



CAMTC Board of Directors Meeting

MINUTES – OPEN SESSION

**November 29, 2022
Hyatt Palm Springs
285 North Palm Springs Drive
Palm Springs, CA 92262**

Directors Present: *Mark Dixon, Heather Forshey, Jeff Forman, Sara Frazier, Michael Marylander, Bernadette Murray, Sean Thuilliez*

Directors Absent: *Mike Callagy, Shana Faber, John Lambert, Stephany Powell*

Staff Present: *Ahmos Netanel, CEO; Beverly May, Director of Governmental Affairs, Human Trafficking and IT; Roberta Rolnick, Outreach Director; Joe Bob Smith, Director of Educational Standards Division; Jennifer Swartzel, CFO; Sharla Maxey, Legal Secretary/Paralegal*

General Counsel: *Jill England*

Special Counsel: *Alison Siegel*

1. Call to Order, roll call and establish quorum

Chairperson Jeff Forman called the meeting to order at 8:02 a.m. and established a quorum.

2. Chair's Comments

- Welcome/Introductions
- Rules of Debate

3. Approval of minutes from August 30, 2022 meeting.

MOTION 11292022:1 Dixon/Forman - Motion to approve open session minutes from the August 30, 2022 Board meeting as presented.

MOTION PASSES

ROLL CALL VOTE: Yes 5; No 0; Abstain 1

Mark Dixon – Yes

Heather Forshey – Yes

Sara Frazier - Yes

Michael Marylander – did not vote

Bernadette Murray – Yes

Sean Thuilliez – Abstain

Jeff Forman – Yes

4. A Tribute to Ron Bates

Mr. Forman expressed his condolences for the loss of Board member Ron Bates and a moment of silence was taken in his honor.

The CEO and members of the Board shared their interactions with and memories of Mr. Bates. He will be missed.

Mr. Forman suggested that a wonderful way to honor Mr. Bates would be to create a CAMTC scholarship for a needy student at an approved school.

Ms. England explained that to do a scholarship, we would have to create a process policy document and an application that individuals would submit. We would want to make sure we did a broad advertisement of the scholarship so we get the most applicants. A committee will need to review those applications and decide who receives the scholarship. The process must have established criteria and be non-discriminatory.

MOTION 11292022:2 Forman/Dixon - Motion to have Legal Counsel create a policy and an application for a \$5,000.00 Scholarship in honor of Ron Bates, subject to the approval of the Chair and Vice Chair. The Scholarship will be advertised and provided to a worthy candidate in 2023 for use towards massage education at a CAMTC approved school or program. The Chair will report back to the Board regarding the process and the recipient at the end of 2023

so the Board can decide whether to continue the program into 2024. Funds will come from the outreach budget.

Friendly Amendment offered by Sean Thuilliez to bring the initial process document and application back to the Board for approval. Once approved, the Chair and Vice Chair may select the scholarship recipient and provide the scholarship money to the recipient. Friendly Amendment accepted.

MOTION 11292022:2 as amended - Thuilliez/Frazier – Motion to have Legal Counsel create a policy and an application for a \$5,000.00 Scholarship in honor of Ron Bates, subject to the approval of the Board. Once the process and application are approved by the Board, the Chair and Vice Chair will ensure a wide advertisement of the scholarship, select a recipient for 2023, and provide the scholarship money for use at a CAMTC-approved school or program of the recipient’s choice. The Chair will report back to the Board regarding the process and the recipient at the end of 2023 so the Board can decide whether to continue the program into 2024. Funds will come from the outreach budget.

MOTION PASSES

ROLL CALL VOTE: Yes 5; No 0; Abstain 0

Mark Dixon - Yes

Heather Forshey – did not vote

Sara Frazier - Yes

Michael Marylander – did not vote

Bernadette Murray – Yes

Sean Thuilliez – Yes

Jeff Forman – Yes

5. Election of Officers

Ms. England explained that the Board must elect officers each year and proposed the options to either vote on each office separately, or to vote on a slate.

Mr. Dixon moved to elect the following slate of officers: Jeff Forman as Chairperson; Mike Callagy as Vice Chairperson; Michael Marylander as Treasurer; and Shana Faber as Secretary.

