have been installed.

The seats of District Board members representing Districts D and E were up for election. Susan Sears was elected unopposed for District D. Ballots were mailed to eligible voters in District E. Fritz Walgenbach won the election for District E. Attached are the election results.

CSEA President Dave Hart will administer the oath of office.

Attachments

CALIFORNIA STATE RETIREES

1108 O Street, Suite 300 • Sacramento, CA 95814 • (916) 326-4292 • (888) 808-7197 • www.csearetirees.org

January 4, 2012

Today California State Retirees President Roger Marxen announced the results of the District E Representative election to the CSR Board of Directors. This election was for a three year term commencing in February 2012. CSR members in Chapter 2 – Sacramento/Yolo area, Chapter 15 - Sierra Foothills and Chapter 165 - Sacramento/out of state were eligible to vote in this election.

The candidates running for this seat were Richard Friday, member of Chapter 15, Ronald Ridley, member of Chapter 2 and Frederick (Fritz) Walgenbach, President of Chapter 2.

“I am pleased to announce that Fritz Walgenbach of Chapter 2 was elected to the CSR Board of Directors” said President Marxen. “Over 2,208 ballots were cast and the results are listed below”:

Richard Friday

Chapter 2	234 votes
Chapter 15	71 votes
Chapter 165	180 votes
Total	485 (22%)

Ronald Ridley

Chapter 2	342 votes
Chapter 15	115 votes
Chapter 165	267 votes
Total	724 (33%)

Fritz Walgenbach

Chapter 2	602 votes
Chapter 15	101 votes
Chapter 165	296 votes
Total	999 (45%)

Mr. Walgenbach will be sworn into office at the February 24th CSR Board of Directors meeting to be held in Millbrae, California.

17.14 Oath of Office

Members of the Board of Directors and its officers and Chapter officers shall take the following oath.

I do solemnly affirm that I will faithfully discharge the duties of the office to which I have been elected in accordance with the Bylaws and Governing Rules of the California State Retirees to the best of my ability. I will deliver to my successor in office all books, papers, and other property of this Corporation that may be in my possession at the close of my official term.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 7

Title: Election of Board Vice President and Installation of Board President, Executive Vice President and Vice President for the remaining of the terms beginning 2010 through 2013.

Information/Action

Presented by: Roger Marxen

Background: In accordance with California State Retirees Governing Rules Section 5.01 Vacancies: The office of President shall be filled by the Executive Vice President, the office of Executive Vice President shall be filled by the Vice President and the office of Vice President shall be filled by a District Representative elected by the Board of Directors.

5.01 Vacancies

(a) President

In the event of a vacancy in the office of President the Executive Vice President assumes the office.

(b) Executive Vice President

In the event of a vacancy in the office of Executive Vice President, the Vice President shall assume the office of Executive Vice President.

(c) Vice President

In the event of a vacancy in the office of Vice President, the Board of Directors shall elect a District member of the Board of Directors to fill the remainder of the term.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 8

Title: Board President Report

Information

Presented by: Roger Marxen, District E

Background: The following is a summary of my activities from November 1, 2011 through February 14, 2012.

Nov 1-5	CSR Board Meeting - San Diego
Nov 10	UAW Bargaining - Sacramento
Nov 14	SCORE - Sacramento
Nov 30	Reorganization Meeting of CSEA - Sacramento
Dec 2	Staff meeting - Sacramento
Dec 2	Chapter 2 meeting - Sacramento
Dec 12	SCORE - Sacramento
2012	
Jan 9	Chapter 2 meeting - Sacramento
Jan 12	CSR PAC meeting - Sacramento
Jan 17	Chapter 15 meeting - Rocklin
Jan 18	CSR Bylaws meeting - Sacramento
Feb 3-4	CSEA Board & workshop - Sacramento
Feb 14	CSR Workshop - Sacramento

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Donna Hernandez, District A

Background: The following is a summary of my activities from October 22, 2011 through February 20, 2012.

Oct 22	South County Labor Breakfast - Hawthorne
Oct 27	District A & District G meeting - Santa Ana
Nov 2-4	LDI and Board Meeting - San Diego
Nov 9	CSR Chapter 9 Meeting - La Mirada
Nov 10	CSR Newspaper Delivery CalPERS Office - Orange
Nov 16	CSR Chapter 20 Meeting - Van Nuys
Nov 16	CSR Newspaper Delivery CalPERS Office—Glendale
Nov 21	CARA Cat Meeting - Cerritos
Dec 8	Guest Speaker for CARA at IHHS Rally - Garden Grove
Dec 9	CSR Newspaper Delivery CalPERS Office - Orange
Dec 14	CSR Chapter 9 Meeting - La Mirada
Dec 15	CSR Chapter 4 Meeting - Los Angeles
Dec 19	CARA Cat Meeting - Cerritos
Dec 21	CSR Chapter 20 Meeting - Van Nuys

Dec 21 CSR Newspaper Delivery CalPERS Office - Glendale

Dec 30 SEIU 1000 DLC Meeting - Los Angeles

HAPPY NEW YEAR 2012

Jan 9 CARA Cat Meeting and Healthcare Rally – Los Angeles

Jan 10 CSR Newspaper Delivery CalPERS Office - Orange

Jan 11 CSR Chapter 9 Meeting – La Mirada

Jan 13 Martin Luther King Labor Breakfast (LA County Federation of Labor Event) – Commerce

Jan 18 CSR Chapter 20 Meeting - Van Nuys

Jan 18 CSR Newspaper Delivery CalPERS Office - Glendale

Feb 7 CSR Newspaper Delivery CalPERS Office - Orange

Feb 8 CSR Chapter 9 Meeting - La Mirada

Feb 9 Finance Meeting - Ontario

Feb 14 CSR Worksite Meeting - Burlingame

Feb 16 CSR Chapter 4 Meeting - Los Angeles

Feb 16 CSR Newspaper Delivery CalPERS Office - Glendale

Feb 20 CARA Cat Meeting - Cerritos

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Jerry Evans, District B

Background: The following is a summary of my activities from November 4, 2011 through February 14, 2012.

Nov 4 Board Meeting - San Diego

Nov 30 Chapter 31 Meeting

Dec 01 Chapter 10 Board Meeting - San Luis Obispo

Dec 13 Meeting with Phil & Harold - Sacramento

2012

Jan 05 Meeting Chapter 10 President - San Luis Obispo

Jan 12 PAC Meeting - Sacramento

Jan 18 ByLaws Meeting - Sacramento

Jan 26 Chapter 10 Meeting - Sacramento

Jan 03 CSEA Board Workshop - Sacramento

Feb 14 Board Workshop - Sacramento

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Gus Lease, District C

Background: The following is a summary of my activities from November 2, 2011 through February 24, 2012.

Nov 2	Leadership Training – San Diego
Nov 3-4	CSR Board Meeting – San Diego
Nov 9	Chapter 36 – Salinas
Dec 2	CSEA Bylaws Meeting - Sacramento
Dec 8	Chapter 3 – San Francisco
Dec 14	Chapter 23 – San Jose
Dec 15	Chapter 1 – Oakland
2012	
Jan 11	Chapter 36 – Salinas
Jan 18	CSR Bylaws Committee Meeting – Sacramento
Feb 9	CSR Finance Committee Meeting – Ontario
Feb 22	Leadership Training/PAC Committee – Millbrae
Feb 23-24	CSR Board meeting – Millbrae

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Susan Sears, District D

Background: The following is a summary of my activities from October 10, 2011 through January 26, 2012.

Oct 10	Chapter 19 Subchapter Meeting – Lakeport
Oct 11	Chapter 10 Meeting – Ukiah
Oct 12	Finance Committee Meeting – Sacramento
Oct 13	Finance Committee Meeting – Sacramento
Oct 14	Special Board Meeting – Sacramento
Oct 17	Chapter 13 Meeting – Redding
Oct 19	CSUEU Chapter Meeting – Chico State University
Oct 23-26	CalPERS Educational Forum – Long Beach
Oct 28	Bargaining Team Meeting – Sacramento
Nov 1-5	LDI, Committee Meetings, Board Meeting – San Diego
Nov 8	Chapter 13 Subchapter Meeting – Yreka
Nov 9	Bargaining Team Meeting – Sacramento
Nov 15	PERS Health Benefits Committee Meeting – Sacramento
Nov 17	Bargaining Team Meeting – Sacramento

Nov 21	Chapter 13 Meeting – Redding
Nov 22	Chapter 14 Meeting – Chico
Nov 30	Bargaining Team Meeting – Sacramento
Dec 1	Press Conference at State Capitol – Sacramento
Dec 2	Meeting with Staff – Sacramento
Dec 6	Chapter 8 Subchapter Meeting – Crescent City
Dec 7	Chapter 8 Meeting – Eureka
Dec 13	Chapter 14 Christmas Luncheon – Chico
Dec 19	Chapter 13 Meeting – Redding
Dec 20	CSEA Board Special Meeting – Sacramento
2012	
Jan 10	Chapter 13 Subchapter Meeting – Yreka
Jan 12	PAC Committee Meeting – Sacramento
Jan 17	Chapter 21 Meeting – Santa Rosa
Jan 18	Chapter 20 Meeting – Van Nuys
Jan 23	Bargaining Team Meeting – Sacramento
Jan 24	Chapter 14 Meeting – Chico
Jan 25	Governor’s Pension Reform Committee Meeting, State Capitol – Sacramento
Jan 26	Bargaining Team Meeting – Sacramento

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Tim Behrens, District F

Background: The following is a summary of my activities from November 1, 2011 through February 24, 2012.

