

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Conference Room 308
Phoenix, Arizona 85007
Thursday, January 28, 2016 – 1:00 p.m.

Present:	Dale L. Schultz	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	Scott P. LeMarr	Commissioner
	Robin S. Orchard	Commissioner
	James Ashley	Director
	Andrew Wade	Chief Legal Counsel
	Bob Charles	Legislative Affairs Chief / Public Information Officer
	Sylvia Simpson	Chief Financial Officer
	Renee Pastor	Accounting
	Michael Dodd	Controller
	Trang Huynh	Assistant Controller
	Sonja Lyons	Fiscal Services Manager
	William Warren	ADOSH Director
	Sean Campbell	Legal
	Billie Gingrass	Compliance Officer
	Wendi Frasier	Compliance Officer
	Kara Dimas	Commission Secretary

Chairman Schultz convened the Commission meeting at 1:00 p.m. noting a quorum present. Also in attendance was Jackson Moll with the Home Builders Association of Central Arizona and Jason Weber of Snell & Wilmer.

Presentation and Discussion regarding Industry Stakeholder.

Chairman Schultz introduced Jackson Moll, Vice President Municipal Affairs, Home Builders Association of Central Arizona (HBACA). Mr. Moll summarized his background and his role with HBACA. He commented on workplace safety issues. He noted that building permits have been increasing and described challenges with workforce development. Commissioner LeMarr referred to Federal OSHA and Mr. Moll noted that Arizona operates its own state plan and summarized some of their efforts with Federal OSHA.

Chairman Schultz asked about job creation related to permits issued and Mr. Moll estimated that each permit represented the creation of approximately 4 jobs, including both construction and jobs need to serve new residential communities. He commented on current demand for framers and the impacts that may result from insufficient availability of workers. Chairman Schultz commented on the impact to the economy that an increase in permits represents, the importance of new workers in the construction trades, and the need to focus on safety because of the negative economic impact from workplace injuries.

Mr. Moll reviewed the issues with residential fall protection and Senate Bill 1441 from a few years ago.

Commissioner LeMarr asked about fall injury data and Mr. Warren responded that the 2014 data is still being compiled and the 2013 data is the most recent data available. Chairman Schultz asked if the data includes the specific height of a fall and Mr. Warren explained that the data is collected from reports that do not include the height of a fall. Chairman Schultz commented on the Claims Information System update project and asked staff to explore whether the system can be designed to provide for the capture of that type of data.

Mr. Moll commented on upcoming federal OSHA rules pertaining to confined spaces in construction and the revised silica standards. He summarized some issues with both rulemakings and commented on the potential economic impact of the revised silica standards. Mr. Moll thanked the Commission for the invitation to speak.

Commissioner Orchard commented on the silica rule and Commissioner LeMarr commented on Federal OSHA's history with silica hazards and the use of respirators, noting that a white dust mask does not protect workers from silica dust exposure.

Chairman Schultz commented on ADOSH educational outreach regarding the hazards of silica. He thanked Mr. Moll for his presentation and commented on the benefits with stakeholder involvement and how it helps the Commissioners understand and respond to issues.

Approval of Minutes of January 14, 2016 Regular Meeting.

The Commission unanimously approved the Regular Minutes of the January 14, 2016 meeting on motion of Commissioner Orchard, second of Commissioner LeMarr.

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. 2C15/16-0769 Ability Care Executives, L.L.C.
 - 2. 2C15/16-0934 Affordable Movers of the Valley, L.L.C., DBA Movers of the Valley
 - 3. 2C14/15-2261 Iris House Assisted Living, L.L.C.
 - 4. 2C15/16-1126 J. Scott Industries, L.L.C.
 - 5. 2C15/16-0755 Norberto Escobar & Isabel Escobar, H/W, dba Escobar Lath & Plastering
 - 6. 2C14/15-0935 Rosati's On Gilbert, L.L.C., dba Rosati's Pizza
 - 7. 2C15/16-0649 Tramp's Auto Repair, Inc.

- b. Approval of Requests for Renewal of Self-Insurance Authority.
 - 1. City of Chandler

2. Dignity Health

Chairman Schultz asked if any agenda items needed to be removed from the Consent Agenda. Commissioner LeMarr asked Mr. Wade to explain the difference between the \$500.00 penalty and the \$1,000.00 penalty and Mr. Wade responded to the question. Commissioner LeMarr requested staff supplement the written materials with additional information where a \$500.00 civil penalty is recommended. There was nothing to be heard separately, the Commission unanimously approved the items on the Consent Agenda on motion of Commissioner LeMarr, second of Vice Chair Hennelly.