MOTION 11292022:3 Dixon/Forman - Motion to elect a slate of officers with Jeff Forman as Chairperson; Mike Callagy as Vice Chairperson; Michael Marylander as Treasurer; and Shana Faber as Secretary.

MOTION PASSES

ROLL CALL VOTE: Yes 4; No 1; Abstain 0

Mark Dixon - Yes

Heather Forshey – did not vote

Sara Frazier - Yes

Michael Marylander – did not vote

Bernadette Murray – No

Sean Thuilliez – Yes

Jeff Forman - Yes

6. General Counsel – Bagley-Keene Open Meeting Act; Conflict of Interest Policy; Director Duties

Ms. England provided the following documents to each Board member: CAMTC Conflict of Interest Policy; Bagley-Keene Open Meeting Act law; Bagley-Keene Open Meeting Act summary; director orientation outline covering directors' duties and obligations on the CAMTC board; and a duty of loyalty resolution adopted by the Board in 2016. Ms. England provided brief comments and went over the documents with the Board. She then requested that each Board member sign the Conflict of Interest Policy and return to her before leaving the meeting and she will send an email to the absent Board Members asking them to sign and return.

Ms. Murray asked about the sexual harassment prevention which needs to be repeated every two years and who reports this to the Board. Mr. Netanel confirmed staff does the required sexual harassment prevention training every two years which is certified and documented.

7. Revisions to Policies and Procedures for Approval of Schools

Mr. Smith referred to the report and the Amendments to the Policies and Procedures for Approval of Schools in the Board Packet. A lot of this began with AB2687. When it passed it extended CAMTC's Sunset and there were major changes. It continued to suspend the exam requirement until January 1, 2027 and added a provision to accept education located outside of the state of California or in a country located outside of the US that provides comparable academic work. The idea is we are trying to create some sort of provision to accept this out-of-state work that we could not accept previously. Previously, we could accept some out-of-state education if it was either approved by a similar entity in

another state; their massage board, private post-secondary education board, etc. There are several scenarios we are trying to address: 1) We have a couple of states that do not approve massage schools. Therefore, those individuals from those states have not been able to use that education; and 2) We have students from other countries. Mr. Smith went on to highlight the amendments which were affected by AB2687.

The amended Policies and Procedures for Approval of Schools will be operative on January 1, 2023.

8. Revisions to Policies and Procedures for the Evaluation of Out-of-State Education

Mr. Smith reported we are adapting AB2687 to the Out-of-State Education document which was approved by the Board on February 20, 2020. This gave us the discretion to look at the programs, determine if they appear to be comparable and legitimate and accept education from those other states where otherwise we would not be able to accept them previously simply because the schools or programs could not get approved or accredited. This allows us to accept education from states outside of California that do not approve massage schools.

9. Revisions to Policies and Procedures for the Evaluation of Out-of-Country Education

Mr. Smith further reported the Out-of-Country Education is pretty much a new document. There was a previous policy the Board adopted back in 2018, but that policy was very simple which was "CAMTC does not accept out-of-country education". The law required that any out-of-country education we accepted must be from an accredited school. It was almost impossible for an out-of-country school to meet that requirement. We looked at other state massage boards and other boards here in California and how they were accepting education from other countries. What this new policy does is requires that the individuals start with a credential evaluation service ones that have been vetted and approved by CAMTC. It will be a third party and they basically authenticate the out-of-country education. This is what gets submitted to CAMTC and the determination is made based on that transcript. It has to be comparable to the education CAMTC approved schools would be providing and it also has to have allowed that individual to work as a massage therapist in wherever the school is located. They will also have to successfully complete 50 hours from a CAMTC approved out-of-country supplement program. This goes back to the Policies and Procedures for Approval of Schools that allows our approved schools to have one of these approved programs. It serves two purposes, a juris prudence type course where it gives them 10 hours of ethics and 15 hours of business which would include the laws and regulations for California; same curriculum for our approved programs. They would have to go through those 10 hours of ethics, 15 hours of business and then also 25 hours of hands-on in which they would have to pass an assessment from that school. This is giving our schools the ability to have that individual there in person, to see their body work and if they pass the assessment, as well as to see if that individual would be able to pass out of that program. If they are able to pass out of that program and submit their transcript to the credential and evaluation service, then we would accept that comparable education and they would be certified. If they do not pass the 50 hours, then they would need to go back and complete an additional 450 hours at an approved program because they would not have demonstrated that they have the comparable education as one of our approved schools. This is the general idea and we are recommending this as a pilot program for North America for education to begin with in order to test this out and see how it goes; see how many apply; see what the burden is on staff in order to process this type of education. This is why we recommend this as a North America pilot program.

