

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA

Held at 800 W. Washington
Conference Room 308
Phoenix, Arizona 85007
Wednesday, June 2, 2010 – 1:00 p.m.

Present:	Brian Delfs	Chairman (telephonic)
	John A. McCarthy, Jr.	Member (telephonic)
	David Parker	Member (video conference)
	Kathleen Oster	Member
	Laura McGrory	Director
	Andrew Wade	Chief Legal Counsel
	Suzanne Marwil	Legal Counsel
	Darin Perkins	Director, ADOSH
	Noreen Thorsen	Claims Manager
	Renee Pastor	Self Insurance Manager
	Teresa Hilton	Commission Secretary

Chairman Delfs convened the Commission meeting at 1:00 p.m. noting a quorum present. Ms. Weeks was not able to attend. Also present were Scot Butler, the agency's lobbyist, Teresa Yi of Snell & Wilmer, and Andrew Stafford of Performance Safety.

Approval of Minutes of May 19, 2010 Meeting

The Commission unanimously approved the Minutes of May 19, 2010 on motion of Mr. McCarthy, second of Mr. Parker.

Discussion & Action regarding adoption of proposed rulemaking amendments for A.A.C. R20-5-602 from the Federal Occupational Safety and Health Standards, 29 CFR 1920 General Industry adding language for guidance of proper storage and transportation of acetylene cylinders, identifying appropriate discharge flow rates from cylinders, avoidance of potential damage to small cylinder valves and appropriate handling of leaking acetylene tank

Darin Perkins described the proposed amendments, which are made to conform to Federal standards. Following discussion, the Commission unanimously adopted the proposed rulemaking amendments and directed staff to file a Notice of Proposed Rulemaking with the Secretary of State on motion of Mr. McCarthy, second of Ms. Oster.

Discussion & Action of Proposed OSHA Citations and Penalties

Cochise College
901 N. Columbo Avenue
Sierra Vista, AZ 85635

Unprogram Related
Yrs/Business – 46
Empl. Cov. by Insp. – 1

Site Location: 4190 W. Highway 80, Douglas, AZ 85607
Inspection #: T3633/314458621
Insp. Date: 05/07/10

SERIOUS – Citation 1, item 1 – The building owner hired contractors to replace roofing material and prior to the removal of the old roofing, the building owner did not determine the presence, location and quantity of asbestos-containing material (ACM)(1926.1101(k)(2)(i).
(No inspection history in the past three years).

Div. Proposal - \$2,500.00

Formula Amt. - \$2,500.00

Darin Perkins summarized the citation and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of this violation, the Commission unanimously approved issuing the citation and assessed the recommended penalty of \$2,500.00 on motion of Mr. Parker, second of Ms. Oster.

Lloyd Construction Company, Inc.
2180 N. Wilmot Road
Tucson, AZ 85712

Unprogram Related
Yrs/Business – 41
Empl. Cov. by Insp. – 3

Site Location: 4190 W. Highway 80, Douglas, AZ 85607
Inspection #: T3633/314424284
Insp. Date: 04/08/10

SERIOUS – Citation 1, item 1 – The employer did not determine if the roofing material which was contracted for removal and subsequently removed was asbestos-containing material (ACM)(1926.1101(k)(3)(i).
(Three inspections with no violations in the past three years).

Div. Proposal - \$2,500.00

Formula Amt. - \$2,500.00

Darin Perkins summarized the citation and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of this violation, the Commission unanimously approved issuing the citation and assessed the recommended penalty of \$2,500.00 on motion of Mr. McCarthy, second of Mr. Parker.

