BWC Board of Directors

BOARD MEETING

Friday, March 26, 2010, 8:00 A.M.
William Green Building
30 West Spring St. 2nd Floor (Mezzanine)
Columbus, Ohio 43215

Members Present:	William Lhota, Chair James Harris, Vice Chair Charles Bryan David Caldwell Alison Falls Ken Haffey James Hummel Jim Matesich Thomas Pitts Larry Price Robert Smith
Member Absent:	None
Counsel Present:	John Williams, Assistant Attorney General

CALL TO ORDER

Mr. Lhota called the meeting to order at 8:00 a.m. and the roll call was taken. Mr. Lhota reported that all eleven members were present and constituted a quorum.

MINUTES OF FEBRUARY 26, 2010

Mr. Smith requested that his comments on page 3 be corrected to show that he was not requested correction to the January minutes, but rather a clarification to his comments. On page 8, he requested that references to his concerns of the extension of time of the Competition Study Committee were that the extension risked losing the attention of participants and whether a report would be finished.

Ms. Falls requested that her comments in the last paragraph of page 8 be changed to read: "Ms. Falls asked for an explanation on the nature of *the securitization model* and how it is distinguished from *the same term used in investment* banking."

Mr. Bryan moved to approve the February 26, 2010, minutes as amended. Mr. Harris seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

AGENDA

Mr. Lhota removed the agenda item from the Actuarial Committee report on approval of manual changes under the National Council on Compensation Insurance (NCCI) classifications. He added a report from the Governance Committee to follow the report of the Medical Services and Safety Committee. He retained the discretion to take a break at any time during the meeting. After the meeting is adjourned, there will be a break before Mr. Haffey convenes a second session of the Auditing Committee.

Mr. Haffey moved to adopt the agenda as amended. Mr. Pitts seconded and the amended agenda was adopted by a roll call vote of eleven ayes and no nays.

CHAIRMAN'S COMMENTS

Mr. Lhota reported that there was excellent attendance by directors at the four committee meetings of March 25, which ran from 8:00 a.m. to 4:45 p.m. Of forty-four opportunities for participation, there were forty-four in attendance, a participation rate of 100%. Don Berno, Board Liaison, reported that for the first three months of 2010, attendance has been 99.1%. Mr. Lhota further reported that the meetings of the committees reflected numerous probing questions of BWC staff. They also reflected significant spirited debate by members and exemplary decorum of the debate. Mr. Lhota added that he had recently testified in the House of Representatives Insurance Committee the philosophical diversity of the Workers' Compensation Board is one of its strengths.

COMMITTEE REPORTS OF MARCH 25

ACTUARIAL COMMITTEE

Mr. Bryan reported that as an action item, the Actuarial Committee approved the pricing of the Drug-Free Safety Program (DFSP). The Ohio Administrative Code Rule will be presented by Mr. Harris as part of his report on the Medical Services and Safety Committee. The Actuarial Committee held first readings on amending the deductible program rule to conform to the DFSP and on new classification codes from NCCI. The latter initiative was surprisingly controversial because board directors emphasized the need for BWC to reach out to stakeholders to explain changes required by statute. A third first-reading was held on the private employer rate indication. This is an important decision since private employers represent over eighty percent of the State Insurance Fund premiums. Based on Deloitte's analysis, BWC has recommended an overall rate decrease of 3.9%, whether it retains the 4.5% discount rate or changes the discount rate to 4%. The recommended indication of -3.9% is deemed a prudent reduction. There was much discussion of individual rates inasmuch as the overall rate decrease means little to individual employers. Finally, a first-reading on overall rate reduction for public employer state agencies (PES) and individual agency rates, was conducted. The PES program is pay as you go.

Deloitte Consulting LLC presented its first quarterly reserve analysis. The purpose of the analysis is to provide a reasonable estimate of reserves at the fiscal year-end. The Workers' Compensation Board of Directors was concerned that a change of actuarial consultants could result in radical change of reserve. This did not occur and the estimate was somewhat lower than the previous one provided by the last consultant. The new reserve will affect financial statements for fiscal year 2010. Mr. Bryan invited members of the Workers' Compensation Board to obtain a complete copy of the Deloitte report, available as a CD-ROM.

