

In The Matter Of:
Board of Manufactured Housing
Arizona Department of Fire, Building and Life Safety

Arizona Manufactured Housing Board Meeting
April 22, 2015

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BOARD OF MANUFACTURED HOUSING
ARIZONA DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

ARIZONA MANUFACTURED HOUSING BOARD MEETING
REPORTER'S TRANSCRIPT OF PROCEEDINGS

Phoenix, Arizona
April 22, 2015
1:00 p.m.

REPORTED BY:
KRISTEN L. WUNSCH, RPR
Certified Reporter
Certificate No. 50719

PREPARED FOR:
BOARD OF MANUFACTURED HOUSING

(ORIGINAL)

1 REPORTER'S TRANSCRIPT OF PROCEEDINGS was
2 taken on April 22, 2015, commencing at 1:00 p.m. at the
3 Department of Fire, Building and Life Safety, 1110 West
4 Washington Street, Room 3100B, Phoenix, Arizona, before
5 Kristen L. Wunsch, a Certified Reporter in the State of
6 Arizona.

7

8 BOARD MEMBERS PRESENT:

- 9 Mr. Samuel Baird, Chairman
- 10 Mr. Arthur Chick
- 11 Mr. Greg Johnloz
- 12 Mr. Michael Minnaugh
- Mr. Terry Gleeson
- Mr. Everette Hoyle

13 OFFICE MEMBERS PRESENT:

- 14 Ms. Debra Blake
- 15 Ms. Ayde Corella
- Ms. Mary Williams, Counsel

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1 P R O C E E D I N G S

2 MR. BAIRD: I'd like to call this board
3 meeting to order. The Wednesday, April 22nd, 1:00 p.m.
4 meeting of the Board of Manufactured Housing is officially
5 started.

6 Roll call, please, Ayde.

7 MS. CORELLA: Sam Baird?

8 MR. BAIRD: Here.

9 MS. CORELLA: Arthur Chick?

10 MR. CHICK: Here.

11 MS. CORELLA: Paul DeSanctis?

12 Terry Gleeson?

13 MR. GLEESON: Here.

14 MS. CORELLA: Joe Hart, he's not able to
15 attend today.

16 Everette Hoyle?

17 MR. HOYLE: Here.

18 MS. CORELLA: Gregory John --

19 MR. JOHNLOZ: Johnloz.

20 MS. CORELLA: Johnloz?

21 MR. JOHNLOZ: Yes, here.

22 MS. CORELLA: Michael Minnaugh?

23 MR. MINNAUGH: Here.

24 MS. CORELLA: Zeek Ojeh? Absent.

25 Debra Blake?

1 MS. BLAKE: Here.

2 MS. CORELLA: Mary Williams?

3 MS. WILLIAMS: Here.

4 MR. BAIRD: Thank you very much. Before we
5 go any further, the Board would like to recognize that
6 today is Administrative Professionals Day, a PC way of
7 saying Secretary's Day, and others. So we would like to
8 thank Ayde for doing so much for us during the board
9 meetings. Thank you for that.

10 MS. CORELLA: Thank you.

11 MR. BAIRD: Also the Board gave a couple
12 boxes of candy to the administrative professionals
13 downstairs as well in recognition for all the hard work
14 they do.

15 And one other thing, since we're doing
16 off-the -- off-the-cuff stuff, I have a beautiful picture
17 here of Ms. Ayde just being married.

18 (Applause.)

19 Pass that around, if you would.

20 You look beautiful, Ayde.

21 How that goes into the minutes, I have no
22 idea. This is Kristen, and I've asked her to stop us
23 whenever she gets behind, or she needs something, or she
24 can't understand what we're all saying.

25 All right. Next item is the review of the

1 minutes from last meeting. We've all had them emailed to
2 us, and we've all had an opportunity to look at them. Is
3 there any conversation that anyone would like to have on
4 any of the items? If not, the Board would entertain a
5 motion to accept them.

6 MR. CHICK: So moved.

7 MR. BAIRD: Second?

8 MR. GLEESON: Second.

9 MR. BAIRD: All in favor?

10 Aye. Good. The motion passed.

11 MS. BLAKE: Mr. Chairman, would you open up
12 agenda item number two again, the roll call, and would you
13 like for our new-appointed board member to give a little
14 bio about himself, since we didn't agendize it separately?

15 MR. BAIRD: Okay. I was going to do it at
16 3.5, but if you want to do it at 2.5, that's fine.

17 We have a new board member that's actually
18 been approved. He's one of our two official board members
19 that we have. The rest of us are unofficial, and we like
20 it that way.

21 Mr. Johnloz has been in the industry a very
22 long time, and I've asked him to say a few words about
23 himself.

24 MR. JOHNLOZ: Okay. My name is Greg
25 Johnloz. I moved to Arizona in 1975. I've been married

1 for 41 years; I hope you make it as long.

2 MS. CORELLA: I hope so.

3 MR. JOHNLOZ: I think the secret is that I
4 traveled a lot during our marriage. When I was -- when my
5 kids were small, if I was home for more than two or
6 three weeks, they would ask, dad, aren't you going
7 somewhere soon? And I -- I don't know what happened when
8 I was gone, but apparently it was better than what
9 happened when I was there.

10 I have an MBA from the University of
11 Michigan. I'm a certified property manager. I have a
12 real estate broker's license in Arizona. I also hold a D8
13 dealer's license in Arizona. I've been on the
14 Manufactured Housing Association Park Owners Board for,
15 God, too many years. I think you have to die to get off
16 of that board. And I know it's been since at least 1978
17 and maybe a little before then. Nevada, I am also on the
18 Park Owners Association Board up there and have been since
19 1982. I was actually a member of the committee that wrote
20 the existing landlord/tenant law in Arizona. And I think
21 I'm maybe the only one that's left.

22 I managed apartments from the time I got out
23 of school until 1976 in Michigan and Tucson. And then I
24 was offered a job in the manufactured housing business
25 with a company called MHC, which eventually ended up being

1 Equity Lifestyles. And I was their regional vice
2 president for not quite 20 years, 19 years, give or take a
3 few months.

4 And then we parted company, and I started my
5 own little property management company and worked at that
6 managing nothing but mobile home parks since -- from 1995
7 to the end of last year when I decided I'd retire. I'd
8 had enough after 38 years or 39 years.

9 And I pretty much managed the manufactured
10 home communities in a number of states. I went back and
11 counted the other day, and I can come up with 19. It
12 might be more than that, but that's all I could remember.
13 And so I've been around this business for a long time.

14 I do have some ownership interest in -- in
15 some mobile home parks here in Arizona. Four in kind of
16 separate ownership deals, one in -- in more of a
17 conglomerate situation, and then I own some stock. But
18 that's kind of what my ownership is in those -- in those
19 entities.

20 And I think the reason I wanted to be on the
21 board, or one of the reasons I wanted to be on the board,
22 when Neil said he was leaving, I thought, well, maybe this
23 made some sense for me. One, to get back to a -- an
24 industry that's been really good to me over the last some
25 number of years. I pretty much guarantee you that when I

1 got out of Michigan with an MBA, managing trailer parks
2 was not on the list of things I thought I would do for the
3 next 40 years. But it's been a great -- it's been a great
4 business, and I've enjoyed every minute of it.

5 But, you know, I think we, as an industry --
6 and I'm not pointing fingers at anybody because I'm as
7 much to blame as anybody else -- but we've done a really
8 crappy job of selling a really good product for a long
9 time. And we should -- we need to find a better way to
10 get people into our product because it's a great way of
11 life. And there just are too many people out there that
12 don't even know what we offer. We all think about it
13 because we've been in the business for a long time. But
14 there are a whole lot of people that have never set -- set
15 foot inside of a manufactured home. And the ones today
16 are just, you know, they're spectacular, the stuff that's
17 being built today.

18 And I think we also have to understand that
19 the residents are our customers. We can't treat them
20 poorly. I mean, why would we -- why would they want to do
21 business with us if we treat them poorly? They're good
22 people, we've dealt with them -- in some respects, we
23 haven't dealt very fairly with them. I think the -- the
24 law in Arizona is about as good a law as I've seen across
25 the country in the different states that I've operated in,

1 as far as being fair to both sides. But we still --
2 there's still a lot of operators that don't treat the --
3 the residents as customers. And we have to recognize that
4 they're customers and not just somebody that pays rent
5 every month. So -- and I think, you know, because I've
6 been around for a long time, maybe I can bring a little
7 bit of historical perspective to the board. That's it.

8 MR. BAIRD: Thank you. You're clearly
9 overqualified, and you can't come anymore.

10 (Laughter.)

11 Seriously, that's wonderful. We always like
12 to raise the bar, and I think we just raised the bar, so
13 good for you. Thank you for serving.

14 All right. The next item is departmental
15 information. Debra, would you please enlighten us?

16 MS. BLAKE: I will. And it's lengthy this
17 time, so.

18 Staff changes is what I'd like to talk with
19 you about first. As many of you know, Gene Palma, who was
20 our director for the department for about five years,
21 resigned in mid March to pursue a different opportunity.
22 He's working with the County instead of the State now.
23 And as a result of that, Governor Ducey's office asked me
24 to serve as interim director until they make a permanent
25 decision. And I have no time frame for that. So I'm not

1 sure, as you know, with board appointments, now that the
2 legislative session has ended, things are starting to move
3 a little bit more. Not as quickly as we all like, but, so
4 I would be happy to continue to serve there until I hear
5 differently.

6 So, the state fire marshal position is still
7 vacant. As you know, Bob Barger retired the end of
8 January. It's my understanding that the governor's office
9 is taking the lead on selecting his replacement.

10 And then Holly Mesnard, who several of you
11 have met, who served as our legislative liaison and HR
12 support person, she left the Department to pursue her
13 nursing career. She had gone to school while she was
14 working here and earned her R.N. nursing license.

15 I've asked Sarah to join us today. Sarah
16 just started with us on Monday. She'll be working with
17 Mary Ann's team, and she is filling in for the work that
18 holly had vacated. So we're happy to have her here.