Nov 1-4 CSR Board committee meetings and Corporate meeting – San Diego

Nov 14 Chapter meeting 35 - Porterville

Dec 14 Chapter meeting - Porterville

2012

Jan 11-12 CSR PAC meeting – Sacramento

Jan 17 Sub Chapter 35 - Bakersfield

Jan 18-19 CSR Bylaws committee meeting in Sacramento

Jan 20-22 ACSS Meeting - Burlingame

Feb 1 Chapter 11 meeting - Fresno

Feb 9 Chapter 35 meeting - Porterville

Feb 14 Board workshop - Sacramento

Feb 22-24 CSR Board meeting - San Francisco

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 9

Title: Board Member Report

Information

Presented by: Gene Waggoner, District G

Background: The following is a summary of my activities from November 1, 2011 through February 15, 2012.

Nov 1-4 Board Meeting - San Diego

Nov 5 Democratic Club - Victorville

Nov 9 Chapter 34 Meeting - Santa Ana

Nov 17 RPEA Meeting - Victorville

December Activities were curtailed for the month of December because of wife's (Sharon) surgeries, 12-3-11, 12-15-11 and recovery

2012

Jan 16 Conference call for AB 1148 Discover Act

Jan 16 RPEA meeting - Victorville

Jan 23 Conference call for AB 1148

Feb 8 CARA and CAT (CARA Action Team) – Victorville

Feb 14 Board Work Shop - Sacramento

Feb 15 Chapter 6 Meeting - Chino

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 10

Title: Report on February 14, 2012 Executive Board Workshop

Information

Presented by: Susan Sears

Background: The President will report on the Executive Board Workshop held on Tuesday, February 14, 2012 in Sacramento.

CALIFORNIA STATE RETIREES

Date February 24, 2012

Agenda Item: 11

Title: Chief Financial Officer Report

Information

Presented by: Harold Rose

Background: An oral report will be given by Chief Financial Officer Harold Rose.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 12

Title: California State Retirees Headquarters Report

Information

Presented by: Dr. Phil Sherwood

Background: Headquarters Report will be on the back table at the board meeting.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 13

Title: CSEA President's Report

Information

Presented by: CSEA President Dave Hart

Background: A standing agenda item has been given to the CSEA President to give him a more formal opportunity to make remarks at the California State Retirees Board meeting. President Dave Hart will give retirees an update on CSEA activities.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 14

Title: CalPERS Board of Administration Update

Information

Presented by: Henry Jones

Background: Henry Jones, retiree representative on the CalPERS Board, has been invited to give an update on CalPERS activities.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 15 A

Title: Bylaws and Governing Rules Committee Report

Information

Presented by: Marilyn Ferrasci Hamilton

Background: The Bylaws and Governing Rules Committee met on January 18, 2012 in Sacramento. Minutes of the meeting will be available on the back table.

Chair Ferrasci Hamilton will give an oral report of the meeting.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 15 B

Title: Finance Committee Report

Information

Presented by: Harold Rose, Chair

Background: The Finance Committee met on February 9, 2012 in Ontario. Minutes of the meeting will be available on the back table.

Chair Rose will give an oral report of the meeting.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 15 C

Title: Grant Committee Report

Information

Presented by: Susan Sears, Chair

Background: The Grant Committee is scheduled to meet on Thursday, February 23, 2012 in Millbrae.

Chair Sears will give an oral report of the meeting.

Minutes from the February 23, 2012 meeting will be available on the CSR Web site at a later date.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 15 D

Title: Health Benefits Committee Report

Information

Presented by: Stephanie Hueg, Chair

Background: The Health Benefits Committee is scheduled to meet on Thursday, February 23, 2012 in Millbrae.

Chair Hueg will give an oral report of the meeting.

Minutes from the February 23, 2012 meeting will be available on the CSR Web site at a later date.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 15 E

Title: Membership Committee Report

Information

Presented by: Caryl Cole, Chair

Background: The Membership Committee is scheduled to meet on Thursday, February 23, 2012 in Millbrae.

Chair Cole will give an oral report of the meeting.

Minutes from the February 23, 2012 meeting will be available on the CSR Web site at a later date.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 16

Title: What's on Your Mind?

Information

Presented by: Susan Sears

Background: Members of the audience have the opportunity to address the Board on any unscheduled matters they wish to discuss. Therefore, each Retiree board agenda contains What's on Your Mind? to provide members with the opportunity to express their views/concerns.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 17 A

Title: 2012 California State Retirees Board Meeting Dates and Locations

Information

Presented by: Susan Sears

Background: Listed below are the dates and locations for the California State Retirees 2012 Board meetings.

Dates

February 22 – 24, 2012

May 9 – 11, 2012

August 31, 2012
(Delegate Assembly at GC)

November 7 – 9, 2012

Locations

The Westin San Francisco Airport
1 Old Bayshore Highway
Millbrae, CA 94030
(650) 692-3500

Hilton Sacramento Arden West
2200 Harvard Street
Sacramento, CA 95815
(916) 922-4700

The Westin Bonaventure Hotel
Information will come from CSEA

Hilton San Diego Mission Valley
901 Camino Del Rio South
San Diego, CA 92108
(619) 543-9000

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 A

Title: Motions from Presidents' Forum November Meeting
(1) Presidents' Forum February Tentative Agenda

Information

Presented by: Caryl Cole, Chair

Background: The Presidents' Forum is scheduled to meet on Thursday, February 23, 2012 at 1:30 p.m. Attached are the tentative agenda and a copy of the November 3, 2011 minutes.

Attachments

AGENDA

PRESIDENTS' FORUM CALIFORNIA STATE RETIREES February 23, 2012 1:30 pm

**Westin San Francisco Airport Hotel
1 Old Bayshore Highway
Millbrae, CA 94030
(888) 627-8404**

1. Call to Order and Pledge of Allegiance
2. Roll Call: When a chapter is called, will the President or designee please acknowledge their presence. (Presidents will be given an opportunity to give a report on their chapter activities later on the agenda). If you are substituting for a Chapter President or are a new Chapter President, please state your name, loudly & clearly for the Secretary.

Caryl Cole, Chair
Fritz Walgenbach, Vice Chair
Beverly Waller-Wharton, Secretary

001 Shirley Borden	002 Fritz Walgenbach	003 Mary McDonnell
004 Ethel Watson	005 Anita McCabe	006 Dee Stoddard
008 Ruth Ziegenfuss	009 Vivianne Fitzgerald	010 Victor Martinez
011 Addie Jackson (acting)	012 Caryl Cole	013 Ed Huey (I)
014 Doris Lithgow	015 Cynthia Garey	016 Jean Laosantos
017 Pearl Pacheco	019 Jo Ann Harmon	020 Ceil Anderson
021 Donald Lehnhoff	023 Beverly Waller-Wharton	031 Raylene Laverentz
034 Madeline Rae Jensen	035 Loyd Winner	036 Otis Hollibaugh
165 Beverley Greening		

3. Approval of Minutes for November 3, 2011
4. Remarks of the Chair – Congratulations Fritz
Appointment of Vice Chair of President's Forum, subject to confirmation by the Chapter Presidents, per Rule 21.024 President's Forum.
5. Approval of Agenda (addition of unscheduled items)

6. CFO Harold Rose's Report
Health Benefits Committee Report – Vivianne Fitzgerald
7. Chapter Presidents' Reports – please limit to 4 minutes each
Chapter Financial Reports & Audits current
8. Unfinished Business – reminder
 - a. TEC's are being scanned and mailed back to us so no need to send 2 copies
 - b. safer method of payment at Board Meetings & General Council
 1. Don't use credit/debit card except for hotel bill
 2. Charge everything to your room to avoid using credit card
 3. Don't carry large amounts of cash
9. New Business
 - A. Comments & discussion of Hotel and meal costs at hotels; possible Embassy Suites: complimentary breakfast, managers reception in evening–vote/motion
 - B. Have you changed name to CSR on bank accounts-any problems
 - C. Badges with new name
10. Adjourn -

PRESIDENTS' FORUM

November 3, 2011

The meeting was called to order at 1:10 pm by Chair Caryl Cole, followed by the Pledge of Allegiance.

Roll Call. Chapter presidents or designees present were: **1.** Bordon; **2.** Walgenbach; **3.** McDonnell; **4.** Watson; **5.** McCabe; **6.** Stoddard; **8.** Moranda*; **9.** Fitzgerald; **10.** Stone*; **11.** Truesdale*; **12.** Cole; **13.** Huey (interim); **14.** Lithgow; **15.** Garvey; **16.** Absent; **17.** Pacheco; **19.** Harmon; **20.** Andersen; **21.** Lehnhoff; **23.** Waller-Wharton; **31.** Laverentz; **34.** Jensen; **35.** Winner; **36.** Hollibaugh; **165.** Greening.

*Designee

Reading. "Old People" was read by Chair Cole.

Chapter Officer Installation. New Chapter 15 President Cynthia Garvey and Vice President Wayne Caldwell were sworn in by CSR President Roger Marxen.

Minutes. **M/s/c** that the May 12, 2011 Presidents' Forum minutes be approved as corrected.

Approval of Agenda. **M/s/c (unanimous)** to approve the agenda with the following additions:

1) The swearing-in of Chapter 15 Officers. 2) Susan Sears, CSR Vice President/District D Representative; 3) Gene Waggoner, CSR District G Representative; and under New Business, 9E, Marilyn Ferrasci and 9F, Removal of CSR Officers.

Chairs Remarks. Reimbursements of \$700 and \$2,000 from CSR Headquarters will be paid to chapters when forms with required receipts and a cover letter are received. Chapters were reminded to keep a copy.

Sergeants-at-Arms. Bob Lilley and Louie Espinosa were appointed by Chair Cole to act as Sergeants-at-Arms for this meeting.