Mr. Haffey commented that the approach of Deloitte was good in explanation of its methodology.

Ms. Falls requested that BWC staff provide the Workers' Compensation Board with options which show rates if group rates were held flat and rates change only for non-group employers. There followed several comments from Ms. Falls that the Workers' Compensation Board be given a range of alternatives to the recommended rate indication to assist in providing advice and consent to BWC. Other comments from Mr. Bryan, Mr. Smith, Mr. Harris, and Mr. Pitts and Mr. Price raised several objections: If group rates were kept flat, that would derail the goal of reaching equity. Creation of rates which reflect the group rating status quo would subject Administrator Marsha Ryan and BWC to political pressure. There is an enormous labor in calculating any rates. In the end, Mr. Lhota referred the proposal to the Chair of the Actuarial Committee for consideration.

Mr. Bryan indicated the report of the Actuarial Committee was concluded.

AUDIT COMMITTEE

Mr. Haffey reported Caren Murdock, Chief of Internal Audit, provided an executive summary of the second quarter 2010 Internal Audit report. Completed projects consisted of two consulting projects and three audits. The consults were on drug utilization review and the self-insured audit process. The two consults yielded twenty-five recommendations for management. The audits concerned employer workers' compensation insurance system credit transactions; investment accounting, and fixed assets. Ms. Murdock also reviewed comments from prior years' audits and how they continue to be resolved by management. Three older outstanding comments were reviewed in detail. There was also a discussion regarding the two comments where management accepts the risk of not implementing corrective action. When senior management accepts this risk, the comment is forwarded to the Administrator for review and then to the Audit

Committee for consideration. Ms. Murdock reviewed the status of the audit plan for fiscal year 2010 and mentioned the 2011 audit plan will have time reserved for unplanned matters needing attention.

Mr. Haffey reported that Michael Glass, Director, Underwriting and Premium Audit, conducted a second reading of amendments to Ohio Administrative Code Rule 4123-17-02 concerning asset sales. A change from the first reading is that references to fraudulent intent were removed in order to permit findings of successorship when only misrepresentation is involved.

Upon recommendation of the Audit Committee, Mr. Haffey moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator’s recommendation to amend Rule 4123-17-02 of the Administrative Code, “ Basic or Manual Rate,” to address employer successor issues. The motion consents to the Administrator amending Rule 4123-17-02 as presented at the Audit Committee. Mr. Smith seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Haffey commented that amendment of the rule was timely because his accounting practice has witnessed an increase in asset sales in the past eighteen months.

Mr. Haffey further reported that Tracy Valentino, Chief, Fiscal & Planning Officer, reported on the process for changing the discount rate from 4.5% to 4.0%. This was a first reading and the second reading will be held in April. Mercer Investment Consulting, Inc., and Bruce Dunn, Chief Investment Officer, both approve of the change.

Ms. Valentino also reported on financial metrics. BWC will be changing the funding ratio from an upper level maximum of 1.4 to 1.5 and changing the net leverage ratio floor range from 3.0 to 7.0. Other targeted ratios are a net loss ratio of 102.5%, an expense ratio of 7.5%, a combined ratio of 110%, and an operating ratio of 90%.

Ms. Murdock reported on current projects and staffing levels of Internal Audit. There was also a report on the external audit preparatory meeting of March 24 with Mr. Haffey, Ms. Valentino and others with Joe Patrick of Schneider Downs. The external audit will begin in April.

The Audit Committee also conducted an executive session with James Barnes, Chief Legal Counsel, for a litigation update. The executive session recessed to reconvene following the meeting of the Workers' Compensation Board.

Mr. Lhota requested shifting of the April 29 committee meetings to accommodate a previous commitment.

Mr. Haffey indicated the report of the Audit Committee was concluded.

INVESTMENT COMMITTEE

Mr. Smith reported that as of March 24 the BWC portfolio stood at $19.1 billion. BWC reports that the last time the portfolio stood this high was during the period 1998—2000. He cautioned that $19 billion is a big number, but not as large as our undiscounted liabilities. The composition of the portfolio is 67.2% bonds, 31.5% equity, and 2.3% cash. March has been a good month for equity with an increase of $339 million in market value, for a net increase of $264 million in market value for the total portfolio. Net return of the portfolio for the fiscal year-to-date ending February 2010 is 9.8%.

