

MINUTES OF MEETING  
OF THE INDUSTRIAL COMMISSION OF ARIZONA  
Held at 800 West Washington Street  
Conference Room 308  
Phoenix, Arizona 85007  
Thursday, March 1, 2018 – 1:00 p.m.

Present: Dale L. Schultz Chairman  
Joseph M. Hennelly, Jr. Vice Chair  
Robin S. Orchard Commissioner

James Ashley Director  
Afshan Peimani Acting Chief Legal Counsel  
Trevor Laky Legislative Affairs Chief / Public Information Officer  
Renee Pastor Self Insurance  
Gregg Morgan Assistant Claims Manager  
Kara Dimas Commission Secretary

Chairman Schultz convened the meeting at 1:00 p.m. Also in attendance was Chad Snow with Arizona Association of Lawyers for Injured Workers (“AALIW”).

Approval of Minutes of February 15, 2018 Regular Meeting Minutes.

Commissioner Orchard moved to approve the Minutes of the February 15, 2018 regular session meeting and Vice Chair Hennelly seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Orchard 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.

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- a. Approval of Proposed Civil Penalties Against Uninsured Employers.
  1. 2CRP17/18-0005 – Safe Havens Roofing Co., LLC dba Ponderosa Roofing
- b. Approval of Requests for Renewal of Self-Insurance Authority.
  1. City of Phoenix
  2. Costco Wholesale Corporation
  3. Maricopa County
  4. The Salvation Army USA, Western Territory

Commissioner Orchard requested that item (b)(3) (Maricopa County) be removed from the consent agenda. Chairman Schultz requested that item (b)(1) (City of Phoenix) be removed from the consent agenda.

Chairman Schultz noted the significant improvement in Costco Wholesale Corporation's experience modification rating.

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

Approval of Requests for Renewal of Self-Insurance Authority for City of Phoenix and Maricopa County.

Commissioner Orchard recused herself from Maricopa County's request for renewal of self-insurance authority. Chairman Schultz recused himself from the City of Phoenix's request for renewal of self-insurance authority.

There was no quorum to take action on the requests for renewal of self-insurance authority for the City of Phoenix and Maricopa County. The agenda items were tabled to the next meeting.

Discussion and Action of Request for Lump Sum Commutation. The Commission may move into Executive Session under A.R.S. §§ 38-431.03(A)(2) and (A)(3) to discuss or consider records exempt by law from public inspection or to consult with its attorneys for legal advice.

Robert Ervington – Mr. Morgan discussed the lump sum commutation petition and staff's recommendation for approval.

Chairman Schultz and Ms. Peimani discussed the Chairman's relationship with the employer and whether recusal was appropriate. Chairman Schultz recused himself from the agenda item regarding Mr. Ervington. There was no quorum to vote on the agenda item. The agenda item was tabled to the next meeting.

Discussion and/or action regarding Industrial Commission goals, objectives and key initiatives for 2018. This Agenda Item may include discussion regarding the Commission budget and review of Division, Department, and Section specific objectives.

Mr. Ashley discussed his presentation at a Governor's Office cabinet meeting regarding the Arizona Management System and employee engagement. He reviewed statistics from the agency's most-recent employee engagement survey and the impressive employee engagement trends throughout state government.

Mr. Ashley noted a recent press release regarding government efficiency and fee savings related to the Department of Environmental Quality and the Industrial Commission. He discussed the agency's focus on online services and the positive impact of the Interested Parties Portal.

Mr. Ashley provided an update on House Bill 2047 and next steps in the Senate.

Mr. Ashley discussed the agency Scorecard metric related to the number of injured workers. He noted that the agency had exceeded its goal in 2017 of reducing injuries by 2.5% and is currently on track to reduce injuries by an additional 2.5% in 2018. Chairman Schultz commended staff and discussed the positive impacts of a reduction in workplace injuries. Mr. Ashley discussed Arizona's injury rates compared to other states, including non-state-plan states, noting that Arizona is among the leaders in workplace safety.

Mr. Ashley provided an update regarding usage of the ALJ Portal, electronic forms, the Interested Parties Portal, and the MRO Portal. Chairman Schultz discussed the amazing numbers and challenges in reducing workplace injuries. Mr. Ashley noted the impressive population growth rate in Arizona and Maricopa County.

Renee Pastor discussed the number of public entities that have qualified for an exemption under A.A.C. R20-5-1114 and efforts to help public entities qualify for the exemption. Chairman Schultz discussed the requirements for qualifying for the exemption. Ms. Pastor discussed the benefits of the exemption and the process for evaluating whether an entity qualifies for the exemption. Chairman Schultz thanked Ms. Pastor for her efforts. Ms. Pastor discussed her efforts in drafting new rules regarding self-insurance pools.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Dimas confirmed Commission meeting dates through April 2018.

Mr. Ashley discussed the tentative schedule for the March 2018 meeting in Lake Havasu City.

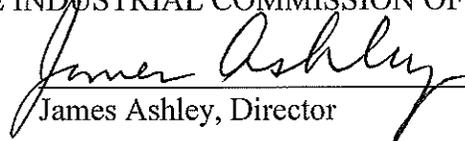
Public Comment.

There was no public comment.

Commissioner Orchard moved to adjourn and Vice Chair Hennelly seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Orchard voted in favor of the motion and the meeting was adjourned at 1:31 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By

  
James Ashley, Director

ATTEST:

  
Kara Dimas, Commission Secretary