

MINUTES OF MEETING  
OF THE INDUSTRIAL COMMISSION OF ARIZONA  
Held at 800 West Washington Street  
Conference Room 308  
Phoenix, Arizona 85007  
Thursday, September 13, 2018 – 1:00 p.m.

Present:	Dale L. Schultz	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	Scott P. LeMarr	Commissioner
	Steven J. Krenznel	Commissioner (Telephonic)
	James Ashley	Director
	Gaetano Testini	Chief Legal Counsel
	Renee Pastor	Self Insurance
	Jessie Atencio	ADOSH Director
	Wendy McMillan	Compliance Officer
	Yvonne Borunda	Acting Commission Secretary

Chairman Schultz convened the meeting at 1:00 p.m. Also present were Darren VandeVoorde, and Ralph Woodward (Bashas' Inc.); David Parker (Central Arizona Water Conservation District); Dave Howard and Brenda Pinegar (PRM); Fernando Parra, Mayra Zuniga, Adelmo Sandoval and Matthew Wright, Esq. (Nogales USD), and Michael Fassett (Snell & Wilmer).

Approval of Minutes of August 23, 2018 Regular Meeting.

Vice Chair Hennelly moved to approve the minutes of the August 23, 2018 regular session meeting and Commissioner LeMarr seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr, and Commissioner Krenznel 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. 2C-17/18-0885 MD Triage, LLC
  - 2. 2C-17/18-0919 - Threadsley, Inc., dba Proven Collection, LLC
  - 3. 2C-17/18-0936 - TNS Enterprises, LLC, dba Campbell's Car Wash
  - 4. 2C-18/19-0080 - Llantera Hernandez, LLC
  - 5. 2C-18/19-0137 - IFIXITUSA, LLC, dba Computers & Questions
  - 6. 2CRP17/18-0186 - Valencia Quintana, LLC dba Piedralaja Builders
  
- b. Approval of Requests for Renewal of Self-Insurance Authority.
  - 1. Bashas' Inc.

2. Central Arizona Water Conservation District dba Central Arizona Project
3. Macy's, Inc.
4. Nordstrom, Inc.
5. Young Electric Sign Company

Chairman Schultz requested the removal of Item (b)(1) (Bashas' Inc.) and (b)(3) (Macy's, Inc.) from the Consent Agenda.

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

Approval of Requests for Renewal of Self-Insurance Authority.

Bashas' Inc. - Chairman Schultz noted that while Bashas' experience modification factor is higher than average, there has been a significant improvement of Bashas' experience modification factor.

Ralph Woodward addressed the Commission and highlighted the changes that Bashas' Inc. has made, their commitment to safety and that their injury claims are down by 30%.

Darren VandeVoorde addressed the Commission and detailed that training procedures and written policies have been implemented.

Commissioner LeMarr addressed Bashas' multiple citations issued questioning what they have done to improve in those areas.

Mr. VandeVoorde described how they are addressing those citations. Mr. Woodward described procedures and processes in place. They now have a robust investigation process all the way through to the safety committee.

Mr. Woodward discussed additional procedures that have been implemented and provided examples of proactive training.

Chairman Schultz addressed Jessie Atencio, ADOSH Director regarding Bashas' cooperation with the consultation division. Mr. Atencio responded that Bashas' has been cooperative and receptive to any areas of improvement and completed them in a timely manner. They are considering the VPP program for a few of the stores.

Ms. Pastor discussed the reserves and reduction in their deposits. She also noted that they do not have very large claims.

Commissioner LeMarr moved to approve the renewal of self-insurance authority for Bashas'. Vice Chair Hennelly seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr and Commissioner Krenznel voted in favor of the motion. The motion passed.

Macy's, Inc. - Chairman Schultz discussed his concerns with the current experience modification factor, which is above where it should be. Ms. Pastor discussed the increase and anticipates it is due to an increase in temporary employees. Chairman Schultz noted that Macy's has not been in this situation before and wondered whether there were changes in culture or acquisition. Ms. Pastor noted that payroll has decreased.





Director Ashley stated that the yearly National Council on Compensation Insurance (NCCI) report is now available, and Jacquie Kurth will compare statistics from the last year and present the findings at a future meeting. He also noted that Trevor Laky will provide updates on legislative proposals at a future meeting.

Director Ashley discussed the upcoming Commission meeting and facility visits in Safford, Arizona on September 26<sup>th</sup> and 27<sup>th</sup>.

Chairman Schultz and Director Ashley discussed stakeholder outreach and upcoming Gemba walks as well as the positive responses of leadership from agencies whom have visited the Industrial Commission.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Borunda confirmed Commission meeting dates through October 2018.

ADOSH new employees, Charlie Preciado, Roberto Velasco, Mara Martinez, and Roman Linder introduced themselves and provided their backgrounds. Chairman Schultz made welcoming comments to the new employees. Mr. Atencio provided updates of current employers with VPP status.

Public Comment.

Commissioner LeMarr moved to adjourn and Vice Chair Hennelly seconded the motion. Chairman Schultz, Vice Chair Hennelly, Commissioner LeMarr, and Commissioner Krenzel voted in favor of the motion and the meeting was adjourned at 2:26 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By James Ashley  
James Ashley, Director

ATTEST:

Yvonne Borunda  
Yvonne Borunda, Acting Commission Secretary