Sun Valley Roofing Company
P.O. Box 3038
Sierra Vista, AZ 85636

Complaint
Yrs/Business – 30
Empl. Cov. by Insp. – 4

Site Location: 4190 W. Highway 80, Douglas, AZ 85607
Inspection #: T36366/314424276
Insp. Date: 04/08/10

SERIOUS – Citation 1, item 1 – Employees were working from the edge of the roof with an eve height of 11' into a dumpster, and were not protected from falling by guardrail systems, safety net systems, personal fall arrest systems, or an adequate combination of warning line systems and safety monitoring systems (1926.501(b)(10).
(No inspection history in the past three years).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

GROUPED SERIOUS – The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness.

Citation 1, item 2a – The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not establish a regulated area during removal of this roofing material which is Class II work (1926.1101(e)(1).

Citation 1, item 2b - The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not ensure that the work was supervised by a competent person (1910.1101(e)(6)).

Citation 1, item 2c - The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not identify the presence, location and quantity of this asbestos-containing material (ACM) prior to its removal (1926.1101(k)(3)(i)).

Div. Proposal - \$1,500.00

Formula Amt. - \$1,500.00

GROUPED SERIOUS – The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness.

Citation 1, item 3a – The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not determine employee exposure(s) to airborne asbestos during the removal of the material (1926.1101(f)(1)).

Citation 1, item 3b - The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer issued respirators to employees while during this work but did not implement a respiratory protection program (1926.1101(h)(2)(i)).

Div. Proposal - \$1,500.00

Formula Amt. - \$1,500.00

GROUPED SERIOUS – The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness.

Citation 1, item 4a – The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not use wet methods while removing the roofing with shovels, which tore the roofing material into pieces (1926.1101(g)(8)(ii)(B)).

Citation 1, item 4b - The lower layer of the roofing on the center section of the building contained greater than 1% Chrysotile asbestos and employees threw the roofing debris from the roof into the bed of a truck located on the ground (1926.1101(g)(8)(ii)(E)).

Citation 1, item 4c - The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and after throwing the old roofing off the roof, the employer did not transfer the material into a closed receptacle (1926.1101(g)(8)(ii)(F)).

Citation 1, item 4d - The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not establish an equipment room or area which was adjacent to the regulated area for the decontamination of employees and their equipment (1926.1101(j)(2)(i)).

Div. Proposal - \$1,500.00

Formula Amt. - \$1,500.00

SERIOUS – Citation 1, item 5 – The lower layer of roofing on the center section of the building contained greater than 1% Chrysotile asbestos and the employer did not provide the employees who removed this material with training specified for employees doing Class II asbestos work (1926.1101(k)(9)(i)).

Div. Proposal - \$1,500.00

Formula Amt. - \$1,500.00

TOTAL PENALTY - \$6,750.00

TOTAL FORMULA AMT. - \$6,750.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$6,750.00 on motion of Mr. Parker, second of Ms. Oster.

Grand State Construction, LLC
2153 E. Cedar Street, Suite 1
Tempe, AZ 85281

Planned
Yrs/Business – 15
Empl. Cov. by Insp. – 10

Site Location: 16380 W. Yuma Road, Goodyear, AZ 85338
Inspection #: N4762/314225194
Insp. Date: 02/18/10

SERIOUS – Citation 1, item 1 – One 4 1/2" angle grinder was not equipped with a wheel guard when in use (1926.300(b)(1).

(No inspection history in the past three years).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

GROUPED SERIOUS – The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury resulting from accident

Citation 1, item 2a – An employee's personal fall arrest system was rigged in such a way that the employee could contact the ground in the event of a fall (1926.502(d)(16)(iii).

Citation 1, item 2b - One employee was using a personal fall arrest system that was attached to the platform guardrail of an aerial lift and not the lanyard attachment anchor device (1926.502(d)(23).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

TOTAL PENALTY - \$2,500.00

TOTAL FORMULA AMT. - \$2,500.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$2,500.00 on motion of Mr. McCarthy, second of Mr. Parker.

