



CAMTC Board of Directors Meeting

November 5, 2012

Radisson Hotel at Los Angeles Airport

6225 W. Century Blvd.

Los Angeles, CA

OPEN SESSION MINUTES

In attendance

Directors: Bob Benson, Michael Callagy, Judi Calvert, Nayada Dhanaphatana, Mark Dixon, Ben Drillings, Guy Fuson, Keith Grant, Michael Marylander, Christian Pezza, Jean Robinson, Roberta Rolnick, Michael Schroeder, Joe Bob Smith, Deb Tuck, Dixie Wall

Directors Absent: William Armour, Elna Leonardo, Paul Schwinghamer, Michael Sheps

Staff: Ahmos Netanel, CEO; Sheryl LaFlamme, Operations Manager; Beverly May, Director of Governmental Affairs; Rick McElroy, Director of PSD

General Counsel: Jill England

Guests: Bernadette Murray, William Jones, Thurman Fuller, Marna Johnson

1. Call to Order

Chairperson Wall called the meeting to order at 9:35am and established a quorum.

2. Approval of Minutes

Motion (1): Rolnick/Smith – Move to approve September 12 and September 13, 2012 minutes, with the following corrections:

September 13, 2012

Grant – Item 3, Line 14 – change ‘both’ to ‘booth’

Item 7, Line 3 – remove ‘it’ from between ‘and’ and ‘looking’

Benson – Item 3, Line 12 – change ‘Mt.’ to ‘Mr.’

16 – 0 MOTION PASSES

3. Chair’s Comments

Chairperson Wall gave a short report on the Annual FSMTB meeting in New Orleans on September 27-29. Mr. Netanel, Ms. May and Ms. Robinson were in attendance with Chairperson Wall. CAMTC

representatives contributed as well as received valuable feedback from other leaders in the massage community. Chairperson Wall said that the Federation has 42 member state boards (39 states, D.C., Puerto Rico and the US Virgin Islands) and their mission and purpose is to support member boards and their work to ensure massage therapy is provided to the public in a safe and effective manner. Chairperson Wall stated that the FSMTB is working on several projects, including the creation of a National Practitioner Database, a public education program, the development of a model practice act and the establishment of a CEU review service requiring three hours of mandatory ethics. Chairperson Wall also announced her election to the FSMTB Board of Directors.

4. CEO Report

Mr. Netanel stated that CAMTC is in a stable position but is still facing various challenges which are to be expected from a young organization. On the operational side, we are continuing to make CAMTC more efficient, streamlining many procedures. The quality of our customer service is steadily improving and heading to a time where we will no longer need the answering machine. Mr. Netanel continued to state that the average turnaround time for new application without any background or education issues is currently 12 calendar days, down from 20 in September 2012. CAMTC has surpassed the goals of 45 days, by December 31, 2012, that was put forth by the Board in December 2011.

Mr. Netanel stated that on October 10, 2012, he presented at a meeting organized by the Chinese American Massage Business Association to a group of more than 100 Chinese-speaking applicants and certificate holders. The meeting was tense initially, making it clear that the majority of attendees were highly confused and frustrated with the CAMTC process. Mr. Netanel stated that by the end of the meeting, most of the confusion was cleared up and the majority of attendees expressed appreciation for CAMTC's genuine desire to help. Mr. Netanel noted there is no substitute for in-person outreach initiatives.

5. Treasurer's Report

Mr. Marylander stated for the period of July 27, 2009 through October 20, 2012, a total of 46, 875 applications have been received. The average number of applications received during the first 42 weeks of 2012 is 211 and the re-certifications issued through September 30, 2012 exceeded budget by 3.7%.

6. IT Liaison's Report

Mr. Pezza reported that a new IT manager has been added to the team. This individual will help find the best solution for online security. Mr. Pezza reported that all staff working on the development of the new database will start beta testing soon. Mr. Pezza stated that the design and implementation of the new CAMTC ID Cards is near completion. The ID Cards will have several security measures within the card and a bar code for law enforcement to scan on their smart phone that will take them directly to the certificate holder's information.