CFO Report. CFO Rose addressed several items in the **Finance Committee** minutes and in the **2011 Budget** handouts. He noted that expenses listed are current to 9/30/11 and show the Corporation in the black. Although 11 delegates have yet to submit their travel expense claims for the Delegate Assembly, the Finance Committee agreed that all chapters will receive the \$300 incentive. Submitting all chapter travel claim forms together is much appreciated. Anyone owing \$10 or less was taken off the books; however, it is not forgotten that they still owe money. Some delegates to the 2009 General Council still owe over \$2000 and an up-to-date Aging Report was sent to the presidents. Even given extra time, CFO Rose said six chapters have not submitted their quarterly reports. He reminded presidents to send financial reports to Tammy Pittman, to submit travel claims with all receipts (duplicate copy of travel claim form no longer needed), and that chapter budgets for 2012 are due Jan. 31. He noted that budgets for Chapter 13, 14, and 15 are "in limbo" and that \$900,000 will be required for the 2012 General Council. The **Voter Match Report** cost \$31,000 and revealed that 750 members are not registered voters (probably because they either live out-of-state or out of the country. Email addresses for about 17,000 members are on file. Chapters will receive the Voter Match Report soon after headquarters receives the information.

CSR VP Susan Sears commented that the Board's action to buy a new building has resulted in many chapters holding a view of the Board as "evil bankers" versus themselves as the "downtrodden masses" which obviously is a serious problem given the flurry of recent emails. The emails she believes contained a lot of misinformation and shed very little light on the issue. She acknowledged, however, that a lot of the controversy was the Board's fault. But what she found especially disturbing was the fighting amongst ourselves when we should be concerned with gearing up for the real threats outside (like the detrimental ballot measures) and increasing membership in the CSR PAC. In closing she warned that an organization divided against itself cannot stand.

CSR Board Member Gene Waggoner conveyed information that Past CSR President Barbara LaPlante slipped and fell several days ago. While not badly injured, she was unable to get up until her caregiver came. She was hospitalized for four days and will be in a rehab center for two-to-three weeks. While she is gaining strength, her doctor said it will take a long time for her to recover. Cards should be sent to her home address.

Presidents' Reports. M/s/c (12 yes/8 no) to suspend with the Chapter Presidents' Reports. For future meetings the Forum secretary asked presidents to also put their oral reports in writing.

OLD BUSINESS

Delegate Assembly Critique. Negative comments were mostly about the cost, number of days, and type of events prior to the actual Delegate Assembly in addition to insufficient time for the Assembly (10 am to 3 pm). Starting at 9 am and ending at 4 pm would have permitted more time for a full discussion of the Board's action to purchase a new building. Some activities prior to the Assembly (e.g. Bingo and bowling) were thought by some to be frivolous when the time could better have been spent dealing with pertinent issues. Consideration of these comments was urged in planning for future Assemblies. Marilyn Ferrasci commented that the ByLaws Committee discussed the Delegate Assembly, resulting in some proposals (e.g., that CSR business must be done before any workshops, etc.; that Committee meetings must be held before workshops and meet the day before the Delegate Assembly). Due to costs to CSR for delegates who did not attend the Assembly but did not cancel their reservations, Chair Cole noted that no "master billing" for hotel reservations will be made in the future. CSEA VP Donna Snodgrass thanked CSR District Reps Donna Hernandez and Gene Waggoner for the joint district meeting which was recorded so all comments made about the Delegate Assembly are on record. Chapter 3 VP George Linn reported that Harold Rose asked him to develop new guidelines which will be explicit and easy to follow for the next Delegate Assembly. Fifty members of Chapter 3 (Orange County) attended their meeting which also was taped and can be shared with other chapters. A written report will also be available. Fritz Walgenbach suggested that the tape be given to CSR Headquarters as well.

Travel Expense Claims. When traveling for CSR meeting and General Council, members were cautioned for safety reasons that credit/debit cards should be used only for the hotel bill. Sometimes in restaurants the wrong card is returned or the card has been compromised. It is also not wise to carry large amounts of cash.

NEW BUSINESS

Parliamentary Procedures. Due to problems in obtaining sufficient copies of *Roberts' Rules*, it was **M/s/c (unanimous)** to table Item 9B, Parliamentary Procedures until the February 2012 meeting of the Presidents' Forum.

Hotel Comments. Because hotels are becoming more strict, Harold Rose has suggested using hotels which include "hospitality" such as the Embassy Suites in place of having our own "hospitality room." Another problem involves facilities for members who have difficulty walking, etc. Often handicapped accessible rooms are the furthest away from elevators and there are insufficient numbers of them available. Some delegates had to stay at hotel across the street. For 2013 planning, members need to provide Headquarters with their needs and wishes. Seven people from Chapter 165 needed rooms with 2 beds which were not available, thus adding to their costs.

Duties of Officers - Marilyn Ferrasci. At the ByLaws Committee in Sacramento, Duties of Officers was a suggested agenda item. Comments on what should be included should be sent to Mary McDonnell before the Committee meets, probably in January. Duties of chapter officers are not in the Governing Rules and it would be helpful to get the changes made before the elections. The final list of nominees is due March 2. Changes to the new consent forms will be acted on at the CSR Board meeting and it was suggested that this agenda item be reviewed.

Vivienne Fitzgerald announced that a year ago her son's name was submitted by Sen. Barbara Boxer to President Obama for consideration as a Federal judge. His nomination came out of the Senate and he will be confirmed in December.

Anita McCabe asked if PERS might consider sending out a magnet with all of the pay dates on it. It was suggested that it would be better for her chapter to make one as it is not something PERS would be able to do.

Removal of CSR Officers. A considerable amount of criticism was expressed over what was seen as insufficient notice by the Board of its intent to purchase a new building, given that an agreement was signed by Dr. Sherwood on Oct. 11. The lack of transparency involving the expenditure of \$2 million was seen as especially troubling. Obtaining a legal opinion was discussed but thought to be too difficult, to require considerable research on the part of the attorney, and to be too costly. On the other hand, a vote of "no confidence" would require no cost and send a message to the Board. **M/s (McDonnell/**

Greening) to recommend to the CSR Board that the CSR officers be removed.

Motion withdrawn. M/s (Greening/McDonnell) that the Presidents' Forum take a vote of No Confidence in the officers of the CSR Board because of their past actions. **M/s/c (13 yes/8 no/1 abstention/2 absent)** to accept the friendly amendment that the Presidents' Forum disapproves of the handling of the Delegate Assembly and the Proposal to Purchase a Building and, therefore took a Vote of No Confidence in the officers of the CSR Board.

Adjournment. The meeting adjourned at 3:10 pm.

Respectfully submitted,

Beverly Waller-Wharton, Forum Secretary

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 B

Title: Proposed Resolution to Delegate Assembly
Bylaws Article XIII Section 1. A. and B. Open
Meetings (Meetings)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board that they submit the resolution listed below to the next Delegate Assembly.

Background:

WHEREAS: (1) Closed meetings have been a bone of contention for the CSR members, and

WHEREAS: (2) Reports of the meetings are not regularly made to the members or the actions taken at the closed meeting, and

WHEREAS: (3) The Board can meet in an open workshop session and limit audience participation, and

WHEREAS: (4) The members would be aware of the needs of the CSR, now therefore be it

RESOLVED: (a) That Bylaws Article XIII, Section 1.A. be amended as follows:

ARTICLE XIII

Meetings

Section 1. Open Meetings.

A. Except as set forth below, ~~meetings of the Delegate Assembly, the Board of Directors and all committees at which the business of the Corporation is acted upon shall be open to all members in good standing of the Corporation.~~ meetings and workshops of the Board of Directors, Delegate Assembly and Chapters at which the business of the corporation is discussed or acted upon shall be open to all members in good standing of the corporation, their spouses and guests.

~~B. Meetings of each Chapter and of its officers and committees shall be open to all members of the Chapter.~~

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (1)

Title: Proposed Amendment to Governing Rule Section 3.02 Board of Directors (3.00 Corporation Organization)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 3.02 Board of Directors.

Background: To provide clarification as to who has voting rights on the Board of Directors.

3.00 CORPORATION ORGANIZATION

3.02 Board of Directors

The Board of Directors shall be the Corporate governing board consisting of nine Board members, one elected from each electoral district, the Chief Financial Officer/Secretary and the Immediate Past President. All of which shall have voting rights on all matters presented to the Board.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (2)

Title: Proposed Amendment to Governing Rule Section 4.01 (c) President (4.00 Duties of Officers and Board Members)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 4.01 (c).

Background: The Governing Rules are not clear as to what duties can be reassigned to a designee of the President's choice.

4.00 DUTIES OF OFFICERS AND BOARD MEMBERS

4.01 President

In addition to the duties of Board member the President shall:

- (c) Be responsible for carrying out the policies established by the Board of Directors and otherwise perform duties normally assigned to that office unless assigned to a designee;

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (3)

Title: Proposed Amendment to Governing Rule Section 6.03 (I) Recall of District Board Member (6.00 Election Procedures for Officers, Board Members and Delegates)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 6.03 Recall of District Board Member by deleting the section.

Background: Recall of elected Board members is covered under Governing Rule Section 16.00 Recall of Elected Board Members and Chapter Officers:

~~(I) — Recall of District Board Member~~

- ~~(1) — Upon petition of at least 30 members of a Board member's District, ballots containing the reasons for the recall shall be mailed to the members in that District within 30 days of receipt of the necessary petition in Corporate office.~~
- ~~(2) — A two-thirds affirmative vote is required to recall a District Board member, provided a minimum of 25% of the members in the District cast votes.~~

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (4)

Title: Proposed Amendment to Governing Rule Section 8.04 Open Meetings (Section 8.00 Meetings)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 8.04 of the Governing Rules.

Background: Amending Governing Rule 8.04 retains consistency between CSR's Bylaws and Governing Rules.

8.00 Meetings

8.04 Open Meetings

~~Board of Director meetings are open to all retired members, spouses and guests.~~ Meetings and workshops of the Board of Directors are open to all members of the CSR, spouses and guests with the exception of Executive Sessions.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (5)

Title: Proposed Amendment to Governing Rule Section 8.16 Required Voting (8.00 Meetings)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 8.16 Required Voting.