Mr. Smith moved that the Workers' Compensation Board of Directors adopt the recommendation of the Investment Committee of the Board to renew the current contract with Mercer Investment Consulting, Inc., for a one-year period effective July 1, 2010, through June 30, 2011, and that the Board authorize the Administrator of the BWC to enter into a renewal contract with Mercer. Ms. Falls seconded the motion.

Mr. Smith commented that the contract involved no increase in fees. The dialogue during the Investment Committee meeting focused on the services Mercer provides and the good working relationship with BWC staff and the Committee members. The renewal is endorsed by Mr. Dunn.

The motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Smith stated that another report was heard by the Investment Committee on asset allocation of the Marine Industry Fund and Public Work-Relief Employees' Fund.

Mr. Smith moved the Workers' Compensation Board of Directors adopt the recommendation of the Investment Committee to maintain the current asset allocation Mix "A" for the Public Work-Relief Employees' Fund, including its 1% cash allocation, as discussed in the Mercer Strategic Asset Allocation Analysis presentation dated March 2010, and the Memorandum of the Chief Investment Officer dated March 16, 2010, and also to revise relevant revisions of Section VI.D of BWC's Statement of Investment Policy and Guidelines as they are set forth in the red-lined versions attached to the Chief Investment Officer's memorandum. Mr. Haffey seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Smith moved that the Workers' Compensation Board of Directors adopt the recommendation of the Investment Committee to maintain the current asset allocation Mix "A" for the Marine Industry Fund, including its 1% cash allocation, as discussed in the Mercer Strategic Asset Allocation Analysis presentation dated March 2010, and the Memorandum of the Chief Investment Officer dated March 16, 2010, and also to revise relevant revisions of Section VI.E of BWC's Statement of Investment Policy and Guidelines as they are set forth in the red-lined versions attached to the Chief Investment Officer's memorandum. Mr. Price seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Smith reported that the remainder of the meeting was used to conduct an education session by Mercer on the differences between active and passive investment strategies. This will continue in meetings over the next several months. The advantage of active management is that if the correct manager is chosen, returns are higher; passive management has lower fees.

Mr. Price thanked Mr. Smith, Ms. Falls, and BWC staff for the excellent presentation on the active versus passive management styles. He stated it is important to take our time on this issue and make a decision that is sustainable.

Mr. Smith indicated the report of the Investment Committee was concluded.

MEDICAL SERVICES AND SAFETY COMMITTEE

Mr. Harris reported there was a second reading on Drug-Free Safety Program (DFSP) and amendment of Ohio Administrative Code Rule 4123-17-58. Discussion was led by Abe Al-Tarawneh, Superintendent of Safety and Hygiene; Tina Kielmeyer, Chief of Customer Services; and Rick Brown, Management Analyst, Employer Services. Mr. Brown was commended for his very helpful responses to questions from directors.

Upon the recommendation of the Medical Services and Safety Committee, Mr. Harris moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to adopt new Rule 4123-16-58 of the Administrative Code, "Drug-Free Safety Program Rule," and to rescind existing Rules 4123-17-58 and 4123-17-58.1. The motion consents to the Administrator adopting and rescinding the rules as presented and approved at the Medical Services and Safety Committee and at the Actuarial Committee. Mr. Bryan seconded.

Mr. Matesich commended Medical Services and Safety Committee, Mr. Al-Tarawneh, and Division of Safety and Hygiene on the construction of the program. Mr. Pitts added that while portions of change may not satisfy some directors, staff listened to director concerns and they are reflected in the final rule. Mr. Harris stated for the record that the change reduces employer discounts to 4%

for participation in the basic program, to 7% for the advanced program, and to 3% for group-rated employers participating in the advanced program. Ms. Falls added that the DFSP now permits an unlimited time of participation over the old rule. In her opinion, this unlimited time participation is a strong step towards safety.

The motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Harris further reported that Kim Robinson, Director of Policy, presented an amendment to the rule on Claims Processing Subsequent to Allowance, Ohio Administrative Code Rule 4123-3-15. Upon the recommendation of the Medical Services and Safety Committee, Mr. Harris moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-3-15 of the Administrative Code, " Claim Procedures Subsequent to Allowance," to change the time a claim is inactive from thirteen months to twenty-four months. The motion consents to the Administrator amending Rule 4123-3-15 as presented at the Medical Services and Safety Committee. Mr. Caldwell seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Harris reported that there was a discussion with Freddie Johnson, Director of Managed Care Services providing an overview of upcoming hospital, professional medical services and provider fee reimbursement presentations. The committee anticipates many reports from the Medical Services Division on medical management issues.

Mr. Harris indicated the report of the Medical Services and Safety Committee was concluded.

GOVERNANCE COMMITTEE

Ms. Falls reported that the Governance Committee did not meet this month. However, at the April meeting, there will be a discussion of Governance Guidelines and the launch of the annual review of the performance objectives of Marsha Ryan, BWC Administrator. The meeting is now scheduled for April 24, but Ms. Falls suggested that it be moved to April 30 or some other date to provide time for full discussion. She asked Mr. Berno to schedule a date with the Workers' Compensation Board. Director Pitts indicated he will not participate in the Administrator's evaluation to comply with an Ethics Commission opinion.

MONTHLY ENTERPRISE REPORT

Ms. Valentino provided the February Enterprise Report. Premium and assessment income was $175 million, net of $4 million in the provision for uncollectible accounts receivable, yielded operating revenues of $171 million. This amount reflects decreases in premium rates for private employers of 12%, for public employer taxing districts (PEC) of 17%, and state agencies of 3.75%, leading to decreased revenues compared to February 2009. The PEC premiums are collected in May and September for the previous year. State agencies make monthly transfers. Benefit and compensation adjustment expense of $177 million, along with other expenses of $8 million resulted in operating expenses of $185 million. February expenses include $6 million in quarterly performance payments to Managed Care Organizations.

During February, the market value of the portfolio increased by $74 million. Along with interest and dividend income of $46 million, resulting in net investment income of $119 million after investment expenses of $700,000. The increase in the portfolio value is comprised of $44 million in net realized gains and $30 million in net realized gains. Cash and cash equivalents include $763 million in money market holdings in outside investment manager accounts which are committed to covering an investment trade payable to settle in March. Premium and assessment receipts of $460 million were collected in February. Receipts in February are $174 million lower than collections in the same period last year and reflect reduced premium rates, reduced employer payroll, and timing differences in the payment of premiums.

Mr. Matesich asked what the impact of each factor is. Ms. Valentino responded that the December receivable adjustment showed a decline of 8% for private employers, so the remaining factors would be computed from that.

Ms. Valentino further reported that premium assessment income for fiscal year-to-date 2010 is $1.4 billion compared to $1.5 billion for the same period last year. Decreases for employer premiums are off-set by increased unbilled receivables for the Disabled Workers' Relief Fund (DWRF) and the Self-Insuring Employers' Guaranty Fund (SIEGF). Actual income is 8.2% less than projected due to the adjustment recorded in December because the net assets were $4 billion for last several months.

Mr. Smith asked about the impact of discount rate change on incurred but not reported claims (IBNR). Ms. Valentino replied there would be no change in net assets. She did not know the impact on the IBNR, but the discount rate change would have a $600 million impact on reserves. Ms. Falls added there would be a reduction of $410 million after a change.

Mr. Haffey asked if the reserve for uncollectibles reflected adjustments. Ms. Valentino responded that there are timing issues and would get more information.

Ms. Valentino further reported that benefit compensation adjustment expenses increased by $51 million for fiscal year-to-date 2010. Reserves for compensation and compensation adjustment expense for DWRF and SIEGF have increased by $47 million in 2010. The increase has been partially off-set by lower payments for benefits and compensation adjustment expense. While settlements and medical payments have decrease by over $73 million, there have been increases in TT and PTD of approximately $10 million.

BWC net investment income for fiscal year to date 2010 totaled $1.7 billion comprised of $566 million in net realized losses and $1.764 billion in net unrealized gains, along with $474 million of interest and dividend income and $4 million in investment expenses. Last year's net investment loss was $1.5 billion, consisting mostly of net unrealized losses.