Discussion and/or Action regarding Legislation. This agenda item may include discussion and/or action regarding the Sunset Review of the Industrial Commission of Arizona, and related Boards, Committees or Councils.

Bob Charles commented on recent activity at the Legislature and meetings with Legislators, Legislative staff, and staff with the Office of the Arizona Governor.

Commissioner LeMarr asked about timeframes related to Legislative activity and Mr. Charles summarized the timeframes. Commissioner LeMarr asked about Senate confirmation, Mr. Charles commented on the process, and Mr. Ashley added that there could be a backlog from the last session. Chairman Schultz explained how the appointments are valid until the Senate takes action and Mr. Ashley added that all the paperwork is complete. Mr. Charles noted that the Senate has confirmed some appointments and commented on the pace.

Presentation from and/or discussion with the Industrial Commission's Public Information Officer. This agenda item may include discussion regarding the operations of the Industrial Commission.

Mr. Charles commented on media inquiries, updating the Commission's website, and technology upgrades. Chairman Schultz asked about outreach using Twitter and Mr. Charles commented on the use of Twitter and described some sample subjects of recent tweets.

Chairman Schultz thanked Mr. Charles and Mr. Ashley for inviting Mr. Moll, described benefits to the outreach program, and noted that he is looking forward to the continued outreach.

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

Israel M. Ramos, A Single Man dba Israel Roofing
1818 E Cherry Lynn Rd
Phoenix, AZ 85016

Site Location: 7831 E. Palm Ln
Mesa, AZ 85207
Inspection No: W0250-1095334
Inspection Date: 08/19/2015

Fatality/Accident
Years in Business: 3
Empl. Covered by inspection: 2

SERIOUS – Citation 1 - Item 1 – One employee was engaged in roofing activities on a low-slope roof with unprotected sides and edges approximately 8 feet 6 inches above a lower level and were

not protected from falling by a guardrail system, safety net system or personal fall arrest system. (29 CFR 1926.501(b)(10)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1 - Item 2 – Roof: One employee was working at a height of approximately 8 feet 6 inches and was not provided training to recognize the hazards of falling or the procedures to be followed in order to minimize these hazards. (29 CFR 1926.503(a)(1)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

TOTAL PENALTY - \$1,500.00

TOTAL FORMULA AMT. - \$1,500.00

Mr. Warren summarized ADOSH's investigation into a workplace fatality and explained his recommendation for citations unrelated to the fatality. Commissioner Orchard and Chairman Schultz asked for additional details and Mr. Warren responded to the questions.

Vice Chair Hennelly moved to approve the citations and penalty as recommended and Commissioner LeMarr seconded the motion. The Commission unanimously approved issuing the citation and assessed the penalty of \$1,500.00.

Perry K. Smith a Single Man dba
High Climbers Tree Removal Service
3038 W Paltaire Ave
Phoenix, AZ 85051

Fatality/Accident
Years in Business: 5
Empl. Covered by inspection: 3

Site Location: 8532 E Nido Ave
Mesa, AZ 85209
Inspection No: S8089-1090485
Inspection Date: 08/17/2015

Mr. Warren summarized ADOSH's investigation into a workplace fatality. He explained that ADOSH was not recommending any citations.

Vice Chair Hennelly asked about ADOSH's heat-related outreach and education program and Mr. Warren responded to the question. Chairman Schultz commented on the billboard campaign and noted how critical the heat awareness topic is here in Arizona and Mr. Warren briefly summarized the billboard campaign that begins later this year.

Presentation and Discussion regarding the operations of the Industrial Commission's Accounting Division.

Sylvia Simpson introduced herself, noted that she is the Commission's Chief Financial Officer, and provided a summary of her background. She introduced the Accounting Division management team: Michael Dodd, Controller; Trang Huynh, Assistant Controller; and Sonja Lyons, Special Fund Fiscal Services Manager.