7. Director of Governmental Affairs and Special Projects' Report

Ms. May gave the Board a status report on SB 1238, SB 1193 and AB 1963. Ms. May stated that some city issues are easily resolved while others remain difficult. Ms. May and CAMTC staff are

working endlessly with these cities to ensure that they comply with the law. How to handle land use and establishment issues remain the greatest concerns of cities.

Motion (2): Benson/Schroeder - Move that the Board reaffirms that upholding the integrity of our law remains a high priority.

Grant Friendly amendment – Specify section 4600 et. seq.

Benson accepts friendly amendment

15-0, 1 Abstain (Callagy) MOTION PASSES

8. Director of PSD's Report and recommendations regarding internal affairs

Mr. McElroy reported to the Board, that as an added security measure, all PSD staff have been live scanned. CAMTC has created a new protocol stating that all staff and CAMTC vendors will be fingerprinted.

9. Recommendation to present Senator Price with CAMTC Legislator of the Year Award

Mr. Netanel stated that SB 1238 passed and would like to recognize the author of the bill, Senator Price, as CAMTC Legislator of the Year. Mr. Netanel informed the board that Senator Price is the chair of the Business and Professions Committee and has been a tremendous ally to CAMTC.

Motion (3): Rolnick/ Dixon - Recommend Senator Price as CAMTC Legislator of the year.

15 – 0, 1 Abstain (Wall) MOTION PASSES

10. Update on Staff Attorney

Mr. Netanel stated that in September 29, 2012, after interviewing five finalists, a new staff attorney has been hired. Kendall LaFontaine started training on October 15, 2012 and is doing well. She is expected to be qualified to manage hearings without Alison Siegel by next January/February.

11. Approval of MBLEx and NESL exams for applicants with 250 hours

Motion (4): Robinson/Smith – Move to approve the Massage & Bodywork Licensing Exam (MBLEx) offered by the Federation of State Massage Therapy Boards (FSMTB) and the National Exam for State Licensing (NESL) application process offered by the National Certification Board for Therapeutic Massage and Bodywork (NCBTMB) beginning January 1, 2013. An applicant who has passed an approved exam and completed at least 250 hours of qualifying massage education, will be considered for the Certified Massage Therapist qualification. Passage of either of these examinations on a date prior to January 1, 2013 will also be deemed to satisfy the examination requirement. Staff is instructed to update the website and relevant forms by December 15, 2012 and to inform potential applicant of the upcoming change on January 1, 2013.

14 – 0, 2 Abstain (Pezza, Wall) MOTION PASSES

12. Discussion and Adoption of Schedule of Authority

Motion (5): Schroder/ Smith- Move to table agenda item 11 – Schedule of Authority. Any Board Member can bring back to subsequent Board meeting.

15 – 0, 1 Abstain (Wall) MOTION PASSES

13. Reestablishment of Executive Committee's Functions – Bylaw Change

Motion (6): Dixon/Tuck - Move to reinstate, the original Executive Committee language from the original CAMTC Bylaws, as written.

1 – 8, 7 Abstain (Dixon, Drillings, Fuson, Marylander, Pezza, Tuck, Wall) MOTION FAILS

14. Scheduling of Next Meeting

Next Proposed Board Meeting – February 4, 2013 or February 13, 2013.

The Board went into Closed Session with CAMTC Legal Counsel Pursuant to California Government Code Section 11126(e) at 12:00pm and returned to open session at 1:15pm.