19 SARAH: Thank you.

20 MS. BLAKE: Other changes, the Governor has
21 some directives that he's working on that the Department's
22 been involved in. One of those is lien transformation,
23 which is just another way of saying quality improvement.
24 And so his directive to all of the agencies was to provide
25 a list of any process you have where a customer needs to

1 fill out an application. Could be for licensure, could be
2 for a permit, could be for plan review, and make a laundry
3 list of those, give the volumes for each of those -- and
4 of course we used our fiscal '14 information. And then
5 what our challenges are internally with serving the
6 customer, any feedback we've had with customer frustration
7 with the process or suggestions for improvement.

8 And so we did that, both we and the state
9 fire marshals division here. And then the governor's
10 office chose a process for several state agencies. The
11 one they chose for us, for phase one of this lien
12 transformation, was general construction for the fire
13 marshal side. And it was an interesting process. I led
14 the team. We also had IT on the team. Jim Flag, who
15 provides our IT services, Fred Durham, who's assistant
16 fire marshal, Jeff Ashley, who actually does the plan
17 review. And then, for an unbiased look, Dave Meunier and
18 I participated from the OMH side. Both from an unbiased
19 look, but we're going to be implementing it on the OMH
20 plan review side in the near future as well.

21 So the interesting results of the project
22 was that it was substantial improvement. 62 percent
23 turnaround time, both in backlog and in how quickly they
24 can turn around an approved plan review from the time it's
25 submitted and out the door. They have a 60-day statutory

1 time frame. They were operating at about 50 days, and it
2 is now down to anywhere between 7 to 11 days. So very
3 significant. So we were very happy with that. Part of
4 that included a web portal interface developed by IT so
5 that all plan applications could be submitted
6 electronically, as well as the plan itself. If, of
7 course, it's in a CAD format or a PDF format.

8 And so this is going to be great news for us
9 because the future phase will be OMH plan review, we'll be
10 doing that as well. We are currently targeting that to
11 happen around June. So just a couple months off. The
12 infrastructure is there for the fire side. It would be
13 very easy to modify that and incorporate that for the
14 manufactured housing plan review.

15 Patty is going to participate in the quality
16 training. Patty, of course, who is our plan reviewer, is
17 going to participate in the lien transformation training
18 starting next week. She's participating with forestry.
19 We don't have another project for the Department that
20 we're going to be in phase two in. So we're excited about
21 that.

22 Probably the next project that we are going
23 to work on for the submission of the application and
24 payment will be manufactured housing permits. So there'll
25 still be a lot of work on the back end with reviewing it,

1 reviewing licensees, making sure the people listed on the
2 application have the right scope of license to perform the
3 work. But the customer experience will be greatly
4 improved. They don't have to come to the office. They
5 can submit the application online. They can upload any
6 required documentation like planning and zoning documents,
7 flood control documents, and pay for it up front and get a
8 receipt. So a lot of automation there. That also is part
9 of another governor's directive is that all agencies need
10 to move towards electronic reporting and payment. So we
11 will be well ahead of that game to meet that directive.

12 The other thing under the Governor's
13 directives is an evaluation of all current rules with
14 recommendations to either clarify, amend, or repeal them.
15 So we -- staff has our current rules in their hands. I've
16 provided them to one stakeholder, the Manufactured Housing
17 Institute of Arizona's. So they have them. We'll look
18 for their review and feedback as well, and we plan to get
19 them out to our other stakeholders, which is MHCA and
20 AAMHO, just to see if they have any perspective and
21 feedback for us that we can incorporate into that.

22 So tight timelines on that. The rule
23 review's coming up in September. I want to have all of
24 that well in advance so we can bring it to the board
25 because, as you know, one of the board's major

1 responsibilities is to adopt rules. So we'll want to run
2 off all of that by you before we submit it to the
3 governor's office.

4 Moving on to a different topic, HUD, SAAs
5 and PAs, which the department is -- functions as both the
6 SAA and the IPIA, met in Washington, DC, the week of
7 April 6th. Dave Meunier and I attended. It was the first
8 in-person meeting they've had since 2010. So it's been a
9 long while to get everybody together. It was an
10 interesting focus. Basically it was the roles and
11 responsibilities of SAAs.

12 What I thought was really interesting and
13 good was that they broke the SAAs up into teams of four,
14 probably about eight people on each team, and they gave
15 you actual case study. So just knowing the federal regs
16 is different than being able to appropriately apply them.
17 And so I thought that was a really good exercise to go
18 through.

19 I don't know when the next meeting will be.
20 They're going to try to do two a year. Of course it's
21 very expensive to bring all of us to DC, feed us, put us
22 in hotels, and HUD foots the bill for all of that. So
23 good news is states don't have to bear the burden, but
24 funding is limited on the federal side as well.

25 The next meeting of the Manufactured Housing

1 Consensus Committee has already been scheduled. It, of
2 course, will be in Washington, DC, again, as always. It
3 is the week of August 17th. Manny Santana, who's the
4 director of engineering for Cavco, of course based here in
5 Arizona, and I are both appointed as members of that
6 committee. For those of you who don't know, it's a
7 federal advisory committee to HUD. And so Manny currently
8 also is responsible for chairing the Systems Committee.
9 And I currently chair the Regulatory Committee.

10 Some of the current topics that the
11 committee is looking at are arc fault breakers in the
12 construction of manufactured homes, ventilation systems
13 and air quality, and my favorite, add-ons, or garages,
14 that are being attached to manufactured homes. So I'll be
15 attending that, then, in August.

16 IGA audits. As you know, for a while we had
17 nobody dedicated to that. We have now Mike Mueller taking
18 responsibility for that. He's done a great job. One of
19 the goals I gave him for this year, calendar year, is to
20 really get moving on audits. We have a lot of IGA
21 partners that we have not gone out and set and looked at
22 their records, which they're contractually required to
23 keep for five years. And some of those partners, we
24 haven't been out there for five years.

25 So he's audited six so far in January and

1 February total. So that's a good start on it. And then
2 the only update beyond that with IGAs is our friends up in
3 Tusayan, which is that little town right before you go
4 into the Grand Canyon, they've had a lot of activity up
5 there with manufactured homes specifically. And they're
6 continuing to do that.

7 It is a burden on the Department to make
8 that travel as timely as they need it. So we've been
9 encouraging them to go into partnership with us.
10 Unfortunately, the person that they selected as their
11 inspector had no background in inspecting, no background
12 in construction, so his learning curve has been very long.
13 We've been up there and had him shadow along with our
14 inspectors, we've had him down here for a week or so at a
15 time. And it's probably taken him at least six months to
16 the point that he's been able to demonstrate enough
17 knowledge and proficiency that we were comfortable with
18 going ahead and entering into the contract with them. We
19 haven't received it back, but it's in their hands.

20 The 2015 insulation training schedule is
21 posted. It is available on our website.

22 Did we bring copies?

23 MS. CORELLA: Yeah.

24 MS. BLAKE: We brought some copies today.

25 Feel free to take one if you are interested and would like

1 to see that. It did not get into your packet, which is my
2 fault, so I apologize. But it's available today if you
3 want to pick one up.

4 As we've done in the last several years,
5 we're doing the road show all over the state. Most of the
6 sessions will, of course, be in metropolitan Phoenix or
7 Tucson. We've had a couple of people willing to step up
8 and present at our training this year. They are the
9 vendors for the anchoring systems. We've had them on
10 occasion before with a very specific guidance, you can't
11 sell your product, but you can demonstrate the proper use.
12 We have written many violations on improper application of
13 anchoring tie-down systems. So I think that would be
14 beneficial. I'm waiting for them to pick which sessions
15 that they can support us in because they'll be traveling
16 here from out of state. Of course it's on their own
17 nickel, but that would be a benefit.

18 And then Department of Water Resources,
19 another Arizona agency, they would like to present to
20 further clarify the requirements for working with the
21 local flood jurisdictions when you're installing
22 manufactured homes in flood prone areas. So that will be
23 good as well.

24 And then, I'm not going to spend a lot of
25 time going over the FY year-to-date stats because we'll

1 get to that further. Just to say that staff is doing a
2 great job of staying within their plan review times. As
3 you know, the Department has 40 days to complete that; 20
4 for the administrative review, 20 for the actual review of
5 the plan design itself. And currently we're tracking at
6 3.6 days for the administrative piece and 4.8 days for the
7 actual design review. So combined, we're under ten days,
8 and we have 40. So we're really happy with the work Patty
9 does.

10 Manufactured home permits. Ayde has seven
11 days to issue or deny those. She's tracking at 1.2 days
12 to issue, 1.8 days to deny. Just because the denial takes
13 a few more extra efforts, make a phone call, try to
14 clarify information. FBB permits, the same way; one day
15 to issue, 1.7 to deny. So she's doing a great job with
16 that. We'll look at this when we look at the fee
17 schedule, but the FBB permits have been interesting this
18 year. Typically we issue about 180 in a year. We're
19 tracking to issue 327 this year, so more than double.
20 Now, of course part of that was due to the Super Bowl. We
21 had hundreds of them out there at the Super Bowl as a
22 special event, and then of course the typical Barrett
23 Jackson and Waste Management Golf Open. So revenue has
24 really increased on those as well as volume. But we don't
25 know that that will stay consistent because we wouldn't

1 have the Super Bowl probably going forward.

2 And then just a quick recap of the action
3 items from the last board meeting we had, which was
4 October 2014. We needed to finalize and post the public
5 speaker form. They're on our website. They're also here
6 today. Ayde has provided them for -- okay. And a couple
7 folks have filled them out. So that will be helpful.

8 We need to agendize for the selection of the
9 new chair, or the continuing chair, whatever you decide,
10 because this is the meeting where we select the new
11 chairman for the board.

12 And then I just clarified with Boards and
13 Commissions. As we talked about, they haven't had a lot
14 of movement so far, except with getting Greg to be
15 appointed. And we appreciate that. They have a new
16 director over there as well. So I spoke with him this
17 week just to clarify. As you know, all board members on
18 this board have to be senate confirmed. And so we've had
19 differing opinions from -- at different times. But I
20 clarified with him and with our AGs that once you're
21 appointed, if the legislative session is no longer in
22 session, you can serve on the board until the next
23 available time to be confirmed, which will be January
24 2016. So that is it on the updates.

25 MR. BAIRD: That's great. You had it right,

1 a lot of -- a lot of information.

2 Yes, Mr. Chick.

3 MR. CHICK: Question for Debra. On the
4 appointments, Debra, has the governor's office indicated
5 any movements as to getting replacements for this board?