Hazelwood Enterprises Inc. dba Hazelwoods Hospitality Group
402 N. 32nd Street
Phoenix, AZ 85008

Complaint
Yrs/Business – 10
Empl. Cov. by Insp. – 10

Site Location: 402 N. 32nd Street, Phoenix, AZ 85008
Inspection #: I7163/314384447
Insp. Date: 03/31/10

SERIOUS – Citation 1, item 1 – Employees operating a forklift were not adequately trained (1910.178(i)(1)(i).

(No inspection history in the past three years).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1, item 2 – A table saw was lacking a hood guard (1910.213(c)(1).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1, item 3 – A woodworking band saw was lacking a guard on the unused portion of the blade (1910.213(i)(1)).

Div. Proposal - \$ 750.00
TOTAL PENALTY - \$2,250.00

Formula Amt. - \$ 750.00
TOTAL FORMULA AMT. - \$2,250.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$2,250.00 on motion of Mr. Delfs, second of Ms. Oster.

Demma Inc., dba Midas Auto Service
6902 E. Southern Avenue
Mesa, AZ 85208

Complaint
Yrs/Business – 12
Empl. Cov. by Insp. – 5

Site Location: 6902 E. Southern Avenue, Mesa, AZ 85208
Inspection #: A7717/314384645
Insp. Date: 04/06/10

SERIOUS – Citation 1, item 1 – One employee was operating a 5000 pound hydraulic vehicle lift without the safety latches engaged or installed per the manufacturer's operating and maintenance instructions (23.403(A)). There were three other instances of this violation. (No inspection history in the past three years).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1, item 2 – Class I flammable liquid (brake parts cleaner) was dispensed from a 55 gallon barrel to small pressurized containers without adequate bonding and grounding equipment and procedures in place to prevent the build-up of static electricity and ignition of flammable vapors (1910.106(e)(6)(ii)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1, item 3 – A brake lathe was lacking a guard to prevent accidental contact with rotating parts and flying chips (1910.212(a)(1)).

Div. Proposal - \$ 600.00
TOTAL PENALTY - \$2,100.00

Formula Amt. - \$ 600.00
TOTAL FORMULA AMT. - \$2,100.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$2,100.00 on motion of Mr. McCarthy, second of Mr. Parker.

Micor Communications Arizona, Inc.
2432 W. Campus Drive
Tempe, AZ 85262

Complaint
Yrs/Business – 6
Empl. Cov. by Insp. – 50

Site Location: 2432 W. Campus Drive, Tempe, AZ 85262
Inspection #: Y5457/314424664
Insp. Date: 05/03/10

SERIOUS – Citation 1, item 1 – The employer did not enforce the use of an operator restraint device (i.e. seatbelt) by an employee who was operating a forklift (1910.132(a)). (No inspection history in the past three years).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

SERIOUS – Citation 1, item 2 – The employer did not certify that each operator had been trained and evaluated (1910.178(l)(1)(i)).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

TOTAL PENALTY - \$2,500.00

TOTAL FORMULA AMT. - \$2,500.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Mr. Parker questioned whether there should be an adjustment factor for good faith with regard to Citation 1, item 1 since the employer immediately abated the violation. Mr. Perkins agreed that a 15% reduction for good faith would be appropriate, for a recommended penalty of \$875.00 and a total recommended penalty of \$2,125.00. The Commission unanimously approved issuing the citations and assessed the recommended penalty of \$2,125.00 on motion of Mr. Parker, second of Mr. McCarthy.

Rocky's Cabinets LLC
2289 Madison Avenue
Yuma, AZ 85364

Planned
Yrs/Business – 30
Empl. Cov. by Insp. – 4

Site Location: 2289 Madison Avenue, Yuma, AZ 85364
Inspection #: F3875/314340852
Insp. Date: 03/04/10

GROUPED SERIOUS – The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for injury resulting from accident.

Citation 1, item 1a – Two 10" table saws were not guarded by an adjusting hood that completely enclosed the portion of the saw blade above the work (1910.213(c)(1)).

