

**Attachment 1**

**MINUTES AND ACTION ITEMS**  
 Resulting from the  
**Governance Committee Conference Call**  
**May 24, 2013**

**In Attendance:**

**Directors** – Pamela Creedon, Jim Fiedler (Co-Chair),  
 Alan Ramo, Barbara Salzman,  
 Dave Williams (Co-Chair)

**Staff** – Meredith Williams, Robert Fraser

**Consultant** – Michael Futterman

**Absent:**

*Status Updated 7/19/13*

#	Action Item	Who?	When?	Status
1.	Update language in ASC contracts to protect JPA Signatories from liability.	Meredith W.	6/10/13	Completed – see below*
2.	Revise ASC Bylaws.	Michael F.	7/15/13	In process
3.	Revise chart of Directors’ terms to reflect last re-election plus officer terms.	Robert F.	7/22/13	In process
5.	Determine new alternate Director	Dave W.	6/3/13	Completed

\*Our subcontracts to vendors contain this language:

SUBCONTRACTOR shall defend, indemnify and hold ASC, its officers, employees and agents harmless from and against any and all liability, loss, expense (excluding reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of SUBCONTRACTOR, its officers, agents or employees.

Regarding contracts which we sign the ASC board currently shares a Directors and Officers Liability policy with SFEI. The policy has a \$1M D&O limit with an additional \$1M for defense costs as well as a \$1M limit for Employment Practices Liability. In addition to the D&O, ASC has their own General Liability coverage.

(Regular meeting conducted via conference call. Notice of Meeting given via e-mail.)

The meeting was called to order at 9:35 AM.

The committee agreed that the two entities are aligned and that conflict between SFEI's goals and ASC's goals is highly unlikely to ever occur, therefore, there should be no conflict in merging the Boards of the two entities.

The committee agreed to remove language in Section 6.3 of the ASC Bylaws which states that each non-Signatory Member of the ASC may only have one Director for each three Directors appointed by each Signatory because this would complicate bringing all SFEI Directors on to the ASC Board. Michael Futterman confirmed that this was not a provision of the JPA and could be removed from the bylaws.

The Committee agreed that the intent is to merge both Boards, but that the Directors from the Signatories of the JPA (Designated Directors) should have extra powers above the powers of the At-Large Directors (from SFEI). Designated Directors will retain the power to approve any expansion of the Board with a two-thirds vote and that they will be the sole decision makers in matters related to the JPA, such as admitting other entities into the JPA, or allowing additional Signatories.

The JPA states that a quorum consists of at least three directors. This should be clarified in the ASC bylaws that at least three Signatory Directors constitutes a quorum.

Currently the SFEI Bylaws call for an annual Board meeting in June, while the ASC Bylaws call for an annual Board meeting after July 1. The July 1 date in the ASC Bylaws can't be changed because it is in the JPA. The committee agreed to amend the SFEI Bylaws to bring them into sync with the ASC Board Schedule. In the meantime, ASC year-end matters could be handled at the September Board meeting.

In order to handle important matters between Board Meetings, the committee agreed that a standing Executive Committee should be written into the ASC Bylaws.

Meredith Williams presented various ways in which the newly-enacted term limits could be handled and the advantages and disadvantages of each. The Committee requested additional information before making a recommendation on this matter.

The purpose of the last agenda item, a closed meeting with SFEI's Program Directors about the Executive Director search, was discussed. The Committee decided to go into closed session without the Program Directors at 11:30 AM. The meeting was adjourned at 12:00 PM.