6 MS. BLAKE: No, they have not. I've
7 inquired several times, been told that they will get to
8 it. With all the other Governor's priorities and the
9 legislative session, it's just not on that top ten list,
10 if you will. So I was rather surprised to see Greg's come
11 through, which I was happy for. And as soon as I received
12 his loyalty oath, I of course called. Do we have any
13 others coming? And they said, no, not yet. So no
14 movement at this time.

15 MR. CHICK: Thank you.

16 MR. BAIRD: I've heard that they're still
17 working on directorships first before they get to us.
18 That's the main priority for them. And it's a lot of
19 directorships that haven't been named. So they're doing
20 that, and then they'll work their way down to us, I'm
21 sure. But in the meantime, we're still serving. Except
22 for like Greg who replaced Neil.

23 MR. CHICK: Sure. The pay is good too, Sam.

24 MR. BAIRD: The pay is the best.

25 (Laughter.)

1 MR. BAIRD: No doubt.

2 Does anybody have any additional questions
3 for Debra?

4 I have a couple. This very interesting
5 about the process changes and the Governor's initiative on
6 the lien part. I think within 60 percent improvement they
7 had over there. That's great. Sounds like you're already
8 right at the ledge. Forty days and we're doing it in ten,
9 but do you anticipate an improvement in that?

10 MS. BLAKE: Well, I don't anticipate much of
11 an improvement in the turnaround time just because staff
12 has worked really hard over the last five years to really
13 improve that anyway. And so I'll use Donna, for example.
14 The licensing time frames, I think she has 14 days once
15 she's received all the information required to process an
16 application for licensure. She does it in two. The
17 Governor's looking for a 50 percent improvement in all
18 processes. I don't know that we could ever get to one.

19 MR. BAIRD: Well, no, is it maybe he wants
20 50 percent improvement, so that's 20 instead of 40, for
21 those days that you had. Is that what he's looking for?

22 MS. BLAKE: Well, my understanding, going
23 through the first phase, was whatever your fiscal '14
24 performance was, he's looking for do it faster, better,
25 better customer experience. So it was a good thing we

1 picked the -- or the fire marshal was picked because there
2 was a lot of opportunity there to improve. When the
3 governor's office called me about phase two, I said, well
4 of course we're willing to participate, but I need some
5 clarification. If the goal is 50 percent, I can't get
6 that with any of the manufactured housing. We're already
7 very lean. We can certainly get a little improvement.

8 Now, if we're looking for 50 percent and
9 customer experience, I can give you that because all of
10 you, and many other of our licensees have asked for a long
11 time, can't we fill out an application and mail it in?
12 Can't we pay online? Why do we have to drive down to your
13 office every time I want to drop a permit? You know, so I
14 think the customer experience will be good. I think the
15 foot traffic in the front office will be diminished, which
16 is good because they have a lot of responsibilities. I
17 just don't see that we'll get a 50 percent improvement in
18 processing time.

19 MR. JOHNLOZ: Kind of a victim of your own
20 success, prior success. Because you've done well up to
21 this point, it's hard to -- you can't get to zero.

22 MS. BLAKE: We can't get to zero. Well
23 said, thank you. But, you know, certainly we can look for
24 some improvements. But I think the main thing with us
25 will be having that web portal interface.

1 MR. BAIRD: Sure.

2 MS. BLAKE: And we just increased -- one of
3 our IT folks writes all the coding but we had him
4 part-time. He worked 20 hours a week, so we just bumped
5 his hours up so he's working three-quarters now, so we
6 have him at least a little bit more. And he does a
7 wonderful job. So --

8 MR. BAIRD: That's great. The first thing
9 that came to my mind was, in doing this process, we're all
10 hopeful that business will be increasing over the next
11 three or four years. And all indications are that it
12 will. It has increased already. So perhaps with these
13 new process changes, we can maintain that same level,
14 which is totally acceptable to us all, and keep that
15 going. That would be -- that would be wonderful. So
16 great. Good job. Thank you for that.

17 Anything else, anybody? Debra? Okay.

18 Oh, I did. I have one more thing. You said
19 it had been five years since we had audited an IGA, and
20 then you've got six under your belt already for this year.
21 How'd the audits go?

22 MS. BLAKE: They went --

23 MS. WILLIAMS: You should be careful on that
24 one; it's not specifically agendized. If you want to make
25 a report for the next meeting.

1 MS. BLAKE: Okay. Why don't I provide you a
2 report at the next meeting.

3 MS. WILLIAMS: Then you can talk about
4 specifics.

5 MR. BAIRD: Thank you, Mary. Let's so do,
6 we'll agendize that for next time. Thank you.

7 All right. Let's move on. The next section
8 has to do with our finance reports, I believe. Let's see,
9 who should we have do that? Debra.

10 MS. BLAKE: Other volunteers? Raise your
11 hand.

12 MR. BAIRD: Greg, just so you know, the
13 state -- you probably already know this, but just in case
14 you don't, we run from July 1st through July 30 is the
15 fiscal year.

16 MS. BLAKE: Okay. So on page 7, which the
17 pages are numbered in the lower right-hand corner -- thank
18 you, Ayde. We provided all of the monthly financial
19 reports since the last time we've met. So on page 7, it
20 gives you that laundry list. You'll remember from prior
21 meetings that we're not providing the graphs except for
22 the most current month we're providing.

23 So I'm going to then take you to page 18,
24 which is February's summary. And you probably have all
25 reviewed this. It's just, you know, where we're tracking

1 year-to-date compared to prior year-to-date. You know,
2 volumes, money, that kind of thing. Under the expense and
3 revenue line item, you'll see estimated annual revenue and
4 expenditures to show you where we are on track. Again,
5 these are estimates. We've talked about this ad nauseam
6 but just for Greg and Michael's benefit, the State's
7 accounting system is an animal of its own. And so things
8 are not paid month to month where you can average it. I
9 think rents are paid quarterly or twice a year. So I
10 don't know that we'll necessarily be right on target with
11 those, but that's just to give you an idea of where we're
12 tracking right now. A lot of the expenditures are front
13 loaded, I guess is a better way to say it. So a little
14 bit higher than the revenue coming in.

15 Page 19, again is a summary of what
16 production's been looking like. Sam already mentioned to
17 you we're seeing increases. If you'll look at that on
18 production trends, and basically look at 2013, where we
19 were in January, 92 homes produced in Arizona and for
20 January this year, we were 162. So that's some
21 significant growth. So we track that. And then the
22 information on the bottom of that page, tracking as well
23 as installation of manufactured homes, mobile homes, and
24 FBBs compared year to year. So there's been an increase
25 there, which makes sense with production trends. Slight

1 increase for February from 220 to 266. FBB staying pretty
2 consistent year to year.

3 MR. BAIRD: Let me interrupt you just for a
4 second. I receive a copy of the MHI statistics, it's over
5 a 25 page report, shows all the states and what they
6 produce, what they -- you know, a production report is
7 different than a shipment report. A shipment is where the
8 home ends up. Like I build homes, and I ship them to New
9 Mexico or Wyoming. Okay, they're included in those
10 states' individual things. But it's information that's,
11 you know, yearly basis it's pretty good for planning
12 purposes and understanding the industry as well. But I
13 can make that available to anybody that -- that wants it.
14 Okay. Just send me an email, and I'll return it with the
15 -- with the report for last year. Pretty cool. Thank
16 you.

17 MS. BLAKE: Okay. Page 20 is just the
18 charts that we provided for the last couple of years, I
19 guess. The first one is the revenue breakdown, how the
20 money is being -- coming in. You can see the pie chart,
21 permits, bringing in 30 percent of the revenue for
22 manufactured housing. Factory built permits, 18 percent,
23 so on and so forth.

24 And then on page 21, the same kind of a
25 chart looking at the revenue -- I mean -- oops, do we have

1 two of the same? Oh, year-to-date is on page 21. Same
2 thing, just showing you how the revenue stream flows in
3 and where it comes from.

4 And then on page 22, the expenditure
5 breakdown, again, what we do with all that money that we
6 get in, as well as general fund money. Obviously the
7 biggest piece goes to payroll and operations.

8 MR. BAIRD: And board member salary.

9 MS. BLAKE: And board member salary, yes.

10 Any questions more about the financial
11 reporting provided?

12 MR. BAIRD: We need to vote on whether or
13 not we accept these. Do we have a motion?

14 MR. GLEESON: I make a motion we accept.

15 MR. BAIRD: Thank you.

16 Second?

17 MR. JOHNLOZ: Second.

18 MR. BAIRD: All in favor?

19 Opposed?

20 Thank you, Debra.

21 Okay. Next item is recovery fund. Greg,
22 why don't you do the honors.

23 (Laughter.)

24 Debra, would you please.

25 MS. BLAKE: Okay. Page 23 of your booklet,

1 I have good news to share with you before I go over the
2 chart. I signed a general release form for Bankers
3 Insurance Company in March, and we were able to recover
4 from them \$15,320, which was for consumer complaint. You
5 may remember it from past, the consumer's name was Payne
6 versus US Homes 48, LLC. So this was the bond against US
7 Homes. And we did recover that, what we had paid out
8 through the recovery fund, and now we've been reimbursed
9 for the payout from the surety bond company.

10 MR. BAIRD: Excellent.

11 MS. BLAKE: So that money is not reflected
12 in the totals above because the balance as of March 1st
13 was the 324,000 that's shown there in that first column.
14 We didn't receive this money until March 3rd. So you'll
15 see it added in there next time. So balance, again, is
16 324,000. We have no claims pending, no claims that have
17 been heard, none that are scheduled. So that's all good
18 news. So the balance is growing slowly but surely. It
19 looks a lot better than the negative balance we had a few
20 years ago. So 324,000 currently in the recovery fund.

21 MR. BAIRD: Plus March's contribution, plus
22 this 15,000 or so, we're over 340.

23 MS. BLAKE: Yes, yes.

24 Page 24 is just a summary of the current
25 open complaints since the last board meeting. Again, this

1 information is what the board has requested previously.
2 Identifies which licensee, or licensees, the complaint was
3 verified or associated with after we did our inspection
4 and whether or not it could come against the recovery
5 fund. You'll see that the only one that's recovery fund
6 possible is that first one. Horning is the customer's
7 name. The dealer is still working on some follow-up
8 corrections, so they are actively involved in satisfying
9 the customer's complaint. But if not, we're looking at
10 \$11,800 payout to that consumer. I don't anticipate it
11 going there, but just for informational purposes.