Mr. Smith then answered several questions from Board members.

Mr. Netanel stated that the law gives the Board the ability to make decisions about implementation. The Legislature will be patient and understanding if we are not able to implement it on January 1, 2023.

MOTION 11292022:4 Forman/Dixon - Motion to approve all three Policies and Procedures related to Approval of Schools, out-of-state education, and out-of-country education with the Policies and Procedures for Approval of Schools to be effective January 1, 2023. Staff to report back to the Board after 6 months and after 12 months regarding out-of- state education and out-of-country education.

MOTION PASSES

ROLL CALL VOTE: Yes 4; No 2; Abstain 0

Mark Dixon – Yes

Heather Forshey - Yes

Sara Frazier - No

Michael Marylander – did not vote

Bernadette Murray – No

Sean Thuilliez – Yes

Jeff Forman - Yes

10. Board Member Recruitment and Selection Process

Tabled until the next Board meeting.

11. Succession Planning

Tabled until the next Board meeting.

12. FSMTB Delegate Report

Mr. Forman reported this was an interesting meeting and the best part was meeting all the delegates from across the country. We had a very productive meeting with four senior staff members in attendance. We socialized, learned and shared with the delegates. Mr. Forman then read from his report included in the Board Packet. The 2023 FSMTB annual meeting will be in San Diego, California on January 28-30, 2023.

13. Chief Executive Officer's Report

Mr. Netanel referred to his report in the Board Packet. It is a recap of AB2687. The Governor signed the law on September 2, 2022 and it will go into effect on January 1, 2023.

CAMTC is a co-host for the upcoming National Convening on Human Trafficking in Illicit Massage in January. This is something that the individual Boards are very interested in. This Convening is mainly focused on law enforcement and service providers for victims and preparations are continuing. We have a current list of speakers which is still in the works and there will be additional speakers added. This will be an exciting event. It is very important to recognize human trafficking is using massage as a subterfuge for their illicit activity. This is the sort of thing that requires collaboration and participation of all stakeholders regardless of what state they are in.

Mr. Netanel further reported there is a summary of operational updates included in his report. CAMTC is doing well as far as our ability to provide top notch service to our certificate holders in a very efficient and fast manner. Our goal is to always exceed the Board's expectations, but cautions that the numbers reported are not always easy to achieve and may be a challenge in the future when we have higher numbers of applications and recertification applications.

Regarding the issue of sexual misconduct by clients, the FSMTB did a survey that had to do with job task analysis that helped form the MBLEx and we are happy to report a large participation from California. There is a lot of engagement by the representatives in California. There was another survey pertaining to sexual misconduct by clients (refer to the results of the survey in the Board Packet). Clearly this is an issue that we need to address. Unfortunately, there are some delays on receiving additional data from the Federation which was promised several times and we are in communication with the Directors. The Federation confirmed the survey cutoff date was extended from the beginning of June to the end of June 2022. The results definitely indicate there is an issue here and it is Mr. Netanel's plan to reach out to knowledgeable individuals on this Board and outside of the Board to help us form a plan on how to address this issue in a very thorough way. Just creating a brochure about this is not sufficient, it is going to require more of a deep dive into this issue and it is something we will be pursuing.

Mr. Netanel further reported on the Performance Metrics and Organizational Chart located in the Board Packet.

Mr. Netanel then shared with the Board the finance picture as of October 31, 2022.

14. Audit Committee Report

Mr. Thuilliez referred to the audit report prepared by Damore Hamric & Schneider and read from his report in the Board Packet.

