

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA

Held at 800 W. Washington
Conference Room 308
Phoenix, Arizona 85007
Thursday, April 15, 2010 – 1:00 p.m.

Present:	Brian Delfs	Chairman
	Marcia Weeks	Vice Chairman
	Louis W. Lujano, Sr.	Member
	John A. McCarthy, Jr.	Member
	David Parker	Member
	Laura McGrory	Director
	Andrew Wade	Chief Legal Counsel
	Noreen Thorsen	Claims Manager
	Pam Sanchez	Asst. Claims Manager
	Renee Pastor	Self Insurance Manager
	Jeri McAnerny	Tax Accountant
	Gary Norem	Chief Financial Officer
	Teresa Hilton	Commission Secretary

Chairman Delfs convened the Commission meeting at 1:10 p.m. noting a quorum present. Also present were William Sheldon, Don Smith, Ray Everett, Jay Thorne and Bob Chavez of the State Compensation Fund and Susie Camnata of Lafota & Peters, PLC.

Approval of Minutes of April 8, 2010 Meeting

The Commission unanimously approved the Minutes of April 8, 2010 on motion of Mr. Lujano, second of Mr. Parker.

Lump Sum Commutation Hearing – 1:00 p.m.

Donald LaDaga #20062-970077 - Mr. LaDaga attended the hearing through video conference. A court reporter was present and transcript of the hearing will be available for review. Chairman Delfs opened the hearing and explained the process to Mr. LaDaga. Mr. LaDaga was sworn in and provided testimony regarding his financial situation and intended plans for the lump sum. He testified that he would relocate to Atlanta, Georgia, where his family resides, purchase a home, and pay off existing debt. This will leave him debt free outside of every-day living expenses. He responded to questions from the Commissioners. Mr. LaDaga stated that he did understand that he would be forfeiting approximately \$200,000.00 if his request for a lump sum commutation is granted. In response to concerns from the Commissioners regarding living expenses he stated that his wife will continue to receive unemployment benefits for six months and that she has applied for employment in Atlanta. He also explained the rehabilitative value of the lump sum including that he would be living near his children and would be motivated to be more active. At the conclusion of his testimony and following discussion, the Commission approved the lump sum commutation request on motion of Mr. Lujano, second of Mr. Parker. Mr. Delfs and Mr. McCarthy were opposed to the motion. Mrs. Weeks requested that staff send a letter to Mr. LaDaga explaining how the \$1,600.00 per month award was calculated.

Chairman Delfs called for a brief recess at 1:35 p.m.

The meeting reconvened at 1:41 p.m.

Discussion &/or Action regarding Legislation

Chairman Delfs introduced Don Smith, President & CEO of the State Compensation Fund, and William Sheldon, General Counsel for the State Compensation Fund. Mr. Smith and Mr. Sheldon addressed the Commission and responded to questions from the Commission and staff regarding the proposed legislation that would convert the State Compensation Fund to a mutual insurance company. Mr. Smith and Mr. Sheldon assured the Commission that there is ample time to address the Commission's concerns and they stated that they will assist the Commission in any way they can with the proposed transition.

Following the discussion with Mr. Smith and Mr. Sheldon, Ms. McGrory summarized the status of SB 1045 and the recent meeting held with Legislative Staff, SCF and ASIA representatives on this bill. She also summarized staff's on-going efforts to address issues associated with the transition process. The Commissioners also requested that the State Compensation Fund provide a written response addressing their concerns.

Discussion &/or Action regarding Budget and Operations of the Industrial Commission

Ms. McGrory advised that there was nothing new to report.

Discussion &/or Action regarding Industrial Commission of Arizona, for Itself and as Trustee for the Special Fund of the Industrial Commission of Arizona; and the Special Fund of the Industrial Commission of Arizona, Petitioners, v. Dean Martin, Arizona State Treasurer, in his official capacity; Janice K. Brewer, Governor of the State of Arizona, in her official capacity, Respondents. The Commission may move into Executive Session under A.R.S. §§38-431.03(A)(3) and (A)(4) for Discussion and Consultation with the Attorneys of the Public Body regarding Pending Litigation or Settlement Discussions in order to resolve Litigation. Legal action involving a final vote or decision shall not be taken in Executive Session. If such action is required, then it will be taken in General Session

Mr. Wade stated that there was nothing new to report.

Announcements and Scheduling of Future Meetings

Ms. McGrory stated that the Special Fund actuarial report has been provided to the Commissioners and this will be a future agenda item for review and discussion.

She also stated that the Governor's Office has appointed two new Commissioners, Kathleen Oster and Ioanna Morfessis, who will replace Mr. Lujano and Mrs. Weeks. Confirmation by the Senate may be as soon as next week. Chairman Delfs thanked Mr. Lujano and Mrs. Weeks for their service.

Ms. McGrory advised that the staff study for the fee schedule updates will be placed on the Commission's web site and copies of the staff study were provided to the Commissioners

Ms. Hilton reminded the Commissioners that the next meeting is scheduled for Thursday, April 29th. If it is necessary, a meeting may still be held on Thursday, April 22nd.

There being no further business to come before the Commission and no public comment, Chairman Delfs adjourned the meeting at 2:45 p.m.

APPROVED:

THE INDUSTRIAL COMMISSION OF ARIZONA

By *Regis C. Delfs*
Chairman

By *Maria Weeks*
Vice Chairman

By *[Signature]*
Member

ATTEST:

By *[Signature]*
Member

Teresa Hulten
Commission Secretary

By _____
Member