MINUTES OF MEETING OF THE INDUSTRIAL COMMISSION OF ARIZONA

Held at 800 West Washington Street Phoenix, Arizona 85007

Thursday, September 15, 2022 – 1:00 p.m.

Present: Dale L. Schultz Chairman

Joseph M. Hennelly, Jr. Vice Chair (Telephonic)

Scott P. LeMarr Commissioner
D. Alan Everett Commissioner

James Ashley Director

Gaetano Testini Chief Legal Counsel

Trevor Laky Legislative Affairs Chief/Public Information Officer

Renee Pastor
Lisa Padgett
Melissa Spurgeon
Jessie Atencio
Anna Maria Stonerock

Self Insurance
Labor Director
Abor Supervisor
ADOSH Director
ADOSH Admin

Yvonne Borunda Acting Commission Secretary

Kara Dimas Commission Secretary (Telephonic)

Chairman Schultz convened the meeting at 1:00 p.m. In attendance, confirmed by roll call were Jake Brown, Tony Morrow and Jake Morrow (Freedom Auto Group LLC DBA Meineke #4378); Kaila Hopkins (Snell & Wilmer); and Chris Kotterman (AZ School Boards Association). Also in attendance on the telephone, confirmed by roll call were Chi Nguyen and Jennifer Hurtado (Albertsons/Safeway).

Approval of Minutes of September 1, 2022 Regular Meeting Minutes.

Commissioner LeMarr moved to approve the Minutes of the September 1, 2022 regular session meeting and Commissioner Everett seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Everett voted in favor of the motion. The motion passed.

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 Requests for Renewal of Self-Insurance Authority.
 - 1. Albertsons Companies, Inc.
 - 2. QuikTrip Corporation

- 3. Salt River Project Agricultural Improvement and Power District and The Salt River Valley Water Users' Association (SRP)
- b. Approval of Proposed Youth Employment Penalty.
 - 1. YL-2122-0076 Theater X, LLC \$600
 - 2. YL-2122-0066 DS Enterprises, Inc. \$600
 - 3. YL-2122-0073 Rare Cone Creamery, L.L.C. \$1,000

Chairman Schultz commented on the exceptional and consistent experience modification factor for Salt River Project of .65.

Ms. Pastor noted the name correction on the posted Agenda for QuikTrip Corporation.

Commissioner Everett moved to approve the items on the Consent Agenda and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Everett voted in favor of the motion. The motion passed.

Discussion and Action of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties.

Chairman Schultz discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

Freedom Auto Group LLC DBA Meineke #4378

Complaint

6905 E Broadway Blvd

Years in Business:

Empl. Covered by Inspection:

50

Tucson, AZ 85710

6905 E Broadway Blvd

Tucson, AZ 85710

Inspection No:

Site Location:

CP-2022-A7576-0009

Inspection Date:

May 4, 2022

SERIOUS – Citation 1 - Item 1 –

- a) Last bay: Employees used a BendPak Four-Post automobile lift, model #HD-14T and serial numbers unknown, with a damaged safety lock.
- b) Second bay: Employees used a John Bean alignment lift, model and serial numbers unknown, with a pressure leak.
- c) All bays: Employees used various automotive lifts to service and repair vehicles without an inspection. A.R.S. 23-403A

Div. Proposal - \$1,000.00

Formula Amt. - \$1,000.00

SERIOUS – Citation 1 - Item 2 –

a) Shop: Mechanics do not have exclusive control over the vehicle keys or keyless ignition starting fob when servicing, repairing, or performing maintenance on a vehicle. 29 CFR 1910.147(c)(4)(ii)

Div. Proposal - \$975.00

Formula Amt. - \$800.00

SERIOUS - Citation 1 - Item 3 -

- a) Auto maintenance shop: A Central Machinery 8",3/4 Hp, 3,450 RPM Speed, 115V Bench Grinder, model and serial numbers unknown, was not anchored to a cabinet it was resting on.
- b) Auto maintenance shop: A Central Machinery 8",3/4 Hp, 3,450 RPM Speed, 115V Bench Grinder, model and serial numbers unknown, was not anchored to a cabinet it was resting on. 29 CFR 1910.212(b)

Div. Proposal - \$975.00

Formula Amt. - \$800.00

SERIOUS – Citation 1 - Item 4 –

a) North bay: A Central Machinery 8", 3/4 Hp, 3,450 RPM Speed, 115V bench grinder, model and serial numbers unknown, with the tongue guard moved to the side. 29 CFR 1910.215(b)(9)

Div. Proposal - \$975.00

Formula Amt. - \$800.00

TOTAL PENALTY - \$3,925.00

TOTAL FORMULA AMT. - \$3,400.00

Mr. Atencio discussed ADOSH's inspection, summarized the citation and proposed penalties, and reviewed the photographs.

Chairman Schultz checked if anyone would like to comment.

Mr. Brown commented on their abatement efforts after the inspection and submitted emails and photographs of the abatement. He noted that all abatement was completed within a week.

Mr. Atencio referenced the information in the file and commented he would communicate with the compliance officer.

Commissioner LeMarr moved to amend the citation and proposed penalties. Due to the prompt attention to safety and correcting the protocol he suggested at 25% Good Faith Discount for a total of \$2,943.75. Commissioner Everett seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Everett voted in favor of the motion. The motion passed.

Discussion and/or Action pursuant to A.R.S. §23-363(B) to Adopt the Minimum Wage for Calendar Year 2023.

Mr. Testini explained that pursuant to A.R.S. §23-364(A) the Commission enforces the Fair Wages and Healthy Families Act and pursuant to A.R.S. §23-363(B), beginning January 2021 the minimum wage increases based on the increase in the cost of living which is measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index (all urban consumers, U.S. city average for all items) with the increase rounded to the nearest multiple of five cents. Mr. Testini explained that the Consumer Price Index as of August 2022 showed an 8.3% cost of living increase, compared to August 2021. He explained that this results in an increase of \$1.06 per hour but the statute directs the wage increase be rounded to the nearest multiple of five cents which means the rate will increase by \$1.05 for 2023 - \$13.85 per hour. In accordance with the requirements of the statute, he stated that the Labor Department recommends the Commission approve the rate of \$13.85 per hour effective January 1, 2023 as the Arizona minimum wage.

Commissioner LeMarr moved to approve the Arizona minimum wage of \$13.85 for calendar year 2023. Commissioner Everett seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Everett voted in favor of the motion. The motion passed.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Borunda confirmed Commission meeting dates through November 2022.

Public Comment.

There was no public comment.

Commissioner Everett moved to adjourn and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Everett voted in favor of the motion and the meeting was adjourned at 1:30 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By

James Ashley, Director

ATTEST:

Kara Dimas, Commission Secretary