Ms. Simpson summarized the Accounting Division's role in the Arizona workers' compensation system and described the many support functions for the Commission. Chairman Schultz and Ms. Simpson commented on the Arizona Financial Information System, (AFIS) how the Special Fund accounting components are integrated with AFIS, and development of the new Claims System. Ms. Lyons summarized the accounts payable section and processing invoices. Ms. Huynh summarized the accounts receivable section and the different revenue sources and accounts.

Mr. Dodd described the federal grants, and management programs. Chairman Schultz asked about cash flow projections and Ms. Simpson responded to the question. Ms. Simpson commented on the Self-Insurance program.

Commissioner LeMarr asked about reports from Northern Trust and Ms. Simpson responded to the question. Commissioner Orchard asked about the computer servers and Ms. Simpson commented on the AFIS server and the Commission's servers.

Chairman Schultz thanked them and he added that he appreciated all of the efforts of her Division.

Discussion of Future Out of Town Commission Meetings.

Mr. Ashley commented on the Commission's outreach efforts and commented on scheduling a Commission meeting to coincide with the OSHA Advisory Committee meeting scheduled for Wednesday, March 2, 2016 between 10:00 to 12:00 at the Yuma County Main Library. He noted that the Committee intends to discuss safety in the agriculture industry. Mr. Ashley suggested the Commission could hold a regular meeting at 1:30 p.m., following the Advisory Committee meeting. He explained his intent to invite stakeholders in Yuma County to attend the meetings. He commented on stakeholders' interest in offering the Commissioners tours of different industry specific businesses in Yuma. Mr. Schultz asked the Commissioners to check their availability and to let Mr. Ashley know.

Mr. Ashley stated that ADOSH has scheduled a Safety Summit to be held in Marana on April 13 and 14, 2016 and suggested the Commission could meet at the Tucson Industrial Commission Office on April 14 with a 1:00 p.m. start time. He added that he will supply the Commissioners with the Safety Summit agenda when it is available. Mr. Ashley commented on the potential to include stakeholders in Prescott or Flagstaff with a possible Commission meeting in July. He added that the Claims Seminar is scheduled for August to be held at the Hyatt Regency Phoenix in downtown Phoenix and suggested the Commission schedule a meeting to take place in conjunction with the Seminar. Chairman Schultz asked Mr. Warren to keep Mr. Ashley informed of any ADOSH activities planned for Prescott or Flagstaff.

Discussion of Future Conference and Conventions.

Chairman Schultz commented on the Workers' Compensation Research Institute conference scheduled for March 10 and 11, 2016 and described the process for Commissioners to obtain approval if they are interested in attending the conference. He also commented on the International Association of Industrial Accident Boards and Commission's conference scheduled for April 18 and 21, 2016. He explained that this conference is about policy and regulatory challenges in workers' compensation.

Chairman Schultz commented on Workers' Memorial Day scheduled for April 28, 2016 and explained that ADOSH is developing a program to honor workers who have died on the job. He noted that Vice Chair Hennelly was a speaker last year and the program will likely be held at Wesley Bolin Plaza.

Mr. Warren mentioned that ADOSH is hosting the national Occupational Safety and Health State Plan Association's winter meeting on February 9 and 10, 2016 at the Crown Plaza Hotel here in Phoenix.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Mr. Ashley commented on the Transformation Workshop with the Office of the Arizona Governor and Chairman Schultz invited the Commissioners to let Mr. Ashley know if they were interested in participating. Mr. Ashley also noted that the Arizona Self-Insurers Association (ASIA) will be holding a Legislative Breakfast Reception on February 3, 2016 from 8:00 a.m. to 10:00 a.m. between the House and Senate buildings at the Capitol.

Ms. Dimas announced that Pam Sanchez from the Claims Division is retiring with 31 years of state service and presented the Commissioners with a retirement resolution and described a correction for the retirement resolution for Charlotte Kimbrough.

Ms. Dimas confirmed the meeting dates through March and noted that the Commission's website would be updated with the meetings through March and would include the out of town meetings.

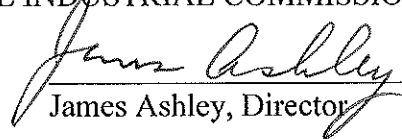
Public Comment.

There was no public comment.

Commissioner LeMarr moved to adjourn and Vice Chair Hennelly seconded the motion. The Commission unanimously voted to adjourn and the meeting was adjourned at 3:00 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By


James Ashley, Director

ATTEST:


Kara Dimas, Commission Secretary