Background: : In the interest of using Board meeting time efficiently, it has been deemed that it is not necessary to require more than a simple majority voice vote to approve amending the CSR Governing Rules.

8.16 Required Voting

Voting on amendments to the Governing Rules requires ~~six (6)~~ affirmative roll call a simple majority voice votes. ~~Voting on other items will be by voice vote and ruled on by the chairperson except in those cases where any member of the board requires a roll call vote~~Board members may request roll call vote.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (6)

Title: Proposed Amendment to Governing Rule Section 10.02 Required Vote (10.00 Amending the Governing Rules)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 10.02 Required Vote.

Background: In the interest of using Board meeting time efficiently, it has been deemed that it is not necessary to require more than a simple majority voice vote to approve amending the CSR Governing Rules.

10.02 Required Vote

Amendment of these rules shall require ~~six (6) affirmative~~ a simple majority voice votes. Board members may request roll call vote.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (7)

Title: Proposed Amendment to Governing Rule 13.05
California State Retirees PAC and Governing Rule
Section 15.00 Legislative Contact Representative
Program

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of the proposed amendment moving Section 15.00 Legislative Contact Representative Program to Section 13.05 California State Retirees PAC (13.00 Committee Organization and Responsibility) renaming the section 13.05 California State Retirees PAC and Legislative Contact Committee.

Background: Many of the duties under Section 15.00 Legislative Contact Representative Program are being done by the PAC Committee. In order to reduce duplication of duties it seems reasonable to combine the two committees into one.

13.05 California State Retirees PAC—California State Retirees PAC and Legislative Contact Committee

The California State Retirees PAC is established for direct control over the expenditure of its political action funds, for direct contact with politicians and control over other political activities. The President shall take recommendations from the Board members and chair of the PAC Committee for appointments to the committee.

The committee members shall:

- (a) Assist the President with candidate interviews.
- (b) Attempt to find a constituent from the legislator's district to participate in candidate interviews.
- (c) Work with the district Board member and chapter presidents to secure a legislative contact representative

from each legislative district. (See Organization Chart in Appendix 1.)

- (d) Make recommendations on political endorsements to the Board of Directors.
- (e) Coordinates activities with CSEA, CSEA Affiliates and other retiree organizations. However approval from the other entities is not necessary for the PAC to proceed with its endorsements.
- (f) Shall request the President to hire the services of a lobbyist when deemed necessary and appropriate.

Meetings

The PAC shall meet at such times as the Chair deems necessary. In order to be able to respond to emergency situations, the PAC may meet by telephone or other electronic means.

Contributions

- (a) Members are encouraged to join the California State Retirees' PAC by authorizing a monthly deduction from their retirement warrant in an amount ranging from \$1.00 to a maximum of \$15.50. An annual Retirees' PAC contribution can also be made in an amount from \$10.00 up to a maximum of \$186.00.
- (b) Chapters may make a contribution to the California State Retirees PAC as long as the following guidelines are followed:
 - 1. A motion made at a chapter meeting indicating the amount of the contribution to the PAC must be recorded in the chapter minutes.
 - 2. The chapter must tie the payment to a per member amount. The amount contributed on a per member basis, not rounding off to a whole number, shall be forwarded to headquarters. A small contributor committee is not permitted to accept contributions from a single source that exceeds \$200 in a calendar year. The PAC may not accept contributions that are not made on a per member basis if the contribution is greater than \$200.00. There is a potential tax consequence on chapters who contribute to PAC's from their general

funds if the contributions are not made on a per member basis.

3. For tax reasons, the decision to contribute members' dues must be made prior to making the contribution. To meet IRS requirements the chapter needs to communicate with its members that a portion of the dues was contributed to the PAC through the chapter newsletter, Web site or other communication that reaches the members. The contribution can be listed in the chapter meeting notice in the *Retiree* newspaper or on the California State Retirees' Web site.
4. It is necessary to show the PAC contribution as a separate expenditure in the chapter's budget or it can be listed under item 4II-Miscellaneous Expense.

(c) Political Event Disbursement Procedures

The following procedures shall be followed when requesting to use California State Retirees' PAC funds to attend a political event:

1. Contact the President to receive approval to attend the event.
2. If approved, send the political event notice to the California Retirees' Corporate Office, Attention Administrator, 1108 "O" St., Suite 300, Sacramento CA 95814. The notice shall include date of event, amount, name and address of payee, and ID#.
3. Staff will complete the Disbursement Request Form, the President will sign and forward to the law firm that handles our PAC account.
4. The attorney will cut a check and forward it to the payee.

(d) Reporting to the Members

The CFO shall issue quarterly reports to the Board and chapter presidents on the activities and expenditures of the PAC, except that contributions to candidates shall only be reported to the Board. The amount of contributions shall be determined by the Board in executive session.

(e) Funding

In addition to the amount budgeted to the PAC on a per PAC member basis, members shall be encouraged to make direct contributions to the PAC through CalPERS payroll deductions.

~~15.00~~ — ~~LEGISLATIVE CONTACT REPRESENTATIVE PROGRAM~~

~~15.01~~ Purpose of Legislative Program

The purpose of this program is to effectively convey to members of the Legislature in their home districts, the objectives and interests of the Corporation membership, and to foster grass roots legislative activity in support of the Corporation's legislative program.

~~15.02~~ Selection of Legislative Contact Chair

Each Board member will serve as District Legislative Contact Chair for the District which the Board member represents.

~~15.03~~ Guidelines for Legislative Contact Chair

The District Legislative Contact Chair shall:

- (a) Establish a list of counties in the District showing the chapters within the District;
- (b) Establish a list of chapters showing the counties within each chapter's geographical area;
- (c) Each chapter president should, in consultation with the District Legislative Contact Representative and a member of the PAC Committee, assign a chapter member, who is in good standing, to be in charge of legislative/political activities. The person selected should be willing to organize phone banks, organize letter writing and phone banking campaigns and perform other assignments deemed necessary. The person must be able to cooperate and coordinate legislative and political activities with other affiliate representatives and the regional director; and
- (d) Contact each chapter president in the District for names of members who would be willing to call on the Legislators in that District.

- (1) The persons selected to contact the legislators should also be willing to make phone calls, write letters, assist in the California Retirees PAC Program when requested and perform other assignments that may be necessary.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (8)

Title: Proposed Amendment to Governing Rule Section 16.00 Chapters

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendments to Section 16.00 Chapters.

Background: Governing Rules require amending in order to incorporate specific areas and procedures that were once covered under Chapter Bylaws.

16.00 CHAPTERS

16.01 Formation or Division of Chapters

(a) Chapter Structure

It is desirable and in the best interests of the Corporation to have a chapter structure based on reasonable geographic boundaries.

(b) Granting of a Charter

A new Charter "may" be granted:

- (1) Upon request of a chapter to split its membership into two or more chapters; or
- (2) Upon petition from 250 or more petitioners; and upon the determination by the Board of Directors that the best interests of the membership would be served by the combining of or the dividing of present chapters.

(c) Consideration for Granting of a Charter

Before a new charter is granted, the Board of Directors will give consideration to:

- (1) The probability of continued leadership and activity of members in the future;
- (2) The effect of the formation of a new chapter upon increased membership and activity;
- (3) More efficient operation of the Corporation in providing the maximum benefit to its total membership;
- (4) The expectation of maintenance of at least 400 members.

(d) Polling Procedure

Prior to the consideration of establishing a new chapter a letter shall be sent to all members of the affected chapter informing them of the requested action and:

- (1) Requesting their vote on the subject,
- (2) Asking the members if they are willing to hold chapter office, and if so which office, and
- (3) Informing the members of the date and location of the chapter meeting where the results will be reported.

(e) Chapter Request Procedure

The Board member presenting the chapter request for a new chapter will submit a written report including the following facts:

- (1) A clear definition of the geographic area(s);
- (2) The potential number of persons who may reasonably be expected to maintain membership in the new chapter;
- (3) All factors in support of the formation of a new chapter; and

- (4) A copy of the request from the chapter(s) and the written report shall be submitted to the appropriate chapter president(s).

(f) Petitioning Procedure

The Board member presenting the petition will submit a written report including the procedures set forth in Section (e) above and the number of persons signing the petition, separated as to members and potential members.

(g) Notification

Upon approval the Board of Directors shall inform the membership involved and authorize chapter election(s).

(h) Financial Assistance to a New Chapter

- (1) Each newly chartered chapter shall be provided a grant, not to exceed \$200, to be presented when the charter is granted;
- (2) A newly chartered chapter may obtain additional funds from the Grant Fund by submitting a request to the Chief Financial Officer/Secretary.

(i) Amendments to Chapter Charters

- (1) An amendment to a chapter charter lies within the discretion of the Board of Directors and is guided by the best interests of the Corporation.
- (2) The effective date of the amended charter shall be that date specified by the Board of Directors.

(j) Division of Chapter Funds

When a chapter is divided into two chapters, each chapter shall be entitled to a pro rata share of the former chapter funds based upon the number of members in each new chapter.

(k) Subchapters

- (1) Due to location and in consideration of large geographical areas of a chapter it may be in the best interest of the members to form one or more subchapters.
- (2) Subchapters shall be part of the chartered chapter and shall be called by the chapter number and location (i.e., Chapter 16 Merced).
- (3) The chapter president shall appoint an area vice president or chair of the subchapter, subject to disaffirmation of the Chapter Executive Committee, who shall be responsible for the activities of the subchapter. The area vice president or chair of the subchapter must at all times keep the chapter president apprised of its activities.
- (4) The Board member in whose District the chapter is located shall also assist the subchapter(s) and when appropriate attend the meetings.

16.02 Transfers

(a) Inter-Chapter Transfer Request

A member may request a transfer to another chapter regardless of geographic area. Any such transfer request must be signed by the member requesting transfer.