Citation 1, item 1b - Two 10" table saws which were used for ripping the cabinet doors did not have a spreader installed (1910.213(c)(2))

Citation 1, item 1c - Two 10" table saws which were used for ripping materials did not have the non-kickback fingers or dogs installed (1910.213(c)(3)).

(No inspection history in the past three years).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1, item 2 – The 10" chop saw was not equipped with a lower blade guard that automatically adjusts itself to the thickness of the stock being cut (1910.213(h)(1)).

Div. Proposal - \$ 750.00

Formula Amt. - \$ 750.00

TOTAL PENALTY - \$1,500.00

TOTAL FORMULA AMT. - \$1,500.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$1,500.00 on motion of Mr. McCarthy, second of Mr. Parker.

Strum, Ruger & Company, Inc.
200 Ruger Road
Prescott, AZ 86301

Complaint
Yrs/Business – 24
Empl. Cov. by Insp. – 300

Site Location: 200 Ruger Road, Prescott, AZ 86301
Inspection #: A7717/314384249
Insp. Date: 03/22/10

SERIOUS – Citation 1, item 1 – One employee was operating a cutting/grinding machine which was not adequately guarded to prevent the operator from placing any part of the body into the danger zone during the operating cycle (1910.212(a)(1)). There were five other instances of this violation.

(No inspection history in the past three years).

Div. Proposal - \$1,875.00

Formula Amt. - \$1,875.00

SERIOUS – Citation 1, item 2 – One employee was operating two roborfills that had the safety devices disabled (i.e. splash guard door interlock function)(1910.212(a)(3)(ii)). There were three other instances of this violation.

Div. Proposal - \$1,875.00

Formula Amt. - \$1,875.00

SERIOUS – Citation 1, item 3 – A bench grinder was lacking a work rest (1910.215(a)(4)). There was another instance of this violation.

Div. Proposal - \$ 100.00

Formula Amt. - \$ 100.00

TOTAL PENALTY - \$3,850.00

TOTAL FORMULA AMT. - \$3,850.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Mr. Wade noted that the employer's name was misspelled on the agenda and should have been "Sturm" rather than "Strum". Chairman Delfs stated that the matter would be addressed today and citations and penalties assessed. The item will be renoticed on the agenda for June 30th and ratified at that meeting.

Mr. Parker questioned the 15% adjustment factor given the good faith. Mr. Perkins explained that the employer does have safety programs in place. Following discussion and inspection of photographs of these violations, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$3,850.00 on motion of Mr. Parker, second of Ms. Oster.

Discussion & Action of Request for Lump Sum Commutation

Jason Miller #98106-270163 – Noreen Thorsen presented this lump sum petition. Ms. Thorsen advised that her recommendation is for approval, since the lump sum proceeds will allow Mr. Miller to take advantage of the settlement offers from his creditors and pay down his debt. Following discussion, the Commission unanimously approved the lump sum request on motion of Mr. McCarthy, second of Ms. Oster.

Ms. Oster asked about the availability of vocational rehabilitation to Mr. Miller. Ms. Thorsen responded to her question.

Discussion & Action of Requests for Renewal of Self Insurance Authority

Executive Session pursuant to A.R.S. §38-431.03(A)(2) to discuss records exempt by law from public inspection regarding the application for renewal of self insurance authority for Empire Southwest LLC

The Commissioners agreed that an Executive Session was not necessary since they had reviewed the confidential financial information.

General Session for Discussion & Action regarding Application for Renewal of Self Insurance Authority for Empire Southwest LLC

Renee Pastor presented staff's renewal report and advised that this company is privately held and the financials are not released to the public. A current Dunn and Bradstreet credit rating has been obtained. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority due to the Company's financial soundness; a clean audit report and a good credit rating. Following discussion, the Commission unanimously granted renewal self insurance authority on motion of Mr. Parker, second of Ms. Oster.

