

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Conference Room 308
Phoenix, Arizona 85007
Wednesday, February 19, 2014 – 1:00 p.m.

Present:	David M. Parker	Chairman (video conference)
	Susan Strickler	Vice Chair
	Kathleen Oster	Member
	Michael G. Sanders	Member
	Joseph M. Hennelly, Jr.	Member
	Laura McGrory	Director
	Andrew Wade	Chief Counsel
	William Warren	Director, ADOSH
	Mandy Murphy	Compliance Officer
	Michael Hawthorne	Chief Financial Officer
	Renee Pastor	Manager, Self Insurance
	Teresa Hilton	Commission Secretary

Chairman Parker convened the Commission meeting at 1:00 p.m. noting a quorum present. Also in attendance were Scot Butler, Commission lobbyist; Matthew D. Saxe, PLC; Lauri Kennedy; Weston Montrose, Attorney; and Andrea Lewis of Snell and Wilmer.

Approval of Minutes of February 12, 2014

The Commission unanimously approved the Minutes of February 12, 2014 on motion of Ms. Strickler, second of Ms. Oster.

Consent Agenda:

All items following under this agenda item are consent matters and will be considered by a single motion with no discussion unless a Commissioner asks to remove an item on the consent agenda to be discussed and voted on separately. The Commission may move into Executive Session under A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection. 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.

a. Approval of Proposed Civil Penalties Against Uninsured Employers.

1. 2C12/13-1786 Arizona Cleanpros, Inc.
2. 2C13/14-0385 Holistic Healing and Wellness Center, P.C.
3. 2C12/13-1443 Pro Nobis Astra 1, LLC
4. 2C13/14-0150 Quy Nguyen IV, L.L.C. dba
De Bon Nails & Spa
5. 2C13/14-0108 Renaissance Assisted Living, LLC
6. 2C13/14-1112 Sports Gourmet, L.L.C. dba
M All American Grill

SERIOUS – Citation 2 - Item 1 – One employee was operating a scissor lift, model 2688 RT, serial number unknown, without being trained to recognize and avoid the hazards of operating a scissor lift. (1926.454(a)).

Div. Proposal - \$1,000.00

Formula Amt. - \$1,000.00

SERIOUS – Citation 2 - Item 2 – Roof: Four employees were working on a wood trusses without the use of a guardrail system, safety net system, or personal fall arrest system to prevent an approximate 18' fall hazard through trusses. (1926.501(b)(4)(i)).

Div. Proposal - \$1,000.00

Formula Amt. - \$1,000.00

TOTAL PENALTY - \$6,000.00

TOTAL FORMULA AMT. - \$6,000.00

Bill Warren summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Regarding the lack of training, Mr. Parker asked whether they were union employees and that if they were, ADOSH should pass on the information to the local union. The Commission unanimously approved issuing the citations and assessed the recommended penalty of \$6,000.00 on motion of Ms. Oster, second of Mr. Sanders.

Discussion & Action regarding Establishment of Discount Rate for Calculating Lump Sum Commutations under A.A.C. R20-5-121(B)

Michael Hawthorne stated that the Commission is required to establish the discount rate each year for use in calculating the present value of an award that is commuted to a lump sum under A.R.S. §23-1067. He explained the process under A.A.C. R20-5-121(B) and identified the applicable 3-month Treasury bill rates reported on December 31 of 2013 and for the prior four years. Based on the rates and the formula in A.A.C. R20-5-121(B), the Administrative Division is recommending that the discount rate be set at 0.064 for calculating fixed period and permanent lump sum settlements. The 0.064 discount rate, if adopted, will replace the current discount rate of 0.07 as of today and will be in effect until the Commission calculates a new rate. Following discussion, the Commission unanimously approved the discount rate of 0.64% on motion of Ms. Oster, second of Mr. Sanders.

Announcements and Scheduling of Future Meetings

Ms. McGrory advised that the ALJ recruitment first review of resumes would be on February 28, 2014 and the list will be provided to the Commissioners the following week. Mr. Parker stated an agenda item for March 6, 2014 would be an Executive Session to review and discuss candidates to determine who the Chief ALJ should interview. The Commission discussed tentative interview dates of April 3, 4, and 7, 2014.

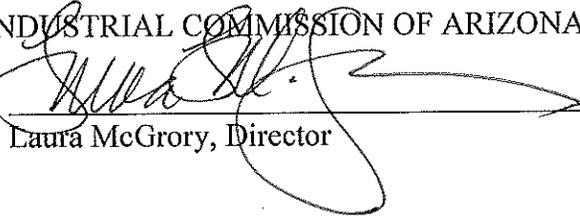
The Commissioners confirmed future meeting dates of February 27, March 6, 19 and 27, and April 3, 17 and 23, 2014. In addition to the April meeting dates, tentative dates for May are 7, 15 and 22, 2014 and the Commission discussed the possibility of holding the May 15, 2014 meeting in Tucson.

Ms. McGrory advised that she has provided the Commissioners with an updated report regarding expenditures made on the estates of bankrupt and insolvent self-insurers. Chairman Parker stated this could be a future agenda item for discussion.

There being no further business to come before the Commission and no further public comment, the meeting was adjourned at 2:03 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By



A handwritten signature in black ink, appearing to read 'Laura McGrory', is written over a horizontal line. The signature is stylized and somewhat cursive.

Laura McGrory, Director

ATTEST:

Teresa Hilton
Teresa Hilton, Commission Secretary