12 The other three that are listed there had
13 both manufacturer and installer verifications, but you all
14 remember that the only way a customer can get to the
15 Consumer Recovery Fund is by the failure of a dealer to
16 perform. So dealers were not verified in those
17 complaints.

18 MR. BAIRD: And just to clarify, retailers
19 have a \$25,000 bond.

20 MS. BLAKE: Yes.

21 MR. BAIRD: And manufactures have a --

22 MS. BLAKE: Depending on the class of
23 licensure, 80,000 or a hundred thousand.

24 MR. BAIRD: Up to a hundred thousand?
25 Hundred thousand, okay. So our 11,000 is well covered

1 just by the retailers bond amount. Great.

2 This is different. Greg, you're new, but in
3 years past, we went through a lot of money because of one
4 retailer. The amount was in excess of 800,000.

5 MS. BLAKE: About a million.

6 MR. BAIRD: Probably about a million. But
7 the system worked; we had the money. Now we're
8 recovering.

9 So good. All right. Any questions on this?
10 We don't have to accept this one, do we?

11 MS. BLAKE: No.

12 MR. BAIRD: Okay. The real reason we're
13 here is to go through the fee structure and to entertain
14 any changes that the Department recommends.

15 MS. BLAKE: Would you like for me to take
16 that, Mr. Chairman?

17 MR. BAIRD: I think it's a wonderful idea.
18 Thanks for volunteering.

19 MS. BLAKE: However I can help.

20 Okay. In your packet, beginning on page 27
21 and 28 is the current fee schedule that's in effect now,
22 from July 1st until June 30th. So that's just for your
23 reference.

24 And then on page 29, as you know, the
25 Department for the last several years has gone through a

1 cost analysis, provided some recommendations for you, let
2 you know where we're tracking so that you can make any
3 decisions you choose to make about adjusting the fee
4 schedule.

5 So up in the first box, showing you the
6 categories that we do a cost analysis on, which is plan
7 review, installation inspection for manufactured homes,
8 and installation inspection for FBBs. You see the current
9 fees listed there. For the prior fiscal year as well as
10 the current fiscal year. The revenue that we collected in
11 fiscal '14, the actual cost of performing the function,
12 and then any cost difference there. And then a
13 calculation on the far column that shows you the actual
14 cost per.

15 So I'll start with plan review. The current
16 fee is \$150. That includes a submittal of the application
17 and one hour of plan review. According to the volume that
18 came in for last year, our actual cost to perform that was
19 205.95 per plan. So we had a deficiency of about \$12,000
20 in the fee. Again, the board is tasked with, as you know,
21 establishing fees that move towards full cost recovery,
22 but at minimum fall between 95 and 105 percent.

23 The installation inspection for manufactured
24 homes, through the sunset audit and prior board's
25 decisions, we've set that fee at \$350. The actual cost of

1 performing those inspections was \$340.09.

2 And the installation inspections for
3 factory-built buildings, again, is set per linear foot.
4 And the actual cost came out to be an average of 361.17,
5 and that's based on a typical building size of 16-by-24,
6 whose permit fee would be 360.

7 So based on those analyses, it looks like
8 the only one that you may want to consider increasing
9 would be the cost of submitting plans to the Department so
10 that we are covering costs.

11 Just a little bit more information. I'm
12 going to move you over to the right-hand in the middle
13 where I've got the fiscal '15 assumptions there for you.
14 And again, this is as of your financial report of
15 February 2015. We've done 362 plans, compared to the
16 prior year-to-date, which is 371. Our current projected
17 volume and our prior year-to-date volume.

18 Same for the manufactured housing
19 installation inspection, tracking at 468. And again,
20 that's just based on the fiscal year from July through
21 February. Prior year-to-date was 483, and the money
22 amounts there provided to you as well. And the same on
23 factory-built buildings. And again, you will see those
24 volume increases I spoke with you about previously, and
25 you'll see that the money volume is up quite a bit. But

1 again, that's directly related to all the special events
2 and fees that the department brought in for there. That
3 would not be consistent for how a typical fiscal year
4 would go.

5 The prorations, again the 95/105 that the
6 board's responsible to stay within. Fiscal '13, we were
7 at 96.2. You made some fee adjustments for fiscal '14,
8 which brought us up to 99.3 percent. Fiscal '15, based on
9 the assumptions to the right, will have us at 96.4 if we
10 make no changes. If you accept the fee increase option
11 for plan review, it looks like we will end up for the
12 fiscal year at about 99.8 percent.

13 So again, the recommendations in the bottom
14 chart is that plan review be increased from \$150 to \$200.
15 And that, again, is for the application and one hour plan
16 review time. Additional plan review time is billed at
17 \$150 an hour. No change is recommended to the
18 manufactured housing installation. Permit fee, which is
19 currently \$350, and no recommendation to increase the
20 installation permit fee for FBBs.

21 MR. BAIRD: Plus there's no recommendation
22 to change any other fees.

23 MS. BLAKE: No. The only other
24 recommendations at the bottom, and I think this was just
25 an administrative error. If you look at page 28, under

1 the permit fees, we establish a -- a cap for our IGA
2 partners because they issue the permit they charge and
3 retain the fee. For an FBB residential, we cap that at
4 \$600 per story. I think it was just an error that we
5 brought that down for FBB commercials. IGA partners have
6 been screaming and just simply not following it. They
7 can't cap it at \$600 for a multistory commercial building.
8 So I think that was an error.

9 Suggest that we move the up to \$600 per
10 story IGA fee from that particular FBB category.

11 If you have questions about number two, Ayde
12 can probably speak and give you more clarifications, but
13 we're recommending that we add an administrative function
14 fee for changes made to installation permits after they're
15 issued. Ayde spends a considerable amount of time making
16 after-the-fact changes. And we're hoping if there's a fee
17 associated with it, they'll be more complete and accurate
18 when they come in the door.

19 MR. BAIRD: Positive motivation.

20 MS. BLAKE: Positive motivation.

21 Ayde, what would you like to add to that?

22 MS. CORELLA: It is a lot of admin time I'm
23 spending on the requests that I receive. On average I get
24 about 25, 30 emails daily asking to change a contractor,
25 so I have to spend admin time, verify that the license is

1 valid, appropriate license classification, add it to the
2 permit file, and update our database. So each request can
3 take up to 15, 20 minutes of my time. So it -- it does
4 take up a lot of my day.

5 MR. BAIRD: Does the Department have a
6 recommendation on the fee amount?

7 MS. BLAKE: We -- did we talk about that,
8 Ayde?

9 MS. CORELLA: The \$50 admin fee?

10 MS. BLAKE: I think we generally talked
11 about a \$50 admin fee, but I can't quantify that with her
12 actual cost at this point. So when we just tossed it
13 around, \$10, which is consistent with most of the other
14 admin function fees, I'm not sure that covers her cost of
15 her time.

16 MR. BAIRD: What percentage of permits do
17 you have to -- do you get this on? Is it half of them?

18 MS. CORELLA: I get them on a daily basis,
19 up to 15, 20 requests.

20 MR. BAIRD: Yeah, but on the total that you
21 receive, for each permit, whatever amounts we've done
22 here, were half of them with requests to change?

23 MS. CORELLA: Yeah. I think a little more
24 than half.

25 MS. BLAKE: So That's four hundred --

1 MS. CORELLA: They change the contractor,
2 they didn't note the proper serial number of the building,
3 wrong size of the building. Stuff that could have been
4 fixed prior to submitting the application.

5 MS. BLAKE: What it appears is happening is
6 that some installers, or dealers, or whoever's submitting
7 it, homeowners, are just in a hurry to get the permit
8 dropped off because they can't start any work until we
9 have the permit approved for them. So they just give us
10 anything just to get it issued and then fix it later. So
11 they're using serial numbers that are not accurate. We
12 don't have any way to verify that until we get out onsite.
13 Or they haven't really entered into a contract with an
14 installer. They just heard of, you know, Debbie's
15 Installation Service, so they put that down. And it's
16 just sloppy work just to get the permit issued. And the
17 back end of that is Ayde's spending all of her time, which
18 eventually is going to cause permits not to get issued in
19 that two-day turnaround time that we strive for. Sooner
20 or later, that's what it's going to come to because --

21 MR. BAIRD: Do they request it more than
22 once? I mean, do they change one time, two times, three
23 times?

24 MS. CORELLA: I've had files where they
25 change the serial number, then they'll email me two days

1 later, oh, I gave you the wrong number, it's actually this
2 one. So I have to go back to the same file, remodify our
3 records, update the database as well.

4 MR. BAIRD: I would say it would be hard for
5 the board to give a number until you've got a
6 recommendation. You're asking us to establish a number
7 here, and I'm trying to get to it for us to consider, but
8 you know --

9 Are we talking about every permit or just --

10 MS. BLAKE: Half, she's saying.

11 MS. CORELLA: About half.

12 MR. BAIRD: That's a lot of permits.

13 MS. CORELLA: It is a large amount of
14 requests that I'm getting daily.

15 MR. JOHNLOZ: Does it tend to be the same
16 people over and over again that are changing permits?
17 That would be my guess.

18 MS. CORELLA: Yeah, I mean, because you have
19 your permit runners, and they're the ones who are
20 submitting the changes.

21 MR. JOHNLOZ: What if we did something like
22 they get the first change on a given permit free, but
23 additional changes are some X number.

24 MR. BAIRD: Yeah, you're saying -- we have a
25 general \$10 fee you mentioned that we have.

1 MS. BLAKE: We do have a general \$10 one.
2 What we can do is I can run some numbers based on some
3 guesstimates on volumes that Ayde has, and I can bring you
4 a reasonable cost based on her estimates. And then we
5 would have more information, I guess, next year to adjust
6 the fee up and down. But I can send that out, we could
7 have a conference call meeting before May 1st, because
8 these fees have to be set. So we'd have to schedule a
9 conference call for next week, with a recommendation for
10 that particular fee.

11 MR. BAIRD: How about something like this,
12 so we wouldn't have to do all that. I mean, we don't
13 really know, so what if we set a fee for this, normal fee,
14 ten bucks, and then next year, we can -- we can vote on --
15 we'll have a whole year's worth of -- of what it costs and
16 what we -- what we collected, and then we can make a
17 change then. Right now we're getting nothing, so
18 anything's going to be better.