Approximately 212,000, or 84%, of private employers timely filed their payroll report for the July through December 2009 policy period compared to 83% for the same period last year. Premiums paid for this collection period were $701 million compared to $798 last year, a 12% decrease. Approximately 20,200 employers participated in the 50/50 payment program will be paying $146 million premiums by June 1, 2010. This is down from almost 20,700 employers participating last year that owed $176 million for the second payment. Estimated premiums totaling $27.4 were billed on March 13 to 26,100 private employers that failed to report payroll for the July through December 209 policy period. For the same time last year, estimated premiums of $48 million were billed to 29,400 employers. While new claim filings trend downward, the average cost per claim has increased. BWC is continuing to analyze the factors causing the increases in severity.

With respect to the Administrative Cost Fund (ACF), expenses are 11% less than budgeted and 12% less than appropriated by the General Assembly. BWC employees have taken 81% of available Cost Savings Days (CSDs), with a savings of $4.7 million. The timing of receipt of invoices for payment caused actual expenditures to be less. Ms. Falls commented that while CSDs may lead to lower costs, the CSDs also are pay cuts for BWC employees. She acknowledges and appreciates the hard work and sacrifices of the BWC staff.

Ms. Valentino further reported that a new chart on page 10 shows operating transfers to three other state agencies. Correcting the February report on the Deputy Inspector General, this payment is not in the budget for this fiscal year because of having its own budget. Ms. Ryan added that transfers to the Workers' Compensation Council are less than its budget, which is separate. Ms. Valentino added that the Workers' Compensation Council has a statutory budget and separate assessment.

Mr. Matesich asked is the transfer a required mandate or permissive. Ms. Valentino replied that because of a separate assessment requirement, the transfer is limited to the collected amount.

Mr. Haffey asked if the ODNR item is in the Administrative Cost Fund.. Ms. Valentino replied is from the Coal Workers' Fund.

Mr. Pitts asked if the Workers' Compensation Council transfer reflect assessments from all employers. Ms. Valentino replied yes, similar to BWC and Industrial Commission assessments.

Ms. Valentino reported that in the statement of cash flows, actual cash and cash equivalents were $1.258 billion fiscal year-to-date. This included anticipated pending investment trades and payroll collectables. Page 14 has new charts on the funding ratio and the net loss ratio, using data from fiscal year 2006 to present. The revision to the ratios when adopted in April will be reported in May.

Mr. Smith asked if page 12 could have footnote showing gross liabilities both discounted and undiscounted to fully inform employers of BWC liabilities. Ms. Valentino agreed to the request.

ADMINISTRATOR BRIEFING

Administrator Ryan invited Gregg Paul, Legislative Liaison, to report on significant pending legislation. Substitute HB216 is sponsored by Representative John Patrick Carney to amend Ohio Revised Code chapter 4125 on Professional Employer Organizations (PEO). The original chapter was enacted in 2004; there are currently registered twenty-seven PEOs. PEOs must provide surety bonds or letters of credit, or pre-pay their workers' compensation premiums. HB216 would strengthen financial capacity by requiring that financial statements prepared in accordance with generally accepted accounting principles (GAAP) submitted and requiring additional security if there is a deficit in working capital. HB216 passed the House on March 3 and was referred to the Senate Committee on Insurance, Commerce, and Labor on March 4.

SB238 would prohibit illegal aliens from receiving workers' compensation benefits. An illegal alien is defined as one not authorized to work by the United States Department of Homeland Security. SB238 would lead to dramatic changes to claims processing. Twenty-eight days after notification of a claim, the injured worker must submit proof he may work legally in the United States. BWC may make provisional payments during this period. Such proof shall consist of a passport, Social Security card, or birth certificate.

Mr. Matesich commented that employees are required to file a Form I9 from the Department of Immigration and Naturalization and he asked why the State of Ohio would basically duplicate this requirement. Mr. Paul replied that the reason given is that employers are often deceived by illegal aliens. Mr. Matesich added that the worker can then deceive BWC.

Mr. Harris asked what the burdens on employers for hiring illegal aliens are. Mr. Paul replied that they are the same burdens as placed by federal legislation. Mr. Harris asked if the employer must have actual knowledge, or is it assumed he knows. Mr. Paul stated the employer may lose immunity if he has actual or constructive knowledge.

Mr. Pitts asked if SB238 requires every injured worker to provide documentation of eligibility and Mr. Paul confirmed that was the case. Mr. Paul finally reported that after introduction, the Senate Committee received sponsor testimony on March 16 and March 23.