15. Staff's Preliminary plan to ensure the legitimacy of certificate holders

Mr. Netanel stated at the 9/12/2012 Board Meeting, a motion was passed instructing staff to develop a comprehensive plan to ensure the legitimacy of certificate holders and present at the November board meeting. Mr. Netanel stated that staff has found a significant number of individuals who are certified and work at establishments listed on EroticMP. Staff first looked at data to see if there was a problem in the way the law is written, meaning how applications are processed. Staff took a sample from 2500 certificate holders, whose address of place of employment on the application is also listed on the EroticMP website, and could not find one that was certified by mistake. The sample showed that all were certified according to the law. Staff concluded that the problem was not with implementation. Staff then looked at it from a different angle. Mr. Netanel stated staff looked at the pathways these certificate holders were certified through. The highest percentages of individuals whose employment was listed on EroticMP were certified through portal F as a CMT. The percentage was also true with all certificate holders, showing that the highest percentages of all certificate holders were certified through portal F. After further examination that included schools, staff found a drastic deviation of percentages of those certified with transcripts from certain schools that go to work in establishments listed on EroticMP. Percentages of graduates who self-reported that they work in businesses listed on EroticMP range from .5% to 23%. Mr. Netanel stated that staff then took a broader look at how we compare to the country as a whole. Staff looked at California and then the rest of the United States and found that in comparison to population size, massage establishments listed on EroticMP are 2 ½ times more prevalent in California than the rest of the US. Mr. Netanel stated his initial conclusion is that CAMTC is doing a good job in implementing the law, but to truly tackle this issue, a revision of our basic law needs to be examined. Staff identified five areas, which through additional protocols, expanded enforcement and tighter cooperation with local government may reduce the cases of certified individuals working in illicit massage establishments. The five areas identified are number of hours of education, exam, continuing competence,

establishment and schools. Staff recommends consideration of addressing these through amendments to our law.

Mr. Netanel's recommendation to the board would be to instruct staff to look specifically at initiating a placeholder bill while we explore options.

Motion (7): Rolnick/Dixon – Instruct staff to pursue a placeholder bill for this legislative position.

11 – 4, 1 Abstain (Wall) MOTION PASSES

Motion (8): Robinson/Grant – Instruct staff to come back at the next board meeting with far more detail as to the existing massage laws in other states as it relates to licensing regulation and establishments.

16 – 0 MOTION PASSES

Motion (9): Schroeder/Robinson – Move to implement the allocation of resources when available to deny recertification to individuals engaging in advertising or working at establishments that advertise in adult media.

10 – 4, 1 Abstain (Wall) MOTION PASSES

16. Policies regarding schools, including protocols, cost, and possible establishment of an “schools” committee

Mr. Netanel stated that CAMTC is currently experiencing many issues with the way it handles the un-approval of schools. Executive staff and Counsel recommend a new procedure for handling schools. This new procedure will address both the claims of ‘no due process’ and any potential claim of unfair application of the law.

Motion (10): Rolnick/Callagy – move to charge school being investigated 100% reimbursement of investigative cost.

Rolnick – Friendly Amendment – change amount of 100% to a flat, upfront fee.
Callagy accept Friendly Amendment.

Rolnick withdraws motion.

Mr. Schroeder would like to conduct a straw poll if the School Committee should make decisions or make recommendations.

Advisory – 5

Committee of Board – 7

Abstain – 4 (Drillings, Pezza, Smith)

Mr. McElroy stressed the importance of not delaying decisions made on schools. As a result, the following motion was made:

Motion (11): Rolnick/Dixon – Move to designate Mr. Schroeder as Chair of the School Committee authorizing Mr. Schroeder to select two other Board members to sit on the committee. Legal, the Director of PSD and the Director of Governmental Affairs will also participate on the committee to advise. Committee will be a Committee of the Board with decision making authority.

14 – 0, 2 Abstain (Drillings, Pezza)

17. Preliminary approval of 2013 budget

Mr. Netanel stated CAMTC proposed budget for 2013 anticipates total revenue of \$3,490,520 with total expensed of \$3,133,366 for excess revenue over expenses of \$357,153. Mr. Netanel summarized the change in fee recognition to better coincide with the timing of when costs are incurred.

Motion (12): Marylander/Pezza – Move the 2013 budget to the floor.

Motion (13): Benson – Proposed Amendment – Reduce line 63, Legal Attorneys – Denials/Litigation, by \$150k, and increase line 64, Legal – in-house, by \$110k. Combine lines 41, Senior Staff – Contingency – Requires BOD Approval, and line 81, Miscellaneous Contingency, and cut the combined amount in half.