19 MR. JOHNLOZ: Yeah. And the whole idea is
20 to discourage -- for them to get it right so they don't --
21 so they're not taking up your time.

22 MS. CORELLA: Right.

23 MR. BAIRD: I had another thought, that you
24 would have to make it in person if you changed it. That
25 would really --

1 MS. CORELLA: They would get it right.

2 MR. BAIRD: Nobody wants to be out in this
3 traffic, so do it right the first time, guys. You know.

4 MR. GLEESON: Some of -- I know we've
5 emailed Ayde, and a lot of it the dealer decides to take
6 the awning off the permit because the customer can't get
7 their financing, can't get it off the financing. Is that
8 --

9 MS. CORELLA: Yeah, requests like that. Add
10 gas, remove gas.

11 MR. GLEESON: They tell us it's 208 pounds,
12 no gas. We apply for the permit and then we have to, you
13 know, email Ayde and say, we need to add gas.

14 MR. BAIRD: Well, since you're doing it, is
15 \$10 unreasonable?

16 MR. GLEESON: No. We just herd it back to
17 the dealer. If they can't give us proper information to
18 start with, you know, I mean.

19 MR. BAIRD: Fifty certainly is.

20 MR. GLEESON: Fifty is a lot. I would pay
21 \$50 to get a permit over the counter. Instead of waiting,
22 you know, three or four weeks for a zoning permit. I have
23 people yelling and screaming at me. I'd say \$50 and walk
24 in there and give me a permit over the counter.

25 MR. BAIRD: But this \$10 thing might be a

1 way to go. We're getting some legal over there as well.

2 MR. HOYLE: I was going to say,
3 Mr. Chairman, isn't the \$10 admin fee already in place?

4 MR. BAIRD: She said not.

5 MR. HOYLE: It's not in place?

6 MS. BLAKE: If -- if the board decides to
7 set it at \$10 because that's consistent with other admin
8 fees, we can probably go ahead and do that today. If it's
9 some money amount other than that, then we would have to
10 have a conference call meeting to discuss it.

11 MR. BAIRD: Is there any other discussion?
12 Yes.

13 MR. GLEESON: I have a question. Would it
14 be \$10 per occurrence or \$10 per permit?

15 MS. BLAKE: \$10 per request.

16 MR. GLEESON: Per request.

17 MS. BLAKE: Per email, per come to the
18 counter, hey, can you fix this for me, per phone call.
19 Per change to the permit.

20 MR. GLEESON: But you would have to pay that
21 additional \$10 prior to issuing the permit.

22 MS. CORELLA: No, I mean, I process the
23 permit, but if you're going to make any modification, it
24 would be a \$10 admin fee.

25 MR. GLEESON: But how would that be -- that

1 would have to be paid before you actually email the
2 permit.

3 MS. BLAKE: No, we won't delay issuing the
4 permit.

5 MS. CORELLA: These are requests I'm
6 receiving after the fact. The permit's already been
7 issued, and I'm modifying it. So I have to reopen the
8 file and verify the information is accurate.

9 MR. BAIRD: And Ayde, just to clarify what
10 Everette asked, right now we're charging nothing?

11 MS. CORELLA: Nothing right now.

12 MR. BAIRD: Okay. Any other comments,
13 questions? Chair would entertain a motion.

14 MS. BLAKE: Mr. Chairman, do you want me to
15 talk about number three before you go to your motions on
16 fees? We have one more recommendation to provide to you.

17 MR. BAIRD: Of course. Thank you.

18 MS. BLAKE: Okay. So, and the other fee
19 recommendation is, if you look on page 28 again. Under
20 the inspection fees, the invoiced amount that's sent to
21 manufacturers for time and travel to do inspections at
22 their facilities is \$51 an hour plus mileage at the
23 State's established rate of .445 per mile. The
24 installation reinspection fee, when we're coming out to
25 your installation site, is at 82 per hour, plus mileage,

1 or the same -- and mileage. Which is that same state
2 rate. The cost, as we determined through the analysis of
3 installation inspection, is \$82 an hour plus mileage does
4 cover the cost of an inspection. Which would mean that
5 there should really be no difference between the
6 inspections, whether we're going to a factory or we're
7 going to a site.

8 And so the recommendation would be to
9 increase the manufacturers facility invoice fee to \$82 an
10 hour plus mileage to make them consistent and to recover
11 costs.

12 So just to recap for you, the
13 recommendations before you, in addition to any that you
14 may want to make as a body, is that we increase the plan
15 review fee from \$150 to \$200; that we remove the cap for
16 IGAs on the FBB commercial fee per story; that we add a
17 \$10 administrative function fee for every change made to a
18 permit after it is issued; and that we increase the
19 inspection fee for manufactured facilities to make it
20 consistent with the cost that we've performed cost
21 analysis for for installation site inspections.

22 MR. BAIRD: Okay. So manufacturer speaking
23 here. Let's go to number three again. You want to go
24 from 51 bucks up to \$81?

25 MS. BLAKE: Yes.

1 MR. BAIRD: Because you're saying it's
2 costing you 90?

3 MS. BLAKE: Well, the current cost is, for
4 inspections, is 90 for manufactured homes and 81 for FBBs.
5 So at the \$82 that we're charging installation invoices,
6 we are not recovering costs at 100 percent. Manufacturing
7 facilities, we're only recovering half of our cost to have
8 an inspector out there.

9 MR. BAIRD: So how long have we been losing
10 this kind of money, as you say? It's been --

11 MS. BLAKE: Two or three years.

12 MR. BAIRD: That's a 62 percent increase
13 you're asking for. It's really significant per house.
14 And that's who pays for this, obviously, is the customer
15 because it's reflected in the cost. I've never heard that
16 it cost you \$90 before. We've --

17 Have we ever discussed that in the board?
18 It wasn't last year, we didn't review that.

19 MS. BLAKE: We did not review that fee last
20 year. Or any year.

21 MR. BAIRD: Yeah, or any year.

22 MS. BLAKE: Would you like to take the
23 recommendations one by one and vote on them?

24 MR. BAIRD: Yeah. I wanted to keep talking
25 about this one first.

1 MS. BLAKE: Sure.

2 MR. BAIRD: So currently, just FYI, our
3 factory. Every house that we produce has to be inspected
4 at some part of the production process, okay. We have --
5 we have 28 line stations that we're currently using; we're
6 building five a day. Okay. So that means about every
7 four and a half days, the inspectors have to come out.
8 Our plant is large so they require two inspectors to come.
9 So right now we're paying \$102, 51 plus 51, times eight
10 hours, plus the mileage for them to come out. That's
11 what, 800 bucks. So now we're going to raise that up to
12 so much. You can divide that cost by 25, basically, and
13 that's what each house is going to go up, which is about
14 40 bucks. You know, I'd never heard that as -- I thought
15 we were making money there.

16 MS. BLAKE: No.

17 MR. JOHNLOZ: It seems like it wouldn't cost
18 that much where you're doing it all at one point versus --
19 I mean, I understand the installation reinspection where
20 you're going out to individual sites for every -- for
21 every house. But it seems like if you're doing a bulk
22 group of them at your plant or any other plants, it
23 would -- the cost wouldn't be as much.

24 MR. BAIRD: I was kind of blindsided by
25 that, and voting on it, that's a 62 percent increase, we

1 need to talk about that one. That's huge for everybody.
2 It does affect the customer directly. My house is going
3 to go up 40 bucks. You know, the retailer is going to
4 pay 40 more dollars for it, that means the customer's
5 going to pay 80 more dollars. That means, that means, on
6 and on and on. So I just --

7 How did you arrive at that 90 bucks?

8 MS. BLAKE: Well, when we do our cost
9 analysis for, again, installation inspection. Because the
10 bulk of the time is the inspector's time onsite. Whether
11 it's in a factory or whether it's at an installation site.
12 Where you're going to see the main difference is the
13 travel time. We always go to your factory, we always go
14 to Cavco, so we know those distances. So that's
15 predictable.

16 You know, installation sites, we may be
17 going up to Tusayan, we're going to Yuma. You know, so
18 we're all over the place. So they actually end up paying
19 more time -- or a lot more money in our travel time than
20 they are in our inspection time. Inspection time onsite,
21 an hour, two hours, you know, max. Inspection time at
22 your plant is -- can be typically eight hours.

23 MR. BAIRD: It is always eight hours.

24 MS. BLAKE: They're out there for the day.

25 MR. BAIRD: Times two guys. So it's 16

1 hours a day for our plant, and probably Litchfield too.
2 I'm guessing, I don't know. You know, larger plants.
3 Anything over 25 homes on line, I think you go to two is
4 what HUD says. And that's fine. It's just, whoa. Why
5 did we let that go for all this time and -- and not review
6 it?

7 MS. BLAKE: I don't have an answer for that.

8 MR. JOHNLOZ: I guess I'd kind of like to
9 see the cost analysis on that before voting on it. I
10 mean, I don't know enough to make a decision.

11 MR. BAIRD: I don't either.

12 MR. CHICK: How much would it cost each
13 individual home, this increased cost? If you had an
14 estimate.

15 MR. BAIRD: Might depend on what you're
16 building. I mean, Cavco Litchfield builds five or six a
17 day -- four to six a day, and I build five to seven a day.
18 You know, it just all depends. I can build as few as
19 three a day, you know. When we were doing three a day, we
20 still -- because we had the 20 a line station, we still
21 had the two inspectors. So this increase is 62 percent,
22 and 800, three a day, four, 40 bucks, now it's 80 bucks.
23 I'd guess 30 to 40, \$45, somewhere in there, you know.

24 But the point is, you know, the analysis of
25 the expense is interesting. Yeah, I'd like to review it

1 myself. I agree with Greg. On this one. I don't know --

2 I mean, okay. Four years ago we started
3 doing this analysis. Before that we really didn't look at
4 it.

5 MS. BLAKE: We didn't do any of it.

6 MR. BAIRD: We didn't do anything. We just
7 kind of, you know, just went through it. And then we
8 said, well, wait a minute, before we start doing this --
9 it was Neal Haney and, you know, several of us on the
10 board that said, whoa -- Art, you were right there -- we
11 said, hey, we've got to know where this is coming from.