(b) Apportionment of Funds

When an annual pay member transfers from one chapter to another, the share of dues for the remainder of the calendar year shall be paid to the new chapter.

16.03 Term and Termination Charter

A charter shall continue in effect from the date it is issued until it is surrendered or terminated. The members of a Chapter may, by vote or written consent of a two-thirds majority vote of all such members, elect to surrender their charter. For good cause, and after notice and a reasonable opportunity for the members and officers of such Chapter to be heard, the Board of Directors may terminate a charter.

16.04 Procedures for Voluntary Surrender of a Chapter Charter

A chapter may voluntarily surrender its charter. Voluntary surrender proceedings may be instituted by the chapter's governing body; or the action may be implemented by a Board member. The following procedures shall be followed:

- (a) A notice of intent to institute voluntary surrender proceedings shall be mailed to each member of the chapter by first class mail;
- (b) Members shall be given reasonable notice of the meeting at which the matter will be considered which shall include the date, time and place of the meeting;
- (c) The meeting shall be conducted by the respective Board member;
- (d) Within two weeks, a mail ballot shall be sent to all chapter members for a vote on voluntary surrender of the chapter charter; the ballot shall indicate:
 - (1) If the Chapter shall be dissolved;
 - (2) If the chapter is dissolved, to which chapter would members wish to be transferred (list of appropriate chapters to accompany ballot).
- (e) If a majority of returned ballots vote for the chapter to be dissolved, the Board member shall place the item on the action agenda of the next regularly scheduled Board of Directors meeting;
- (f) If the Board of Directors accepts the vote, the chapter shall be dissolved;
- (g) Costs of the above procedures shall be borne by the chapter to the extent funds are available.

In the event of either surrender or termination of a charter, the Chapter shall cease being a Chapter of the Corporation, and shall dissolve, wind up its affairs, pay its creditors, and distribute its remaining assets, if any, to the Corporation. The Board of Directors shall amend the charters of one or more other Chapters to include all members of the disbanded Chapter, and all such members shall be transferred to such other Chapters.

Any assets caused by the dissolution of a chapter shall be distributed proportionately as directed by the Board of Directors after the deduction for any costs incurred with the transfer.

16.05 Procedures for Revocation of a Chapter Charter

Revocation proceedings may be initiated by the President or Board member for failure of a chapter to maintain a minimum level of membership and/or performance.

Procedures to be followed for the revocation of a chapter charter are:

- (a) The Board member shall prepare an agenda item for the next regularly scheduled meeting of the Board of Directors;
- (b) The background information shall include:
 - (1) Allegations and evidence of the chapter's failure to meet minimum standards;
 - (2) Justification for revocation of the charter;
 - (3) Schedule and method proposed for notification of the members of the proposed action;
 - (4) Results of vote for revocation of charter.
- (c) The Board member shall deliver in person, or by registered mail, to the chapter president, or if there is no chapter president, the chapter vice president, or if there is no vice president, the chapter secretary, a copy of the Board agenda item and the date the action will be considered by the Board of Directors.

16.06 Chapter Administration

- (a) Jurisdiction

The jurisdiction of a chapter is as specified in the chapter charter issued by the Corporation as set forth in the Governing rules of the California State Retirees.

- (b) Incorporation

The chapter shall function under the Articles of Incorporation of the California State Retirees.

(c) Authority

The administration of the chapter and its funds is vested in the Executive Committee subject to limitations established in the Corporation Bylaws and Governing Rules.

16.07 Chapter Officer Orientation

(a) Orientation Program Objective and Schedule

A program of chapter officer orientation shall be conducted, ~~when deemed necessary and appropriate, to prepare newly elected local officers for performance of their duties, and to stimulate them to a high level of activity.~~ The program will be conducted by the Board of Directors as soon as possible after the election of such officers and, in any event, no later than eight weeks after the deadline for reporting chapter election results.

(b) Program Participants

~~Chapters are encouraged to have chapter officers, Delegate Assembly delegates, and committee chairs participate.~~ Newly elected chapter officers are required to attend. Any other participants shall be paid for by the chapter.

(c) Topics of Orientation Program

The orientation program shall include, but not be limited to, the following:

- (1) A review of CSR Bylaws, Governing Rules and Robert's Rules of Order.
- (2) Membership recruitment, retention and membership solicitation techniques;
- (3) Chapter programs and availability; ~~Counseling of members as to rights and benefits;~~
- (4) A review of current and major Corporation and Association programs, ~~problems~~ and activities;
- (5) Organizing a chapter for effective action; PAC
- (6) ~~Restrictions on the release of chapter membership lists to persons outside the Corporation.~~

The program may include other topics designed to meet the needs of the Corporation. These topics may be presented to the group as a whole or may be presented to portions of the group.

16.08 Chapter Officer Duties

The officers of the chapter are the President, Vice President, Secretary and Treasurer. Chapters may also have the office of Jr. Past President.

(a) President

The President shall preside at all meetings of the chapter and of the Executive Committee and shall exercise general supervision over the activities of the chapter and, if so elected, serve as delegate to General Council and Delegate Assembly. The President shall appoint and remove all members of committees, subject to the right of the Executive Committee to disaffirm such appointment or removal, and shall be an ex-officio member of each committee. The President may co-sign checks drawn for payment of chapter expenses.

(b) Vice President

The Vice President shall act for, and in the place of, the President at the latter's request or during the President's absence or disability, and shall perform such other duties as assigned by the President. The Vice President shall assume the office of President in the event the office becomes vacant.

(c) Secretary

The secretary shall keep a record of the proceedings of all chapter and Executive Committee meetings, conduct the correspondence of the chapter, have custody of the records of the chapter, ensure that a copy of the Corporate Bylaws is available at all meetings. The Vice President may co-sign checks drawn for payment of chapter expenses.

(d) Treasurer

The Treasurer shall be the custodian of the funds of the chapter and shall deposit them in a financial institution approved by the Executive Committee. The Treasurer shall pay all bills authorized by the President, keep the financial records, render a written financial report at each chapter and Executive Committee meeting, render such financial reports to the Corporation as

required by the Governing Rules and perform such other duties as assigned by the President.

(e) Jr. Past President

The Jr. Past President shall serve as an advisor to the President and the Executive Committee, and perform such other duties as assigned by the President.

16.09 Chapter Activities

Each chapter shall keep accurate and complete minutes and records of the proceedings of the meetings of its officers, committees and membership; accurate and complete financial records; and permanent files of its correspondence, contracts and other documents. All such records shall be retained for a minimum of five years. Each Chapter shall file with the Chief Financial Officer/Secretary its budget, its meeting schedule, and such other reports of the proceedings and activities of the Chapter, its financial affairs and other information as the Board of Directors may reasonably require.

(a) Use of Corporation Staff Services

Chapters are encouraged to avail themselves of the services which can be provided by staff. These services may include, but are not limited to ~~,printing, mailing ,~~ membership records, accounting, bookkeeping, ~~printing and distribution of election ballots,~~ etc.

(b) Chapter Officer Installation Ceremony

As part of the installation ceremony such chapter documents as the charter, membership records, Corporation Bylaws and Governing Rules, the Chapter Officers Handbook and the President's gavel, shall be transferred from outgoing to incoming officers.

(c) Goals for an Effective Chapter

As the basic membership group of the Corporation, chapters are authorized by the Board of Directors to operate as a lawful part of the Corporation. Effective chapter operations should be based upon, but not be limited to, the following:

- (1) Conducting elections in compliance with the Corporation Governing Rules;
- (2) Scheduled chapter newsletters or flyers;
- (3) Active membership recruitment program under the direction of the chapter membership coordinator;
- (4) Necessary candidates for chapter officers;
- (5) Local political action program;
- (6) Effective communications network; and
- (7) Regularly scheduled chapter meetings.

a. Suggested order of Business

Call to Order

Pledge of Allegiance

Roll call of Officers

Introduction of Guests

Approval of the Minutes

Reports of Officers and Committees

Old Business

New Business

Information Items

Guest Speaker(s)

Adjournment

(d) Financial Reporting

The operating year of a chapter is from January 1 through December 31. Each chapter shall submit periodic reports to the President of the Corporation on forms provided by the Corporation subject to the following conditions:

- (1) A quarterly report of its income, expenditures and reserves shall be submitted by the chapter by the end of the 30th day following the end of each quarter.
- (2) A copy of its approved annual budget shall be submitted by the chapter by the last working day of February.

- (3) A copy of the annual audit shall be submitted by the chapter no later than the last day of February. The cost of the audit, if any, is to be borne by the chapter.
- (4) All reports, except the annual audit, shall be accompanied by a certification signed by the chapter president and/or secretary/treasurer that the information is correct.
- (5) Chapters that have not filed the necessary reports within 30 days after the due date shall receive a written notice that the report is past due and must be submitted within the next 30 days. Chapters who fail to file the required reports within the extended time limits will have their chapter dues immediately withheld. A continuance may be granted if, in the Chief Financial Officer/Secretary's judgment, there are extenuating circumstances.
- (6) Dues withheld under the provisions of (5) shall be refunded to the chapter upon proper filing of the necessary reports.
- (7) Actions taken under this section may be appealed to the President for review by the Board of Directors.

(e) Prohibited Use of Chapter Funds

Chapters shall not use chapter funds to contribute to or support a candidate for any Corporation or Association office. They may, however, use chapter funds for election notices, for publication or presentation of prepared candidate statements, and other expenses necessary for the holding of an election.

(g) Inspection of Chapter Books

The Corporation Finance Committee may periodically inspect chapter books to insure chapter funds are being used in a manner consistent with programs and objectives of the Corporation. Chapters may be selected for review on a random basis, or when there is a concern expressed that chapter funds are being used inappropriately. The Finance Committee shall provide corrective action plans to chapters found to be acting inappropriately.