FedEx Express - Renee Pastor presented staff's renewal report along with current Moody's, Fitch, and Dunn and Bradstreet credit ratings. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority based on the large size of the parent company with worldwide assets of just over \$24.2 billion, a clean audit report and acceptable bond and credit ratings. Noting the high experience modification rates, Mr. Parker asked if referring employers to ADOSH consultation staff had been productive in the past. Ms. McGrory stated that she did not have the specifics on prior referrals, but that consultation provides a good service to employers. Following discussion, the Commission unanimously approved continuance of self insurance authority and requested ADOSH consultation to contact the company to offer their assistance on motion of Mr. Parker, second of McCarthy.

FedEx Ground Package System, Inc. - Renee Pastor presented staff's renewal report along with current Moody's, Fitch and Dunn and Bradstreet credit ratings. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority due to the large size of its parent company with worldwide assets of just over \$24.2 billion, a clean audit report and acceptable bond and credit ratings. Following discussion, the Commission unanimously granted continuance of self insurance authority on motion of Mr. Parker, second of Ms. Oster.

Hexcel Corporation - Renee Pastor presented staff's renewal report along with current Moody's and Dunn and Bradstreet credit ratings. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority due to the Company's large size with total assets of \$1,247 billion, a clean audit report and acceptable credit ratings. Following discussion, the Commission unanimously approved renewal of self insurance authority on motion of Mr. Delfs, second of Mr. McCarthy.

Honeywell International, Inc. - Renee Pastor presented staff's renewal report along with current Moody's, Standard and Poor's, Fitch, and Dunn and Bradstreet credit ratings. She

responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority based on the Company's financial stability with total assets of just over \$36 billion, a clean audit report and good credit ratings. Following discussion, the Commission unanimously granted continuance of self insurance authority on motion of Mr. McCarthy, second of Mr. Parker. Mr. Parker also requested that superfund cleanups be looked at closely next year.

International Paper Company - Renee Pastor presented staff's renewal report along with current Moody's and Dunn and Bradstreet credit ratings. She responded to questions from the Commissioners. Ms. Pastor advised that Administration is recommending renewal of workers' compensation self-insurance authority based on the Company's large size with worldwide assets of just over \$25.5 billion, a clean audit report, and acceptable bond and credit ratings. Following discussion, the Commission unanimously granted continuance of self insurance authority on motion of Ms. Oster, second of Mr. McCarthy.

Discussion &/or Action regarding Legislation

Scot Butler gave a final report of bills, describing the three bills of interest to the Commission, HB 2228, SB 1045 and SB 1070, that were enacted and signed. He stated that since the sales tax passed, there is no Special Session planned at this time.

Discussion & Action of Petition for Attorneys' Fees

Don and Matt Fendon, Fendon Law Firm, v Daniel DuMoulin - Mr. Wade advised that Matt Fendon of the Fendon Law Firm has petitioned the Industrial Commission to set attorney' fees with respect to work that he performed for Mr. DuMoulin in connection with his August 12, 2008 industrial injury claim. Mr. Wade gave a history of the claim and the work performed by the Fendon Law Firm on behalf of Mr. DuMoulin. Mr. DuMoulin terminated the attorney/client relationship and hired a new attorney. The Fendons have received \$3,247.81 in attorney fees and estimate that they spent 48.75 hours on the case.

Mr. Wade presented several options to the Commission. After reviewing those options, Mr. Wade stated that staff's recommendation is to issue an award denying attorneys' fees because of the limited work actually done by the Fendon Law Firm, that Mr. DuMoulin will likely need to litigate issues in his case with a new attorney, and the fact that the law firm has already received 15% of Mr. DuMoulin's benefits over the course of their attorney-client relationship. Following discussion, the Commission unanimously denied awarding additional attorneys' fees on motion of Mr. McCarthy, second of Ms. Oster.