12 So I think the Department has done a very
13 good job of trying to analyze this and come up with the,
14 you know, real -- real issues. I just -- this kind of an
15 increase for plants, I mean, it's going to be a lot more
16 revenue for the -- for the department. It would have to
17 be a lot more. That's a pretty good jump.

18 And we're already at 99 percent, or
19 projected to be at 99 without this increase. All we have
20 to do is stay between the 95 and 105, which we've done
21 very effectively. So I just -- I don't see where that
22 requirement for additional monies for this is -- is
23 necessary for us to stay at the 95 to 100 percent. I'm
24 not saying that it's just because I'm a manufacturer that
25 we're doing this. You can make the same argument maybe

1 for the -- for the other -- any other increases that
2 you're recommending. But it's significant. And it's kind
3 of like hmm.

4 MS. BLAKE: Well, again, based on if you
5 make no changes that were recommended today, you're on
6 target to be at 96.4 percent prorations. Now, you're
7 still at the 95, but again, based on the auditor general's
8 office, they want you to be at full cost recovery. So
9 your goal should be a hundred percent. They were very
10 pleased with where you got last year, which was 99.3. I
11 don't know that it would be looked at as favorably if we
12 dropped down to 96.4. So it doesn't mean that you need to
13 incorporate all of the recommendations that the board --
14 or that we're bringing to the board, but that's why I
15 suggested, do you want to take each one line by line and
16 make a decision on where you want to go with it?

17 MR. BAIRD: The other point I think we
18 should consider is the fact that we know business is going
19 to be increasing. And lots of us here run businesses. So
20 there are fixed costs and there are variable costs. And
21 we all know the more you do, the least -- your variable
22 cost will go down. So if we increase by 30 percent, then,
23 you know, we're going to be sitting here next year looking
24 at some of these things, in my mind, being 110 percent,
25 when we don't need to be. So I don't know. Interesting.

1 MR. JOHNLOZ: I have a question on just
2 where some of these numbers came from. And I -- and I
3 realize, I'm the new guy on the board so please bear with
4 me here. But when you look at the box that's in blue --
5 this is on page 29 -- for year '14, it shows revenue of
6 873,000 and expenses of 879. But if you look at -- up
7 at -- up at the top, where you've got just plain review,
8 installation inspection, and installation for the
9 buildings and mobile homes, I mean, you're only looking at
10 3, 400,000 -- \$480,000 or something in revenue, and
11 whatever that is in -- I mean, it doesn't match anything
12 in the blue box. What's included in this proration that's
13 not included up -- up in the white box?

14 MR. BAIRD: That's a total. Everything they
15 spent.

16 MS. BLAKE: What the blue box is, is a sum
17 total of all the fees and the fee schedule that -- on
18 pages 27 and 28. So what's not in there are
19 manufacturers' licenses, manufacturers' renewals.

20 MR. JOHNLOZ: That's fine. That answers my
21 question. I don't need a detail, I just wanted to
22 understand where those numbers were coming from.

23 MR. BAIRD: Okay. So there's four things we
24 need to vote on?

25 MS. BLAKE: Four things you need to discuss

1 and decide on, yes.

2 MR. BAIRD: Four things. Okay. Let's just
3 take the one that doesn't have a number first; that's the
4 plan review. Before we do this, I would like to ask
5 anybody that's here from the public if they would like to
6 comment on anything to do with these fees, since they're
7 here and that's what this meeting's pretty much about, so.

8 You can speak and just --

9 KNUTE KNUTSON: My name's Knute Knutson; I'm
10 on the commercial FBB side. So the increase from 50 to --
11 150 to 200 really affects us more than the thing you were
12 talking about. I can point out a couple of numbers for
13 you. That's a 33 percent increase, and you're talking
14 about an increase, it's substantial to us. And through
15 the years so far, on the FBB side, it's already up
16 47 percent over last year.

17 MR. BAIRD: Volume.

18 KNUTE KNUTSON: In revenue. Revenue. So
19 revenue's gone up by \$29,000, yet we're going to say that
20 the cost analysis doesn't cover that. The cost analysis
21 that we don't -- I don't have privy to, of \$205, we have
22 no idea where that comes from. But I can tell you
23 year-to-date the fee has been billed 208 per permit. So
24 you're covering the 205 with the 208. Last year was 233,
25 and just in the month of February, each permit review was

1 278, to cover the 205. So I don't know how these numbers
2 jibe. I don't know where the 205 comes from. I know we
3 did bill 150, but in fact, we were billing well over 200
4 and something. Which means she has to do additional
5 review other than the original hour. So I, for one, just
6 don't have privy to this cost analysis. Just like you
7 questioned the cost analysis on yours, I'd like to
8 question, or at least put it out there, that I don't
9 understand the cost analysis, maybe I shouldn't, but I do
10 know that the revenue side from the report suggests that
11 we are already paying sufficient amounts to cover the
12 expenses.

13 And I'll go back and reiterate that. Hard
14 to tell through the rest of the year, but right now the
15 FBB side permit revenues are up \$28,000 over last year.
16 An increase of 47 percent, yet they say they didn't want
17 to increase that additional fee. My comment.

18 MS. BLAKE: Mr. Chairman, the increase in
19 the revenue on the FBB side was explained as all the
20 special event permits.

21 KNUTE KNUTSON: But there's no plan review
22 for special event permits.

23 MS. BLAKE: Correct.

24 KNUTE KNUTSON: There's no additional cost

25 --

1 MS. BLAKE: But that's not in your plan
2 review costs. When you're looking at that revenue
3 increase, it's for the installation inspection of FBBs.
4 That's where that \$29,000 came from, roughly. It's
5 because we sold special event permits and inspected them,
6 okay.

7 For regular plan review, the calculation is
8 simple. It's the FY '13 actual volume of plan review,
9 which was 598, which is down at the bottom box, compared
10 to the total revenue collected. Which says that for each
11 plan review, the average was 205.95. And we're only
12 collecting 150 for it.

13 KNUTE KNUTSON: You're actually collecting
14 an average of --

15 MR. FREDERICK: 208.

16 KNUTE KNUTSON: 208. 233 last year --
17 (Simultaneous talking.)

18 MS. WILLIAMS: The court reporter can't --

19 KNUTE KNUTSON: I'm sorry.

20 MR. BAIRD: Yeah. Just -- okay. So --

21 KNUTE KNUTSON: I'm questioning the cost
22 analysis. And first of all, I'd say that's way historic
23 if it's back then, and to your point -- I mean, if it's
24 back from 2013, it doesn't necessarily bear on the current
25 numbers. Yet we're asking for a 33 percent increase in

1 this fee.

2 MR. BAIRD: I just -- I have a question.
3 The difference between the 150 and the 208 you're
4 referring to, the 208 includes other things other than the
5 150?

6 KNUTE KNUTSON: I don't know what it
7 includes. I can tell you that when you submit a permit,
8 you pay a \$150 fee that the board is being asked to raise
9 to 200. If you look at the year-to-date revenue from FBBs
10 in the report, that you've collected \$56,305 on 270
11 applications. That is \$208 per permit.

12 MR. BAIRD: That -- those monies include
13 more monies than the plan review 150, they include
14 additional fees?

15 MS. BLAKE: Yes. If a plan takes longer
16 than the one hour, which is what you pay for upfront, then
17 you're invoiced, according to the fee schedule, per hour,
18 consistent with the fee schedule, \$119 for each additional
19 hour of plan review.

20 MR. BAIRD: So what you're saying is, is
21 this 150 that you're trying to increase, you're paying
22 205.95. But that just is isolated to the one hour, to the
23 permit cost and the one hour's worth of work?

24 MS. BLAKE: No. It's the total revenue that
25 was brought in for fiscal '14 compared to the total volume

1 of plans that were submitted. And that come out to the
2 205.

3 MR. JOHNLOZ: So that includes all of the
4 additional hours that were spent?

5 MS. BLAKE: Yes. It's an average.

6 KNUTE KNUTSON: So the cost is being covered
7 by the fee.

8 MR. BAIRD: Okay. Anybody else?

9 TOMMY FREDERICK: The special event permits,
10 that's just easy cash. You're just giving them a permit.
11 You're not looking at anything. We did 88 floors out
12 there. That's 60-some dollars apiece. That's added on to
13 what you did.

14 MS. CORELLA: Debra already verified that it
15 doesn't include the special events.

16 TOMMY FREDERICK: It has to.

17 MR. BAIRD: There's no plan review.

18 (Simultaneous talking.)

19 MR. BAIRD: Wait, wait, one person at a
20 time.

21 You have the floor, Tommy.

22 TOMMY FREDERICK: That's just additional
23 cash to what he was saying, correct? You're not doing any
24 plan reviews, and you're asking for \$150 which you're
25 getting on the plan review for one hour, and probably

1 95 percent of those are getting out in one hour. Yes or
2 no?

3 MS. CORELLA: You're getting it confused,
4 there's a plan review fee and there's a permit fee. And
5 Debra's specifically talking about plan review. Because
6 she's not comparing plan review --

7 (Simultaneous talking.)

8 TOMMY FREDERICK: Right. Plus we have the
9 permit fee, correct?

10 MS. BLAKE: Which is separate.

11 MS. CORELLA: Separate.

12 MR. BAIRD: But they're saying, Tommy, that
13 -- if I'm correct here -- that there were no \$150 fees for
14 these.

15 TOMMY FREDERICK: Correct.

16 MS. CORELLA: That's incorrect.

17 KNUTE KNUTSON: Everyone's 150.

18 MS. BLAKE: Everyone who submits a plan pays
19 \$150 to submit their plan with their application.

20 MR. BAIRD: These units for the -- for the
21 Super Bowl, did they have plans submitted?

22 MS. CORELLA: They do not require plan
23 review.

24 MS. BLAKE: There is no plan submitted for
25 those.

1 MR. BAIRD: That's what I was trying to get
2 to.

3 KNUTE KNUTSON: There's a \$75 fee for every
4 unit that goes to a special event.

5 MS. CORELLA: \$67 fee.

6 KNUTE KNUTSON: Sixty-seven. There's no --
7 there is no plan review, and it's just a fee. So it's not
8 really affected by this 150 to \$200 change because that
9 has not been requested as an increase; is that correct,
10 Debra?