Ms. Murray asked if it can specify that the audit for 2022 be completed by June 30, 2023 in the auditor's contract. Mr. Netanel responded it can be and we are planning on including this in the contract with the auditor.

MOTION 11292022:5 Thuilliez/Dixon - Motion to approve the Auditor's Report as presented.

MOTION PASSES

ROLL CALL VOTE: Yes 6; No 0; Abstain 0

Mark Dixon - Yes

Heather Forshey - Yes

Sara Frazier - Yes

Michael Marylander – did not vote

Bernadette Murray – Yes

Sean Thuilliez – Yes

Jeff Forman - Yes

MOTION 11292022:6 Thuilliez/Forman - Motion for the Board to accept the Committees' recommendation of Damore, Hamric & Schneider be retained for the next three years.

MOTION PASSES

ROLL CALL VOTE: Yes 6; No 0; Abstain 0

Mark Dixon - Yes

Heather Forshey - Yes

Sara Frazier - Yes

Michael Marylander - did not vote

Bernadette Murray – Yes

Sean Thuilliez – Yes

Jeff Forman - Yes

15. Treasurer's Report

Mr. Marylander referred to his report in the Board Packet. This is very similar to the previous report. CAMTC is staying consistent at approximately 50,000 therapists. New applications through September were approximately 2,600 which is in the middle of what we have been averaging. 88% of the individuals recertify and 12% are leaving the industry. It is important that we make up for those leaving the industry with new applications to maintain the 50,000 certificate holders. CAMTC is in good financial shape.

Ms. Murray asked for an explanation as to the reported third quarter operating deficit and the greater projected year end total operating deficit. The annual 2022 budget approved by the Board had projected net revenue. Mr. Netanel explained two factors led to the operating deficit now projected. First, the independent auditors required that the forgiven PPP loan be recognized as revenue for fiscal year 2021 rather than in 2022. Second, in consultation with the Chair and the Treasurer, increases in salaries and benefits were implemented in September or October 2022 because staff had not received raises for some time and we were becoming concerned about staff retention. Ms. Murray then stated: "Please let the record show that I raise objection to the whole Board not being informed about the major change to the budget from what was proposed to the extent that it had the impact of having a net loss, especially so significantly. I think at minimum, we should have been informed. Thank you."

16. Closed Session with CAMTC Legal Counsel Pursuant to California Government Code section 11126(e)

Mr. Forman called the meeting to closed session at 11:18 a.m.

The meeting returned to open session at 11:30 a.m.

17. 2023 Strategic Priorities, Proposed Budget and Possible Vote on Increase to Fees

Mr. Netanel began by stating the proposed budget for 2023 is included in the Board Packet. The budget depicts, in financial terms, the organizations mission, the Board's strategic position and certain performance targets, both when it comes to disciplinary actions and customer service. All of this was considered when the budget was constructed. When the issue of raising fees was first raised, there were several Board Members who expressed an interest in having an outside financial company do a formal fee study. Therefore, for this proposed fee increase, we retained Capital Accounting Partners who have a lot of experience with municipalities and Boards and Bureaus in various places, but especially the Department of Consumer Affairs. This is the same firm who did the fee study earlier in the year during the contemplation of licensure versus certification. Daniel Edds from Capital Accounting Partners, MBA, PMP, was asked to come and do a presentation.

Mr. Edds' presentation had three parts: project scope, methodology and objectives of the project. The full report was included in the Board packet.

In comparing the proposed fee of \$300 versus the other benchmark states, in referring to the graph in the Board Packet, the blue bar which is the price for initial application is less than the other benchmark states and the red bar which is renewal application, two states have higher fees for

renewals and two states have lower fees for renewals. One of the things Mr. Edds advocates for in doing comparison studies is not to fixate on any one individual fee, but to look at the overall trend and if the fees are radically higher or lower than the other benchmark states or communities, then understand and figure out why. In this case, the \$300 proposed fee is right in the middle with the proposed fee increase.

Three things in Mr. Edds' judgement impact setting fee levels in this project. There has to be a clear nexus between a fee and a cost. Another issue is the impact on demand. Demand means If we raise a fee, does it trigger more individuals applying or not. And finally, deciding which fee increases will have the most impact on the revenue. All of these factors need to be considered when actually setting a fee. For CAMTC, almost 90% of the revenues come in from the initial and renewal applications, the other 10% is from all of the other fees. Therefore, Mr. Edds' logic would suggest that initial and renewal applications is probably the best place to increase revenues.