16.10 Chapter Committees

Members to committees shall be appointed by the Chapter President with the concurrence of the Executive Committee. ~~It is recommended that Chapter Committees be appointed by the Chapter President, except for the Executive Committee.~~

1Executive Committee

a.The committee is charged with the conduct of the chapter's business subject to the ~~policies of the chapter~~ Bylaws and Governing Rules of the Corporation. The Executive Committee shall include the president, vice president, secretary and treasurer and when practical may include delegates to the Delegate Assembly.

b.The committee meets at the call of the President or by a majority of members of the Committee and conducts the chapter's business between regular chapter meetings. Decisions are made on the basis of majority rule. Full reports of actions taken are to be given at the next chapter meeting. Only members of the executive committee may make motions or vote. Any chapter member may address the Executive Committee on the subjects under consideration

c.The Executive Committee should be involved with or informed of the activities, problems and proposals of the other chapter committees.

Recommended Committees

~~(2)~~(1) Membership Committee

A chapter membership chair shall be appointed by each chapter president and the name, address and telephone number of that person shall be sent to the Corporate Membership Coordinator at Corporate office. The chapter president shall furnish the chair with membership rosters for the previous month immediately upon receipt of the current month's roster. The chapter president shall, at least once a year, request from Corporate Office a chapter membership roster that includes the members' telephone numbers, which shall also be shared with the membership chair.

The effectiveness of this committee is vital to the chapter and through its effort the membership should be increased.

The Membership Committee shall be responsible for recruiting members, and initiating and maintaining an active recruitment program.

Specific duties of the Membership Committee shall be to:

- a. Organize and promote membership recruitment;
- b. Coordinate the promotion of Corporation and Association approved programs;
- c. Initiate and develop programs to contact Future retirees for membership in the CSEA Retirees, Inc.; and
- d. Assist at pre- and post-retirement seminars for active/employed persons.

~~(3)~~ (2) Audit Committee

The committee conducts (or arranges for) the annual audit of the chapter's financial records. The audit should verify:

- a. That each expenditure was authorized and paid promptly.
- b. That proper signatures are shown on checks issued.
- c. Checking accounts have been properly balanced and recorded timely.
- d. That appropriate savings accounts for reserves are established.
- e. The authorizations given for any disbursements.

The audit should point out any shortcomings and include comments on the dollar level of chapter reserves and an audit report prepared.

~~(4)~~ (3) Program Committee

This committee is usually assigned the functions, to:

- a. Implement programs in conjunction with chapter meetings.
- b. Plan and hold chapter social events.
- c. shall establish a community service project to bring recognition that retired state employees are involved in their community. The project can be a chapter project or in partnership with another organization.

16.11 Chapter Meetings

Meetings of each chapter and of its officers and committees shall be open to all members of the chapter.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 C (9)

Title: Proposed Amendment to Governing Rule Section 17.19
Duties of Chapter Alternate Delegates (17.00 Chapter
Elections)

Action

Presented by: Marilyn Ferrasci Hamilton

Recommended Action: That the Bylaws and Governing Rules Committee recommends to the Board approval of proposed amendment to add Section 17.19 Duties of Chapter Alternate Delegates.

Background: Governing Rules only list duties of delegates. A section has been added to list the duties of alternate delegates.

17.19 Duties of Chapter Alternate Delegates

Chapter alternate delegates fill delegate vacancies in the order of votes received. Chapter alternate delegates are expected to attend:

- (a) All chapter or subchapter meetings;
- (b) Meetings of the delegates of the Corporation; and
- (c) Regular and special meetings of the Delegate Assembly and General Council;
- (d) Unless excused by the chapter president.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 D

Title: Consideration of Chapter Grant Requests

Action

Presented by: Susan Sears

Recommended Action: Will be given orally by Grant Committee Chair and Board Liaison Susan Sears.

Background: Grant Committee is scheduled to meet Thursday, February 23, 2012. Chair Sears will report on Grant Committee's recommendations to the Board.

Minutes from the February 23, 2012 meeting will be available on the CSR Web site at a later date.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 E

Title: Election of Two CSR Board Members to Serve as General Council Delegates

Action

Presented by: Susan Sears

Recommended Action: That the California State Retirees Board elects two of its members to serve as delegates to General Council pursuant to Governing Rule Section 6.02 and CSEA Bylaws Article IX, Section 2(c)

Background: The President, Executive Vice President and Vice President are already General Council delegates by virtue of their positions. Governing Rule 6.02 and CSEA Bylaws Article IX, Section 2(c) allow the Retirees' Board to elect two additional representatives to serve as delegates to General Council.

6.02 Delegate Assembly and General Council Delegates

Immediately following the election of Corporate officers in years in which there is a Delegate Assembly and General Council the Board of Directors shall elect two of its members as Delegates to General Council.

Section 2. Membership Roll

The membership roll of delegates to General Council, limited to active members of the Association, is determined at each session, and consists of:

(b) members of the outgoing Board of Directors; *[CSEA Board of Directors who are not reelected at 2012 GC]*

(c) two officers from each affiliate/division who are not already delegates by virtue of (b) above, determined by the affiliate/division;

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 F

Title: Report on 2012 General Council / Delegate Assembly

Information

Presented by: Harold Rose

Background: Harold Rose serves on the General Council Planning Committee and will give an oral report on the committee's discussions.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 G

Title: Update on California State Retirees PAC

Information

Presented by: Dick Mesa

Background: A standing agenda item has been give to the California State Retirees PAC Committee Chair Dick Mesa who will give an update on the PAC.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 H

Title: Update on Initiatives, Legislation and State Budget

Information

Presented by: Sherrie Golden

Background: Governmental Affairs Administrator Sherrie Golden will give an update on Initiatives, Legislation and the State Budget.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 I

Title: Report on February 4, 2012 CSEA Board of Directors Meeting

Information

Presented by: Roger Marxen/Susan Sears/Harold Rose

Background: CSR Board members who attended will give an oral report on the February 4, 2011 CSEA Board of Directors meeting that was held in Sacramento. Agenda is attached.

Attachment



FIRST 2012 BOARD OF DIRECTORS MEETING

SEIU Local 1000
1325 S Street
Sacramento, CA 95814

February 4, 2012

TIMES CERTAIN

Friday – February 3, 2012

Department of Community Colleges (DOJ Building) Third Floor, Board Rooms A & B –
1102 Q Street,

9 a.m. – 5 p.m. Board Workshop (closed session) – Department of Community
Colleges

Saturday – February 4, 2012

SEIU Local 1000 – 1325 S Street, Field Office, Training Room (single story building)

8:45 a.m. – 9 a.m. Board Agenda Committee (open session) – SEIU Local 1000

9 a.m. – 5 p.m. – Board of Directors Meeting (open session)

BOARD MEETING AGENDA

Call to order on February 4, 2012, at 9 a.m. by President Dave Hart

Roll Call – Secretary-Treasurer David Okumura

Pledge of Allegiance – Vice President Donna Snodgrass

Communications – Secretary-Treasurer David Okumura

Report of Closed Session – Secretary-Treasurer David Okumura

Reading and Approval of Third 2011 Board of Directors Minutes – Secretary-Treasurer David
Okumura

Report of Agenda Committee – Secretary-Treasurer David Okumura

Report of President

Report of Vice President

Report of Secretary-Treasurer

Report of General Manager/Director of Organizational Development

Affiliate Reports

Staff Reports

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 J

Title: Membership Report and Recruitment Drawing Winners

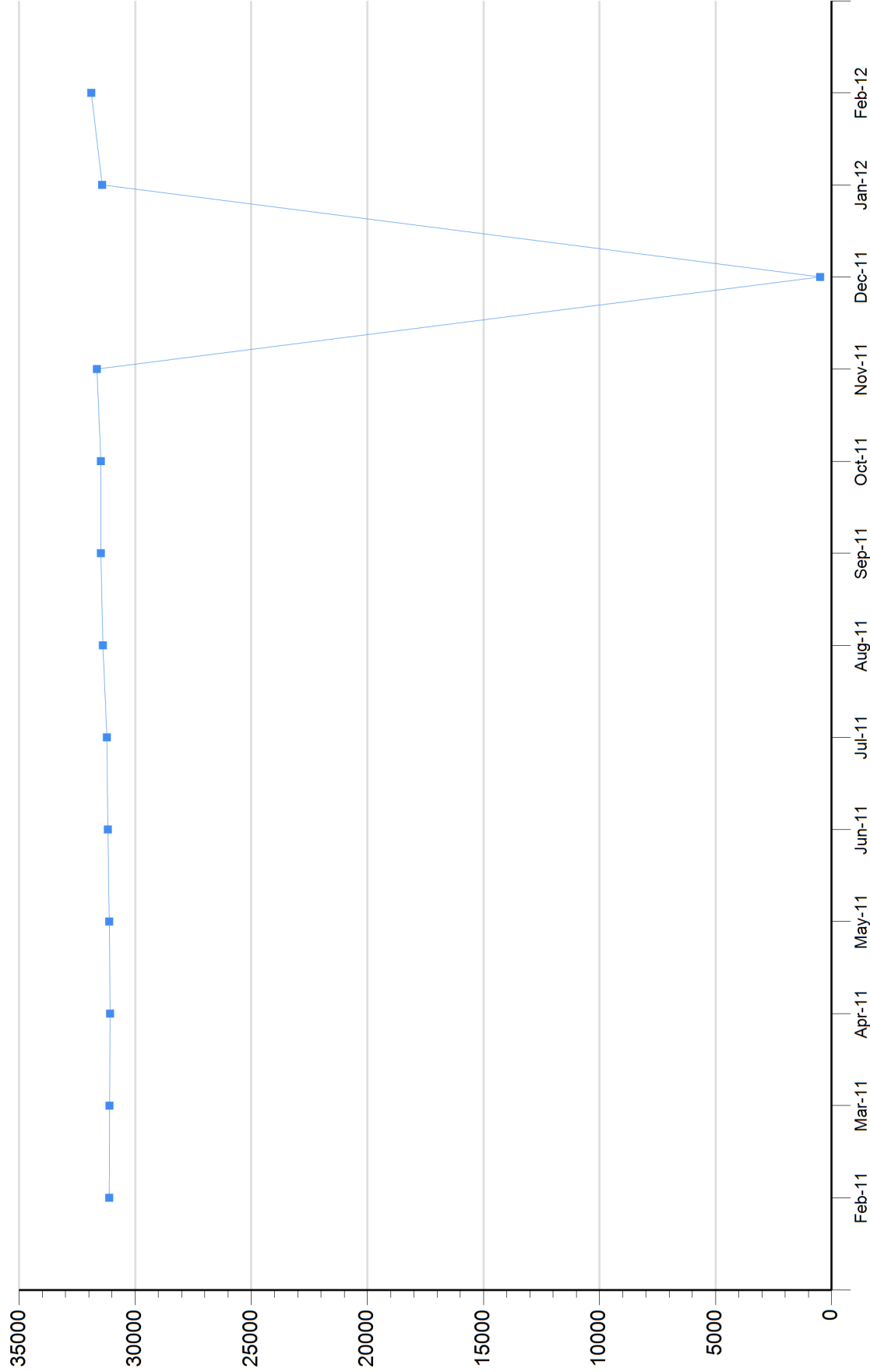
Information

Presented by: Terrence Conklin

Background: Terrence Conklin will give a presentation on the current membership count.