11 MS. BLAKE: Correct. But we're talking
12 about plan review specifically.

13 KNUTE KNUTSON: I'm saying that all the cost
14 of Patty to review our plans, according to Debra's cost
15 analysis, is \$205.95, and if you look at historical data,
16 it's 233 last year, 208 year-to-date this year, and 278 in
17 the month of February. So I'm repeating myself saying to
18 ask for a 33 percent increase in that 150, I don't believe
19 is justified.

20 MR. BAIRD: Okay. Thank you.

21 KNUTE KNUTSON: And it goes to our
22 customers.

23 MR. BAIRD: Thank you. Okay. Any other
24 comments on this number one item of the fees?

25 Yes, Greg.

1 MR. JOHNLOZ: Why do we think that revenue
2 is going to decrease by 30-some thousand? Is that the
3 special event stuff? In -- in '15.

4 MS. BLAKE: Well, again, we're talking right
5 now about plan review. This isn't --

6 MR. JOHNLOZ: Okay. But if I'm looking at
7 this blue box, I'm looking at revenue in '14, which I'm
8 assuming that that's a good number, the 873,000. Why --
9 why in '15 would that same revenue go down to 847?

10 MS. BLAKE: Well, again, part of it is
11 because we're not recovering costs on plan review, and if
12 we look at the assumptions for plan review to the right of
13 that blue box, we have a current volume of 362, and based
14 on the current volume, based on the current -- the current
15 amount of revenue, based on the projected volume, shows
16 that we're going to be losing money.

17 MR. JOHNLOZ: Well, are you saying the
18 volume's going to go down?

19 MS. BLAKE: The volume will stay fairly
20 steady. We don't anticipate the volume changing
21 significantly.

22 MR. JOHNLOZ: Why does the -- why does the
23 revenue go down by \$38,000?

24 MS. BLAKE: Because it costs us more to do
25 it than we are charging.

1 MR. JOHNLOZ: But your expenses are
2 virtually the same. In those two years.

3 MR. BAIRD: You're showing \$33,000 less
4 volume for '15 than you are for '14. Your expenses are
5 the same.

6 MR. JOHNLOZ: Yeah, I don't -- I don't think
7 your expenses are the same.

8 MS. BLAKE: Well, the expenses are kind of
9 fixed. When we look at those charts, when we look at the
10 financial charts, expenses are fixed. It's office
11 expenses, operating expenses, salaries. Those don't
12 change significantly.

13 MR. JOHNLOZ: Okay. Why would revenue
14 change by \$30,000 from one year to the next?

15 MS. BLAKE: Well, again, it's based on these
16 assumptions. For these three categories for fees. We
17 know that the volumes are going down significantly for
18 installation inspections for FBBs for next year. This
19 year, it's up. So we're going to bring in more revenue
20 there. We're losing money on plan review and we're
21 staying pretty consistent with installation for
22 manufactured homes.

23 MR. CHICK: Mr. Chairman.

24 MR. BAIRD: Yes, Arthur.

25 MR. CHICK: And then carrying on from fiscal

1 year '14, '15, and you look at fiscal year '16, and we --
2 we go to \$878,000, which is opposite of a declining market
3 or --

4 MR. BAIRD: We're not in a declining market,
5 that's why I think --

6 MR. CHICK: We increase our FBBs in fiscal
7 '16. Why would that assumption be more positive? Do you
8 understand where I'm coming from? You're saying that
9 we're gonna have estimated revenues on fiscal year '15 of
10 847,000, right? I'm looking at the blue section.

11 MS. BLAKE: Yes.

12 MR. CHICK: And that's down from fiscal year
13 '14 from 873,000. That's that decrease we're talking
14 about. Yet then we look at fiscal year '16, and we go
15 from 847 up to 878, which is similar to the year '14.

16 MR. JOHNLOZ: But that includes your fee
17 increases. That's why that went up.

18 MS. BLAKE: It includes fee increases, it
19 includes the projection for volume increase, because there
20 is, you know, three percent, a guesstimate, of, you know,
21 increase in volumes, especially on the manufactured
22 housing side. Again, it isn't an exact science. We just
23 take what we knew in fiscal '14, what we see tracking so
24 far in fiscal '15, and based on that information, if you
25 decide to make the plan review fee increase, then the

1 estimate would be shown there in the fiscal '16 fee
2 increase to get us more consistently at a hundred percent
3 cost recovery.

4 MR. BAIRD: We're in fiscal '15 right now,
5 right?

6 MS. BLAKE: We are.

7 MR. BAIRD: Okay. So we've got a few more
8 months to go on '15, through June. Then we go to '16. So
9 the 847's probably pretty accurate. Because you've
10 already got seven, eight months under your belt there.

11 MS. BLAKE: Yes.

12 MR. JOHNLOZ: Do we have those numbers
13 anywhere? I mean, do we have actual numbers from
14 year-to-date for -- I guess we do back here, in February.

15 MR. BAIRD: It's not just these expenses.
16 This is for fees right here?

17 MS. BLAKE: This is just the three selected
18 fees that we did --

19 MR. JOHNLOZ: But the blue -- but the blue
20 thing is all -- is all fees, is it not?

21 MS. BLAKE: Yes.

22 MR. BAIRD: It's three fees.

23 MS. BLAKE: The blue box is all fees.

24 MR. GLEESON: To the right of the blue box,
25 it shows current through February.

1 MR. BAIRD: There you go. Prior
2 year-to-date.

3 MR. GLEESON: We're almost -- a few less
4 plan review, almost a few less mobile home inspections, a
5 lot more FBBs.

6 MR. BAIRD: Super Bowl.

7 MS. BLAKE: If you flip back to page 18,
8 this is the February monthly financial report. This
9 depicts every classification for a fee that we charged.
10 So plan review, AKA engineering reports, permits,
11 inspections, it's, you know, in the plans and what we bill
12 for. Certification reports, licensing, renewals. All of
13 those items are all of the fee revenue that comes in.

14 MR. JOHNLOZ: So you're at 564,823 as far as
15 revenue through February; is that correct?

16 MR. BAIRD: Yes.

17 MS. BLAKE: Yes. And if you follow that
18 further across, based on the year-to-date revenue, divided
19 by the number of months in the fiscal year, times 12 gives
20 you the estimated annual revenue.

21 MR. JOHNLOZ: Okay. That's where your 847
22 came from?

23 MR. BAIRD: Yeah.

24 MS. BLAKE: That's where that came from.
25 Same thing with the expenditures. Year-to-date, divided

1 by the number of months in the fiscal year, times 12,
2 gives you the estimated annual expenditures.

3 MR. BAIRD: So there's your two numbers, 878
4 and 847, and that's how you get your 96-point-whatever
5 percent.

6 MS. BLAKE: So those are the actual numbers
7 shown on fiscal '15 in the blue box based on, you know,
8 the assumptions that we're going to track consistently
9 what we've done with the first nine months through the end
10 of the year. And that's where we're going to be for this
11 fiscal year. 96.4.

12 MR. JOHNLOZ: And is the -- are the
13 months -- because I know that -- that at least in the
14 businesses that I've been involved in, I mean, there will
15 be peaks and valleys during the year. I mean, there will
16 be some months that you -- that you have -- typically have
17 more income and other months that you have less income. I
18 mean, are the months that are remaining, which I guess
19 would be March through June, are those bigger months
20 than -- than --

21 MR. BAIRD: Page 19 has them listed. It
22 goes back for --

23 MS. BLAKE: Yeah, if you look at page 19 and
24 you look down that column, it says 2014. So the
25 production trends in manufacturing, it shows you how they

1 track month-to-month. And if you look at the bottom of
2 the page, those are the installations. On the left-hand
3 side of manufacture and mobile homes, and on the
4 right-hand side of FBBs, how they track month-to-month.
5 So there are, you know, some months higher or lower than
6 others. I don't know that there's necessarily anything
7 that -- you know, August for production seems to peak, at
8 least in 2014. You know, it peaked in October for 2013.

9 MR. JOHNLOZ: But if we look at 2015, if we
10 look at, say, July -- well --

11 MR. BAIRD: June.

12 MR. JOHNLOZ: If we look from July of 2014
13 through February of 2015, which would be this -- this
14 fiscal year, all of those numbers are -- you know,
15 particularly when you get to January and February, they're
16 significantly higher. In both the -- in both the number
17 of homes labeled and the installations than the previous
18 years.

19 I guess what I'm seeing with these numbers,
20 I mean, I'm seeing more of a trend toward more homes, more
21 production, which would translate into more fees without
22 necessarily significantly higher expenses.

23 MR. BAIRD: Yeah, on the fixed variable
24 issue.

25 MR. JOHNLOZ: Like you said, the numbers are

1 fairly fixed on the -- on the expense side. So, you know,
2 I guess I'm -- I'm questioning whether there's a need to
3 increase fees if you're -- if you're getting higher -- if
4 you're getting more fees on more homes. But, hey, what do
5 I know?

6 MS. BLAKE: Well, the other thing I would
7 just point to you is that on the production trends that
8 you're looking at for manufacturing, those don't equate to
9 anything on plan review. We don't do plan review for each
10 home. Unless there's an attached accessory structure that
11 needs plan review. So you can't really correlate that.

12 MR. JOHNLOZ: Yeah, but -- but if you go
13 down to the -- to the installations, you certainly do
14 those.

15 MS. BLAKE: But we don't do plan review on
16 -- on all of those. Only if it has an attached accessory
17 structure.

18 MR. BAIRD: I think Greg's point is that if
19 -- if the overall business is increasing, then your
20 overall average of installation goes up, plan reviews is
21 going to typically increase as well, probably at the same
22 percentage as the increase is. So you're going to have
23 some increase in plan review without. Big picture view of
24 that.

25 Okay. So we're still on number one, which

1 is --

2 MS. BLAKE: Still on plan review.

3 MR. BAIRD: Should we skip one and come back
4 to it? No, I'm kidding.

5 MS. BLAKE: You certainly can.

6 MR. GLEESON: Can we table the fee increase
7 until the July --

8 MS. BLAKE: No.

9 MR. BAIRD: Can't. It has to be the
10 average, before the --

11 MR. GLEESON: Before the fiscal year.

12 MR. BAIRD: May 15th? Is that the date, May
13 15th?

14 MR. JOHNLOZ: Seems like we're still -- even
15 if -- without the fee increase, you're still within that
16 95 to 105 window. And if you did increase -- you know, if
17 you didn't do the 150 to 200 on the -- on the plan review,
18 you could eliminate the -- that's a nonissue, that IGA
19 fee, I think to eliminate that because we don't get any of
20 that anyway, right?