Mr. Paul also reported that HB246 by Representatives Kenny Yuko and Dan Stewart would provide for rebuttable presumption of certain cancers of firefighters. HB246 opposed by the Ohio Municipal League and the Ohio Township Association because a rebuttable presumption is unfair and adds burdens on local government.

Mr. Price left the meeting at 9:40 a.m.

Mr. Paul reported that SB94 is the Senate version of HB246. This bill has received testimony, but no further hearing.

The General Assembly has recessed until April. The Senate will return after the May 4 primary.

Mr. Pitts stated that SB238 will be appallingly bad for workers in the State of Ohio and others gainfully employed.

Ms. Ryan added that on the rebuttable presumption provision, Mr. Pedrick has had discussions on the financial impact. There is little history countrywide to draw on. Media reports on SB238 describe testimony with comments that many workers' compensation dollars are sent out of the United States. Tina Kielmeyer, Chief of Customer Services, researched the issue and found there were 79 total overseas addresses for all of 2009. All addresses had Social Security account numbers and many recipients are retired.

Mr. Harris commented that SB238 should be an agenda item of the Workers' Compensation Council.

Ms. Ryan reported that with respect to PEO legislation, Mr. Prunte has assured her that all PEOs meet current requirements. There is a 94% payment compliance, with eight having left the industry.

Ms. Ryan reported that she addressed the Sunset Review Committee on March 11 and spoke about the Workers' Compensation Board and Workers' Compensation Nominating Council. John Kulewicz, the public member, asked if the Workers' Compensation Board directors had difficulties in serving because of ethics restrictions and are there barriers to citizens serving on state boards. She solicited comments to send to the Sunset Committee.

The Workers' Compensation Council was the subject of the House Insurance Committee session on March 24. Ryan report that Mr. Lhota testified on the work of the Workers' Compensation Board and gave an excellent overview which distinguished it from the prior oversight body. There was favorable feedback from the Insurance Committee.

The Workers' Compensation Nominating Council will meet April 19 for submission of candidate names for the four Workers' Compensation Board directorships which expire June 12, 2010. The four positions are now occupied by Mr. Lhota, Ms. Falls, Mr. Bryan, and Mr. Harris. Each of the four has expressed a willingness to serve another term.

The Ohio Safety Congress will be held March 30 to April 1 at the Columbus Convention Center. Pre-registration is at 3,500 so far, which is slightly less than 2009. BWC is expecting robust attendance.

The Competitive Workers' Compensation Task Force chaired by Senator Tim Grendell will meet on April 15. The prior meeting was cancelled because of the death of the son of a senator. She and Mr. Lhota will testify, with Mr. Smith. Mr. Pitts, and Ray Mazzotta, Chief Operating Officer, will also be present.

On reinsurance, BWC is finalizing the contract. Towers Watson had conference calls with Mr. Lhota and Mr. Haffey. Towers will proceed and obtain the reinsurance. Responses have exceeded expectations. All reinsurers will have A.M. Best "A" ratings. The reinsurance will be effective April 1, 2010.

Mr. Bryan asked if BWC will be analyzing the recently signed health care reform legislation. Ms. Ryan replied that there are anecdotal reports only on changes to the Coal Workers Pneumoconiosis Fund. Mary Jo Hudson, Director of Department of Insurance, is the cabinet lead on the bill. The bulletin from the lobbying firm for the American Council of State Insurance Funds has not identified any issues yet.

Mr. Caldwell commented that the Ohio Ethics Commission is very helpful in educating members of their requirements and the regulations are not burdensome.

He also stated that the Ethics Commission has yielded five opinions on the Workers' Compensation Board, but the restrictions are not unduly restrictive.

EXECUTIVE SESSION

There was no executive session.

CHAIRMAN'S COMMENTS

Mr. Lhota announced that the Audit Committee would reconvene at 10:15 for an executive session.

ADJOURNMENT

Mr. Haffey moved to adjourn the meeting. Mr. Caldwell seconded and Mr. Lhota adjourned the meeting at 9:58 a.m. after the motion was approved by a roll call vote of ten ayes and no nays.

Prepared by: Larry Rhodebeck, Staff Counsel
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April 2, 2010