Schroeder – Friendly Amendment – Move to divide Legal lines and Contingency lines and discuss separately.

Motion (13a): Benson/Jean - Reduce line 63, Legal Attorneys – Denials/Litigation, by \$150k, increase line 64, Legal – in-house, by \$110k.

Schroeder/Callagy – Friendly Amendment – Move to leave the current allocation of money between in-house and outside council as is from January 1, 2013 – June 30, 2012 and then adopt Mr. Benson's reallocation motion effective 7/1/2013.

Benson/Robinson accept Friendly Amendment

16 – 0 MOTION PASSES

Motion (13b): Benson/Callagy – Move to combine lines 41, Senior Staff – Contingency – Requires BOD Approval, and line 81, Miscellaneous Contingency, and cut the combined amount in half.

3 – 10 MOTION FAILS

Motion (14): Marylander/Pezza – Move to accept changes in Legal items and move to approve 2013 budget.

16 – 0 MOTION PASSES

18. Preliminary long-range plan to reduce PSD backlog

Mr. Netanel stated at the 9/12/2012 Board Meeting, a motion was passed instructing staff to develop a plan of what resources are needed to reduce the backlog of disciplinary hearings, revocation and denials to within 30 days of statutory minimums by the end of 2013. Mr. Netanel stated that currently all proposed denial/revocation letters are in the hands of those individuals approximately 30 days before their scheduled hearing date. For education proposed denials, those individuals are given 90 days to provide additional proof of education. Therefore, the education proposed denial letter is in the hands of those individuals approximately four months before their hearing dates. Mr. Netanel stated in order to reduce the backlog and reach the goals set forth in the 9/12/2012 motion; staff would need two additional tracks for handling hearings. Each track would employ 11 staff.

Motion (15): Rolnick/Grant – Move to implement 2nd track – target date by 7/1/2013, as feasible.

15 – 0 MOTION PASSES

19. Extension of waiting period for reapplication of denied applicants

Mr. Netanel recommends extending the waiting period for denied applicant from one to two years.

Motion (16): Dixon/Smith – Move to change the waiting period from one to two years, effective immediately, for everyone who has not yet received a PDL or PRL. Staff to post notice and update website.

15 – 0 MOTION PASSES

20. Employee Handbook – proposed vacation and sick schedule

Mr. Netanel stated at the 9/13/2012 Board Meeting, a motion was passed instructing the CEO to come back with recommended language for proposed vacation and sick schedule. Mr. Netanel presented the proposed language to the board.

Motion (17): Benson/Dixon – Move approval of the proposed Paid Time Off section to be added to the employee handbook, subject to one proviso that going forward, the original offer letter will only speak to benefits set forth in the handbook unless CEO obtains board approval for a different offer.

Dixon – Friendly Amendment – Add stipulation that employees may receive gift of PTO hours from other employees in the event of a serious need, so long as given in writing.

Benson accepts friendly amendment.

15 – 0 MOTION PASSES

21. Employee Benefits Plan

Mr. Netanel updated the board stating that CAMTC can offer a very attractive dental and vision care program, but the medical portion research has been difficult. But starting on 1/1/2014, CAMTC will have a plan in place and health insurance for all CAMTC employees. Currently executive staff is still researching their options and looking to the best solution.

22. Plan for reducing processing time of applications to five days after the application is deemed complete

Mr. Netanel stated at the 9/12/2012 Board Meeting, a motion was passed instructing the CEO to come back with a plan and identification of what resources are need to reduce the backlog on processing of applications to completion with five days. Mr. Netanel stated that currently the average turnaround time of application from complete to mail is 12 day. Once printing is move to in-house, the average turnaround time will reduce to approximately seven days. Mr. Netanel stated to assure that by 12/31/2012 the vast majority of certificates will be in the mail within five days after completion, AMG would need an additional full time staff position at \$49,000 annually. Mr. Netanel stated this is not a good use of money at this time.

23. Adjournment

Chairperson Wall Adjourned the meeting at 4:30pm

Minutes Approved: February 13, 2013

Roberta Rolnick, Secretary