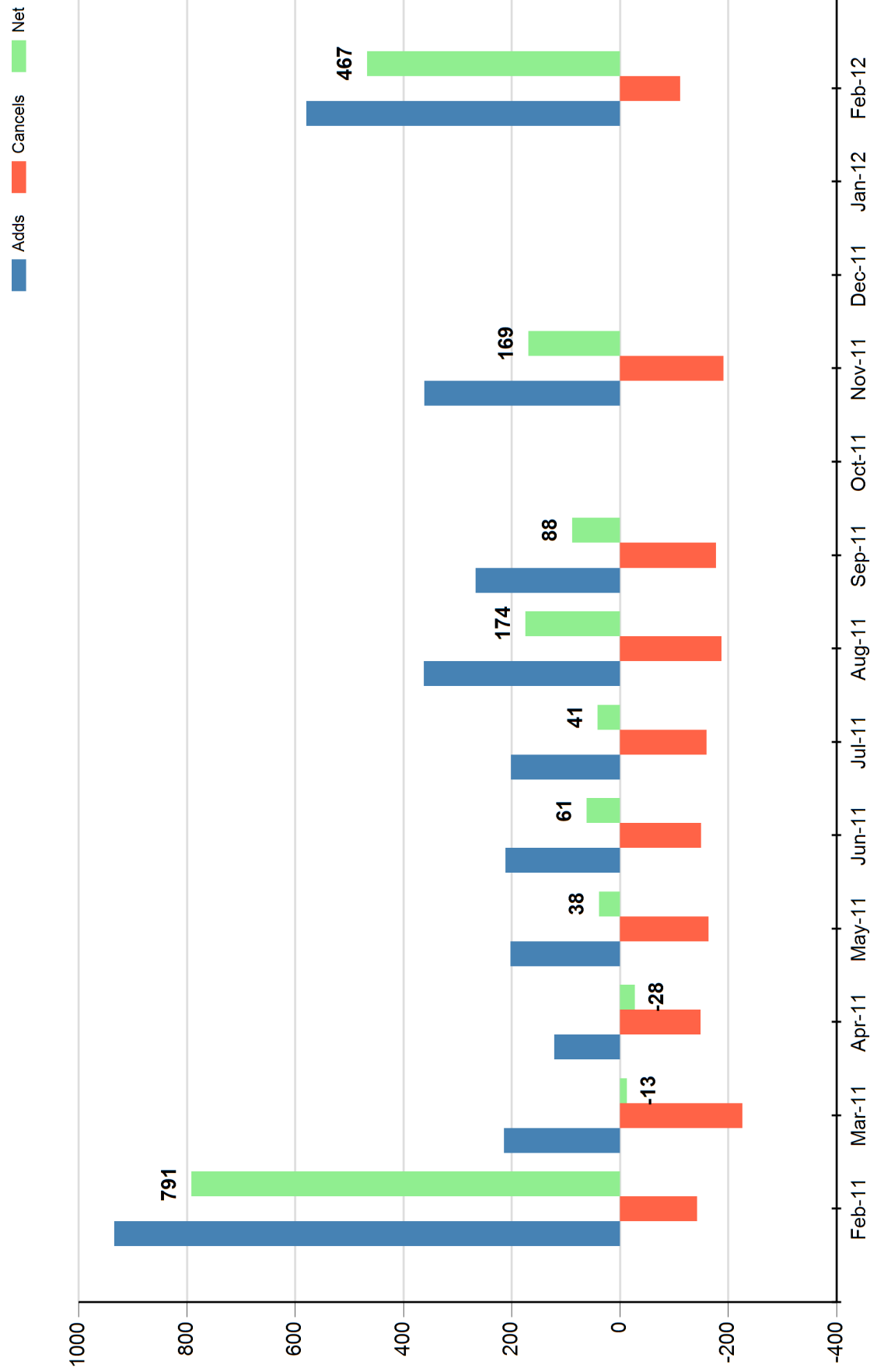
RETIREE Membership Counts

February 2011 - February 2012



RETIREE Member Adds, Cancels, and Net Counts

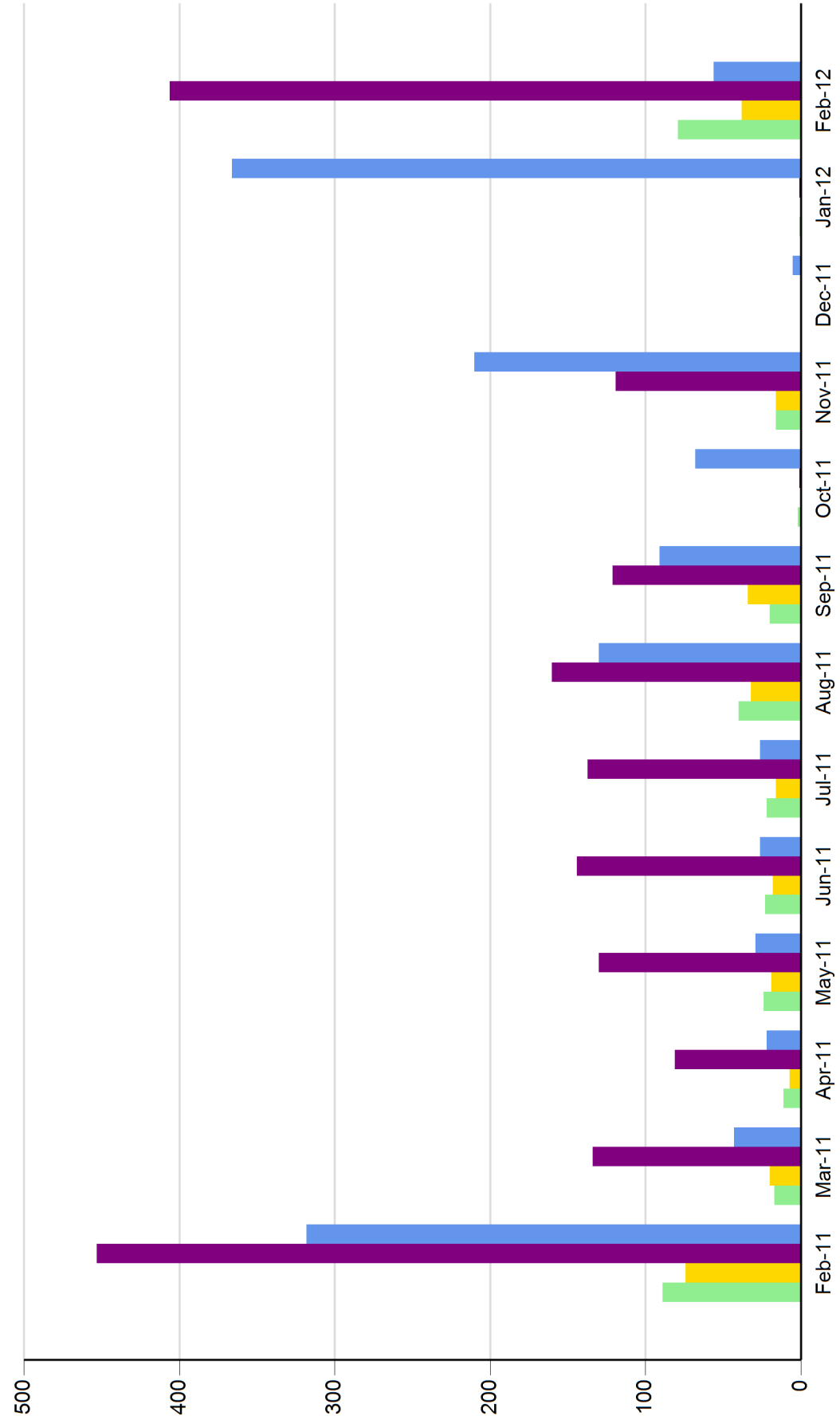
February 2011 - February 2012



RETIREE New Membership Source

February 2011 - February 2012

ACSS CSUEU SEIU New Members



CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 K

Title: CSEA Board Committee Reports

Information

Presented by: Bylaws, Policies and Procedures – Marilyn Ferrasci
Member Benefits – Caryl Cole
CSEA Women’s Conference – Beverly Waller Wharton

Background: An oral report will be given by the respective committee members.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 L

Title: Federal Activities (CalPERS Lobbyist's Written Report)

Information

Background: A copy of the latest Federal Activities Report from CalPERS Lobbyist Lussier, Gregor, Vienna & Associations is attached.