Mr. Netanel further reported the budget which is being proposed is based on a fee schedule which is provided in the Board Packet. It is projected that if this budget is approved, by December 31, 2023, CAMTC will end up with cash on hand equal to six months of operating expenses.

MOTION 11292022:7 Dixon/Marylander - Motion to approve the Proposed Budget for 2023.

MOTION PASSES

ROLL CALL VOTE: Yes 5; No 1; Abstain 0

Mark Dixon – Yes

Heather Forshey - did not vote

Sara Frazier - Yes

Michael Marylander - Yes

Bernadette Murray – No

Sean Thuilliez – Yes

Jeff Forman - Yes

18. Director of Governmental Affairs, Human Trafficking's Report

Ms. May referred to her report in the Board Packet. Ms. May assists a lot of massage therapists navigate the system and many are not sophisticated with bureaucracy and do not understand that there are some things that apply to all business, i.e., business licenses, zoning and building permits and assists them with specific cities when there is misunderstandings or misinterpretation.

Ms. May further reported in 2019, she attended the first convening which was in Washington, D.C. and was organized by The Network Team and Polaris. A major focus everywhere, justifiably, in human trafficking is commercially sexually exploited children. But there is tremendous awareness of sex and labor trafficking in massage despite the low rate disclosure. The Network Team is the only organization solely focused on human trafficking in massage. Of the other co-hosts, the fact that the National Association of Attorney Generals, the Thai Community Development, the Aequitas who train prosecutors and Garden of Hope, several organizations who have direct experience working with the victims have expressed concern shows that this is something that is related and impacts the profession whether we like it or not. It is still a major concern of every jurisdiction that comes to us and expresses it. One of the topics of a number of the attendees at the Convening will talk about unfair labor which has been a major focus for Ms. May as it affects massage therapists.

The next step is the "Operation Get Smart". Once there is a good ordinance in place, it is up to the local jurisdiction to implement and enforce it. It is only as good as the prevention and enforcement. Enforcement is very dependent on law enforcement and code enforcement. Law enforcement rotate their positions every year or two, so they are constantly needing new training. Code Enforcement has less rotation, so they have been a valuable partner.

A big piece is trying to prevent the bad establishments from opening by vetting the applications. Ms. May and Mr. McElroy have been working with the Chief Analyst from Sunnyvale who has created a very extensive application and review process and we're trying to educate other cities about this as well.

19. Director of Law and Code Enforcement Relations' Report

Ms. May referred to Mr. McElroy's report in the Board Packet. Mr. McElroy was invited to be on the Massage Establishment Committee taskforce of the FSMTB and has accepted.

20. Director of Educational Standards Division's Report

Mr. Smith referred to his report in the Board Packet. We are at our second crunch time of the year with schools either expiring right at the end of the year or early January 2023. We are working to get those schools through the re-approval process. Our monthly school conference calls remain highly attended. Mr. Smith, Mr. Netanel and Ms. Siegel had a great meeting with BPPE, it has been great over the years to have a close and good working relationship with them as schools do have to answer to the two masters - us and BPPE.

The FSMTB meeting was great and nice to meet all people from other states who can relate to what we do as well. As we have done a lot to prevent the fraudulent education in California, we have seen it spread out to the other states and then we see it try to come back in through out-of-state applicants who are getting education from other states who haven't been quite as thorough in their vetting of schools. There is a lot more discussion among states because this is becoming an interstate issue and not just a California issue.

21. Outreach Director's Report

Ms. Rolnick referred to her report in the Board Packet.

22. Public Comments regarding issues not on this agenda

There was one public comment regarding the National Convening and the budget.

23. Items/suggestions from Board members for future meeting agendas

None.

A doodle poll will be sent to the Board with proposed 2023 meeting dates.

24. Adjourn

Chairperson Forman adjourned the meeting at 11:56 a.m.

Minutes Approved: December 14, 2023

Shana Faber, Secretary