

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATIONS**

CC: \_\_\_\_\_  
Amend No. \_\_\_\_\_

Date prepared: July 19, 2010

Council Meeting Date: August 17, 2010

---

**TO:** Carl Swenson, City Manager  
**THROUGH:** Susan K. Thorpe, Deputy City Manager *SKT*  
**FROM:** Wynette Reed, Human Resources Director *wlr*  
**SUBJECT:** Request for Exemption from Requirement to Post Security for Self-Insured Workers' Compensation Claims

**RECOMMENDATION:**

Discussion and possible action for the Mayor and City Council to authorize the City Manager to:

- Provide a certified statement from the City of Peoria, requesting exemption from the requirement to post security for pending self-insured workers' compensation claims.

**SUMMARY:**

The Industrial Commission of Arizona (ICA) requires that public entities are exempt from posting financial security for claims liability provided the governing body issues a statement to the Commission annually certifying the availability of adequate funds to pay for workers' compensation claims. By providing a certified statement, the City of Peoria will meet the requirements imposed by the Industrial Commission of Arizona (ICA) as it relates to establishing a self-insured workers' compensation plan.

**FISCAL NOTE:**

The funding for the self-insured workers' compensation program is included with the proposed budget for the fiscal year 2011.

**ATTACHMENT:** Request for Exemption Letter to ICA

**CONTACT:** Bobbie Kimelton, Human Resources Manager, 623.773.7624, or Nancy Fantasia, Benefits Administrator, 623.774.7554

---

**CITY CLERK USE ONLY:**

- Consent Agenda  
 Carry Over to Date: \_\_\_\_\_  
 Approved  
 Unfinished Business (Date heard previous: \_\_\_\_\_)  
 New Business  
 Public Hearing: No Action Taken

ORD. # \_\_\_\_\_ RES. # \_\_\_\_\_  
LCON# \_\_\_\_\_ LIC. # \_\_\_\_\_  
Action Date: \_\_\_\_\_

August 17, 2010

The Industrial Commission of Arizona  
Administration Division  
P.O. Box 19070  
Phoenix, AZ 85005-9070

**Re: Request for Exemption from Requirement to Post Security for the City of Peoria Self- Insured Workers' Compensation Claims**

Pursuant to the approved revised rules dated April 04, 2005, section R20-5-1114 (A & B), this letter constitutes a certified statement from the City of Peoria (City), a chartered Arizona municipality and duly qualified Arizona Workers' Compensation self-insurer, requesting of the Industrial Commission of Arizona (ICA) Exemption from the Requirements to Post Security for pending self-insured Workers' Compensation claims.

The City of Peoria, Arizona States:

- 1) The City has established a self-insurance trust pursuant to A.R.S. § 11-981 (A-F) and City Code Section A.A.C.R20-5-1114.
- 2) The risk management fund and/or workers' compensation trust is sufficient to cover actuarial liabilities for workers' compensation as determined by the self-insurer in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34); and
- 3) The City provides funding to the Employee Benefit Trust/Workers' Comp Trust each year sufficient to cover actuarial liabilities for workers' compensation as determined by the self-insurer in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34).
- 4) Pursuant to items 1 and 2, the City meets the conditions required under subsection (A) of ICA rule R20-5-1114.
- 5) The City's governing body, or designate, shall immediately notify the ICA and provide security as otherwise provided by this Article, if the governing body, or designate, learns that the risk management fund and/or workers' compensation trust has insufficient funds to cover all Workers' compensation liabilities of the City.
- 6) The signatures below represent a majority of the governing body (City Council) members.

\_\_\_\_\_  
Bob Barrett, Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ron Aames, Vice Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cathy Carlat, Council Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joan Evans, Council Member

\_\_\_\_\_  
Date

---

Vicki Hunt, Council Member

---

Date

---

Carlo Leone, Council Member

---

Date

---

Dave Pearson, Council Member

---

Date

---

Steve Kemp, City Attorney

---

Date

STATE OF ARIZONA        )  
  ss  
COUNTY OF MARICOPA    )

I, Mary Jo Waddell, City Clerk of the City of Peoria, County of Maricopa, State of Arizona, do hereby and attest that the attached is the original Request for Exemption from Requirement to Post Security for City of Peoria Self-Insured Workers' Compensation claims approved and signed by the Peoria Mayor and City Council on \_\_\_\_\_, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Peoria to be affixed hereunto this \_\_\_\_\_day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Mary Jo Waddell, City Clerk