21 MS. BLAKE: Correct.

22 MR. JOHNLOZ: That just goes to the --

23 MR. BAIRD: Right.

24 MR. JOHNLOZ: -- local people. And you
25 eliminate the -- the change to the \$82 an hour, leave it

1 at 51, and if you went ahead and added the \$10, I think
2 that's reasonable. I mean, I think if people are making a
3 bunch of changes to their permits, they ought to have to
4 pay for that. I don't think that's reasonable.

5 MR. GLEESON: I agree with that. It's taken
6 me three days to get permits back, and if all those people
7 wouldn't do that, I might get them back in a day.

8 (Laughter.)

9 MR. GLEESON: I agree with that. It might
10 stop them from doing it.

11 MR. JOHNLOZ: Yeah, exactly. If nothing
12 else, maybe it'll slow them down. You're still going to
13 have some, but maybe it cuts it in half. I think that's
14 --

15 MR. GLEESON: Most of the times we make
16 changes is because the dealer doesn't give us the proper
17 information.

18 MR. JOHNLOZ: Sure. You get bad
19 information. That's the nature of the beast.

20 MR. BAIRD: Okay. Just one point I'd like
21 to make is we can decide to do whatever we want to.
22 Sorry, Debra. Just because --

23 MS. BLAKE: No, you absolutely can.

24 MR. BAIRD: -- the Department recommends and
25 some of the data here supports what she's saying -- and I

1 will say that every -- everything I've dove into in the
2 past three or four years has been right on. They've had a
3 wonderful -- you know, they've got no reason to -- to make
4 it anything other than it is, okay, and they don't.

5 But we can decide instead of raising the fee
6 bucks, we can decide to raise it \$15, or 20, or 30. We
7 can decide to do -- we can decide to lower it if we want
8 to. Okay. That's what we have to do. All we're charged
9 with is staying between the 95 and the 105. That's our --
10 that's what we promised to do. So, and we only get one
11 shot at this, unfortunately. We can't make changes
12 halfway through the year. So this is -- what we're
13 setting for is going to be in effect from July 1 through
14 June 30. And that's the way it is. We don't talk about
15 it until then.

16 So, all that being said, what do we want to
17 do? Somebody make a motion.

18 MR. HOYLE: Mr. Chairman, I want to add
19 another comment --

20 MR. BAIRD: Oh, good.

21 MR. HOYLE: -- about the plan review fees.
22 Currently we're at 205 cost and a 150 revenue per plan
23 review. We're talking about efficiencies coming in via
24 IT. So we ought to be able to bring that a little closer
25 together over the next fiscal year, assuming that the

1 changes that will be implemented will make it more
2 efficient; therefore, dropping the cost. So I don't feel
3 the 50 is warranted at this point in time.

4 MR. BAIRD: Yeah. That is 33 percent. Say
5 we pick up half of it, you know, half of it one way and
6 half of it in revenue. Or nothing. I mean, we can --
7 that's what I'm saying. We're wide open here.

8 MR. HOYLE: Yeah.

9 MR. BAIRD: So if we went 25 bucks instead
10 of 50, and we bring efficiencies down by the 17 percent,
11 half of the 33, then -- then we'd meet our goal with that
12 individual particular category. That's the only category
13 that we're upsidedown in, and correcting the cost of that
14 51/90 thing. But, okay. So does anybody want to make
15 a --

16 Any more discussion first? Sorry, Everette.

17 MR. HOYLE: No, I'm fine.

18 MR. BAIRD: No? How about a recommendation
19 or a motion?

20 MR. CHICK: Can we package this as one
21 motion?

22 MR. BAIRD: Absolutely.

23 MR. CHICK: Let me be --

24 MR. BAIRD: Please.

25 MR. CHICK: -- the odd man out here.

1 I would recommend that we establish the rate
2 fees of \$150 per hour for plan review, I would --

3 MR. BAIRD: Wait, it's already there. We're
4 already there. It's already 150.

5 MR. CHICK: 175, I'm sorry.

6 MR. BAIRD: Oh, 175. Yeah.

7 MR. CHICK: We wanted half of that, 175.

8 Then we go with the recommendation of removing the cap on
9 the FBB, IGA partners. And that we would charge \$10 per
10 line item change for administrative function. And then
11 leave three alone.

12 MS. WILLIAMS: Is that a motion?

13 MR. CHICK: That's a motion.

14 MR. BAIRD: Yes. Okay. Good.

15 MS. BLAKE: Mr. Chairman?

16 MR. BAIRD: Yes.

17 MS. BLAKE: Could we ask Mr. Chick just to
18 consider modifying his motion -- motion that the \$10
19 permit administrative fee is per change, per permit.

20 MR. CHICK: Yes. That was the intent. So
21 any change.

22 MS. BLAKE: Not per line item.

23 MR. CHICK: Any change is going to cost them
24 \$10.

25 MS. BLAKE: Okay.

1 MR. BAIRD: Per change, per line item.

2 MR. CHICK: Whenever she opens a file --

3 MR. JOHNLOZ: Per change, per permit.

4 MS. BLAKE: Per change, per permit.

5 MR. BAIRD: Okay. We have a motion on the
6 table that says raise the plan review fee to 175 from 150;
7 remove the cap on the IGA; make the administration fee \$10
8 for -- per permit, per change; and leave the installation
9 fees as they are.

10 We have a motion. I need a second.

11 MS. BLAKE: Mr. Chairman, one more point of
12 clarification.

13 MR. BAIRD: Before we ask for a second.

14 MS. BLAKE: I'm sorry. For your number
15 three is we're not -- we're recommending that we are not
16 making any change to the inspection fee and manufacturing
17 facility, not installation sites.

18 MR. BAIRD: Exactly.

19 MR. CHICK: That's correct.

20 MR. BAIRD: Okay. Is there a second?

21 If not, the chair would entertain another
22 motion. That might change these numbers.

23 MR. JOHNLOZ: I would make a motion that we
24 leave the 150 alone in the plan fees; that we take the IGA
25 fee on the commercial buildings off; we leave the

1 inspection fees for the manufacturing facilities the same;
2 and that we add a \$10 fee per change, per permit into the
3 administrative function fees.

4 MR. BAIRD: Great. We have a motion.

5 MR. GLEESON: I second that.

6 MR. BAIRD: Wow. All in favor?

7 Opposed?

8 Unanimous.

9 Thank you. Next item on the agenda is to
10 select a chairperson for the board.

11 Discussion? Any volunteers?

12 MR. GLEESON: I like you being the chair.

13 MR. BAIRD: That's not the volunteer that I
14 had in mind.

15 (Laughter.)

16 MR. GLEESON: I nominate Sam to continue as
17 our chairman.

18 MR. BAIRD: I will do it.

19 MR. HOYLE: You do an excellent job, Sam.

20 MR. BAIRD: Well, thank you. It's fun.

21 MS. WILLIAMS: Do you want to move to
22 reelect your chair?

23 MS. BLAKE: Is that a motion?

24 MR. BAIRD: Yes. Make a motion, is that a
25 motion?

1 MR. HOYLE: Second.

2 MR. GLEESON: Unless we have any other
3 volunteers. Then I -- I make a motion that Sam continues
4 as the chairman.

5 MR. BAIRD: And Everette has seconded.

6 MR. HOYLE: I second.

7 MR. BAIRD: All in favor?

8 Thank you. I will do my best. To maintain
9 some modicum of decorum.

10 All right. Next item on the agenda is call
11 to the public. Any comments or questions from the board,
12 from the public members?

13 KNUTE KNUTSON: If I could.

14 MR. BAIRD: Please.

15 KNUTE KNUTSON: The -- if I -- if I couldn't
16 find it and it's there, the package you have with that
17 data, if that is available online, I couldn't find it.

18 MS. CORELLA: It is available on our website
19 under the "Board" tab.

20 KNUTE KNUTSON: Under the "Board", so you
21 can find it there?

22 MS. CORELLA: Uh-huh.

23 KNUTE KNUTSON: Okay. Thank you.

24 MR. BAIRD: Anything else?

25 Okay. Well, thank you.

1 Future meeting. We are scheduled to have
2 our next meeting on -- whoever gets nominated, of course,
3 or approved by the Board of Commissions will meet here
4 July 15th, which is a Wednesday. We always do our
5 meetings at 1 o'clock. So does that look good for
6 everybody?

7 Okay. Wonderful.

8 In that case, the last item remaining, this
9 Chair would entertain a motion to dismiss, go away,
10 adjourn.

11 MR. JOHNLOZ: So moved.

12 MR. GLEESON: I make a motion.

13 MR. BAIRD: No problem with that one.

14 Thanks, guys. It's been fun. Oh, and I'll
15 pass around a copy of Greg's resumé to everybody, and
16 Greg, I've got everybody's, and I'll pass those on to you
17 as well.

18 MR. JOHNLOZ: Okay. That'd be great. Thank
19 you.

20 (The proceedings concluded at 2:43 p.m.)

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25

1 STATE OF ARIZONA)
) ss.
 2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing proceedings were
 4 taken before me; that the witness before testifying was
 5 duly sworn by me to testify to the whole truth; that the
 6 foregoing pages are a full, true, and accurate record of
 7 the proceedings, all done to the best of my skill and
 8 ability; that the proceedings were taken down by me in
 9 shorthand and thereafter reduced to print under my
 10 direction.

11 I CERTIFY that I am in no way related to any of
 12 the parties hereto, nor am I in any way interested in the
 13 outcome hereof.

14 [X] Review and signature not required.

15 I CERTIFY that I have complied with the ethical
 16 obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206
 17 J(1)(g)(1) and (2).

18 Dated at Phoenix, Arizona, this 5th day of May,
 19 2015.

20 _____
 KRISTEN L. WUNSCH, RPR
 Certified Reporter
 Arizona CR No. 50719

21 * * * * *

22 I CERTIFY that GRIFFIN & ASSOCIATES, LLC, has
 23 complied with the ethical obligations set forth in ACJA
 24 7-206 (J)(1)(g)(1) through (6).

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