Attachment



February 6, 2012

Bipartisan STOCK Act Passes Senate, Moves to the House Amid Partisan Politics

Last week saw a variety of twists and turns and evidence that tensions between the two major political parties has not abated as both Democrats and Republicans tried to attach amendments to the Stop Trading on Congressional Knowledge Act (STOCK).

But by Thursday, the Senate had passed the STOCK legislation with a 96-3 vote. The bill has now returned to the House where Majority Leader Eric Cantor said the House will take up the Senate passed bill. The three “no” votes came from Jeff Bingaman (D-NM), Richard Burr (R-NC) and Tom Coburn (R-OK). Coburn released a statement that said, in part, “It is critical that the bill we send to the President guarantees that the same rules apply to those in the federal government as they do to everyone else.”

President Obama called for the measure in his state of the union address and released a statement after the Senate’s passage that opened with praise for the Senate bill, “I urge the House of Representatives to pass this bill, and I will sign it right away.”

The bill was originally proposed by Sen. Scott Brown (R-MA) and Democrat Kirsten Gillibrand (D-NY); however, by mid-week, the bipartisan effort had devolved into partisan politics with more than 20 proposed amendments.

Ultimately, the Senate did expand the scope of the bill by including an amendment offered by Sen. Richard Shelby (R-AL) that will include executive branch members in any new requirements.

The Senate also accepted a bipartisan amendment offered by California Democrat Barbara Boxer and Georgia Republican Johnny Isakson, chairman and vice chairman respectively of the Senate Select Committee on Ethics, that calls for increased disclosure on home mortgages to lawmakers and their spouses. Boxer’s panel has been investigating whether any members of the Senate benefited from relationships with mortgage lenders.

CBO Releases Budget Projections

The Congressional Budget Office on Tuesday released its 10-year projection and said the federal deficit would shrink considerably in the coming years if the Bush era tax cuts were allowed to expire as scheduled. The CBO also said, however, that under an

alternative schedule where the tax cuts are not allowed to expire, the deficit would increase measurably during the 2013-2022 period.

CBO's report predicted in the short-term 2012-2013 would see a slowing of growth and a slight increase in unemployment, bringing that number back up to 9.1 percent in 2013. The Labor Department released positive job gains on Friday, bringing the unemployment rate down to 8.3 percent nationally. The CBO report projected unemployment is likely to stay high, around 8 percent, for at least the next three years.

CBO also predicted the national debt will hit an all-time high of \$16 trillion by 2012. It said spending on health programs will double by the end of the decade.

California Republican Backs Line Item Veto Provision

"It's the fourth year in a row that we are seeing deficits in excess of a trillion dollars," House Rules Committee Chairman David Dreier (R-CA) said as he praised the House for approving a bill that would give the President a line item veto, with Congressional approval. The bill was moved forward on a voice vote and demonstrates the efforts of lawmakers to find ways to reduce spending, particularly on earmarks and attachments.

The line item veto would apply only to discretionary spending in appropriation measures. Any Presidential veto would be subject to an expedited up-or-down Congressional vote. The bill provides for any funds saved by a line-item veto to be allocated to deficit reduction.

Not surprisingly, some Democrats expressed concern. "I for one am very skeptical and I think we should always be cautious when addressing the constitutional prerogatives of the legislative branch when it comes to matters of the purse strings," said the panel's leading Democrat, Louise Slaughter (D-NY).

But the measure does have bipartisan support. It is one in a package of 10 bills introduced by House Budget Chairman Paul Ryan (R-WI), and is co-sponsored by Chris Van Hollen (D-MD) who is Ranking Member of the House Budget Committee. The Budget Committee passed the proposal 23-13 in December.

HHS Announces Medicare Advantage Premiums Down, Enrollees Up

Health and Human Services Secretary Kathleen Sebelius on Wednesday released new numbers showing that Medicare Advantage enrollment is up 10 percent, while premium costs have dropped seven percent since January 2011.

In a statement, Sebelius said, "The Medicare Advantage program is stronger than ever. Premiums are down on average, enrollment is up, and thanks to the Affordable Care Act we have unprecedented new tools to ensure that seniors and people with disabilities are getting the best value out of their coverage."

The news comes as Republicans continue to threaten measures to repeal the Affordable Care Act (ACA), while the Obama administration insists the new healthcare overhaul law will make healthcare insurance more affordable and more available.

According to HHS, there are, on average, 26 Medicare Advantage programs in every county in the nation. Ninety-nine percent of Medicare beneficiaries have access to a Medicare Advantage program; and since the ACA was enacted in 2010, Medicare Advantage premiums have fallen by 16 percent while enrollment has increased by 17 percent.

CMS Acting Administrator Marilyn Tavenner said, “Not only are average premiums lower, but plans are better, with more beneficiaries enrolled in 4 and 5 star plans. The Affordable Care Act has strengthened Medicare Advantage by motivating plans to improve the quality of their coverage.”

In related news, CMS reported that 3.6 million people on Medicare saved \$2.1 billion on drug costs in 2011 due to provisions in the ACA. The new law also is projected to save taxpayers and states \$17.5 billion over five years on drug costs purchased through Medicaid.

“Thanks to the Affordable Care Act, we will save taxpayers billions of dollars each year on prescription drugs in Medicaid,” said CMS Acting Administrator Marilyn Tavenner.

House Health Panel to Review Changes to Medicare

House Ways and Means Health Subcommittee Chairman Wally Herger (R-CA) announced last week a meeting to take place on Tuesday, February 7th to examine how private payers reward physicians who deliver high quality efficient care. The objective is to review Medicare operational guidelines to see if improvements can be made. Medicare currently pays nearly every physician on a fee-for-service basis without taking into consideration the quality and efficiency of the care.

“As we continue to seek a long-term solution to the Medicare physician payment system, this hearing will enable the Subcommittee to learn more about how programs developed by physicians and private payers are successfully rewarding quality and efficiency in care delivery while reducing complications and wasteful spending. The experience of those at the forefront of these innovative efforts will help the Subcommittee as it considers how to better reimburse physician services in Medicare,” Herger said.

The move seems to complement efforts by the Obama administration and the Department of Health and Human Services to establish new ways of measuring quality care and efficient delivery. Under the Affordable Care Act, HHS and the Centers for Medicare and Medicaid Services have developed the Health Care Innovation Center. The Innovation Center will award up to \$1 billion in grants to applicants who develop the most innovating ideas for better health, improved care and lower costs for Medicare enrollees. The grants will range from \$1 million to \$30 million.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 M

Title: Unscheduled Items

Information/Action

Background: Any unscheduled items will be listed here.

CALIFORNIA STATE RETIREES

Date: February 24, 2012

Agenda Item: 18 N

Title: Travel Expense Claim (TEC) forms

Information/Action

Background: Travel Expense Claim forms will now be part of the agenda backup. Each backup will have the instructions and 5 forms.

Members can still obtain the form on CSR's Web site.

Attachments

Member Expense Claim Instructions

- General:**
- 1) Expense claims must be submitted no later than the calendar month following the time the expenses were incurred.
 - 2) Any expense paid by another claimant shall be noted on the expense claim.
 - 3) Each claimant must sign the certification statement at the right of the claim form.
 - 4) Expense claims which are not accompanied by the require receipts, authorization and details will not be paid.
 - 5) The most economical use of Affiliates funds, consistent with the convenience of the claimant and the schedule of the meeting, shall control.
 - 6) Do not tape or use highlighter on receipts as it affects the ability to scan the document.
 - 7) Please note your phone number and e-mail information on your claim to receive processing updates and so you can be contacted if there are any questions concerning your claim.

Date: Indicate each date on which expenses were incurred.

Location: Show the location of which expenses were incurred.

Depart: Show the hour at which you departed for a meeting or other activity.

Return: Show the hour at which you returned from a meeting or other activity.

Activity: Describe the purpose of the expenditures.

Lodging:

- 1) The regular allowance is based on the negotiated rate. Lodging other than General Council lodging shall not be allowed if residence is within 40 miles/40 minutes from meeting location. Only actual expense within the above limits is reimbursed, and original receipts are required.

- 2) A maximum of \$12.00 may be claimed for incidental expenses incurred during any 24-hour period involving a lodging claim.

Meals:

- 1) Meal expenses may be allowed up to the following rates:

<u>Breakfast</u>	<u>Lunch</u>	<u>Dinner</u>
\$12.00	\$13.00	\$20.00

- 2) Meals cannot be claimed if full meals are provided by the meeting facility or by the Corporation or any entity thereof.
- 3) When meals are purchased for other persons authorized to claim meal expense, such persons must be listed on the expense claim with receipt attached.

Travel:

- 1) Indicate the mode of transportation and cost. Common carrier (plane, bus, etc.) is the authorized method of transportation but private automobiles or privately owned or rented aircraft may be authorized if a common carrier is not available, is more costly, or would be unreasonably inconvenient.
- 2) If private automobile is authorized and used, indicate the number of miles traveled (in the comment space at bottom of claim) and use the allowance of 55.5 cents per mile. If travel is made in another claimant's automobile, travel expense will be allowed only to one claimant.
- 3) Transportation receipts, when applicable, must be submitted with claim.

Misc.:

- 1) Taxi fares are authorized only when no other transportation is practical or available, or when the fare for several riders is not more than the common carrier fee.
- 2) Parking expenses are reimbursed, but receipts are required for amounts in excess of \$10.00 per day.
- 3) Bridge tolls are reimbursed and no receipts are required.
- 4) Other actual and necessary expenses of an unusual nature, upon approval of the Secretary-Treasurer/Division Financial Officer, may be reimbursed when appropriately recorded and adequately explained.

1108 O Street, Ste 300 Sacramento, CA 95814

Electronic (02/12)

1108 O Street, Ste 300 Sacramento, CA 95814

Electronic (02/12)

NOTE: Make 1 copy. Mail original to CSEA Accounting-Suite 315; Retain copy for your records

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