Mr. Wade advised that with regard to the attorney fee petition considered at last week's meeting, Weston Montrose, Taylor and Associates, PLLC, v Ivan Kancab, he would request that this matter be revisited at next week's meeting since staff's calculations in the award need to be revised.

Discussion & Action of Proposed Civil Penalty Against Uninsured Employer

2C08/09-1664 TMK Properties, 1, LLC dba Pink Cabaret

Mr. Wade advised that with regard to the above listed employer, a compliance

investigation confirmed that they were operating (or had operated) a business with employees, but without workers' compensation insurance. Giving consideration to the factors of A.R.S. §23-907(K), a civil penalty of \$1,000.00 is recommended against this employer. Mr. Wade provided additional information regarding this employer and responded to questions from the Commission.

The Commission unanimously assessed a civil penalty of \$1,000.00 against employer #1664 on motion of Mr. McCarthy, second of Mr. Parker. Mr. Parker added to the motion, with the concurrence of Mr. McCarthy, that staff follow-up in one month to see whether this employer has obtained insurance.

Discussion &/or Action of A.R.S. §23-1041(E) to Adopt the Maximum Average Monthly Wage under A.R.S. §23-1041(D)(8) for Calendar Year 2011

Mr. Wade advised that staff has obtained the occupational employment data from the Bureau of Labor, which data the Commission is required by statute to use in adopting a new average monthly wage for calendar year 2011. Staff has performed the necessary calculations to determine next year's maximum average monthly wage. The increase in the average mean wage of "all occupations" from May 2008 to May 2009 is \$0.79, which represents a 4.18% increase. Increasing the 2010 average wage of \$3,763.44 by 4.18% results in an amount of \$3,920.75. Staff is recommending the Commission adopt a new average monthly wage of \$3,920.75 for calendar year 2011. Following discussion, the Commission unanimously adopted the average monthly wage of \$3,920.75 for calendar year 2011 on motion of Mr. Parker, second of Mr. McCarthy. Ms. McGrory advised that this information will be made available on the agency's website, along with historical year by year data of the average monthly wage.

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

Ms. McGrory advised that a CFO and Chief Accountant have been hired for the agency. Gary Norem will be retiring and his last day in the office is June 30. The new hires will begin work before his departure. Chairman Delfs wished Mr. Norem the best in his retirement. Ms. McGrory also reported on the personnel expenditure reductions associated with the upcoming mandatory furlough program.

Discussion & Review of Process to Set Fees under A.R.S. §23-908(B)

Ms. McGrory stated that the annual fee schedule hearing is schedule for next week. She briefly described the fee schedule process and answered questions from the Commissioners.

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 advised that there was nothing new to report.

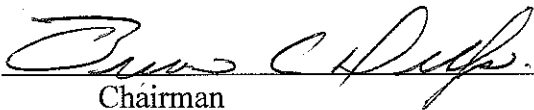
Announcements and Scheduling of Future Meetings and Public Hearings and/or Comment Periods

Ms. Hilton reminded the Commissioners that the next meeting is scheduled for Thursday, June 10th.

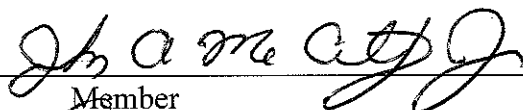
There being no further business to come before the Commission and no public comment, Chairman Delfs adjourned the meeting at 2:15 p.m.

APPROVED:

THE INDUSTRIAL COMMISSION OF ARIZONA

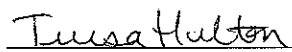
By 
Chairman

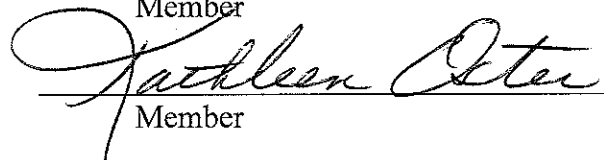
By _____
Vice Chairman

By 
Member

By 
Member

ATTEST:


Commission Secretary

By 
Member