

DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

FEBRUARY 2, 2012 BOARD MEETING

CALL TO ORDER

Chairman Ross Wait called the meeting to order.

ROLL CALL

Board Members present: Samuel Baird, Arthur Chick, Paul DeSanctis (telephonically), Neal Haney, Troy Hyde, Zeek Ojeh and Joseph Stegmayer

Board Members absent: None

Public/Industry Members present: None

Department of Fire, Building and Life Safety Staff and others present: Director Gene Palma, Deputy Director Debra Blake, Deputy Director Mary Ann Knight, Compliance Director Beth Soliere, Board Secretary Ayde Marquez, Assistant Attorney General Mary Williams, Board appointee Terry Gleeson (pending approved Oath of Loyalty and Senate Confirmation), and other Department support staff.

APPROVAL OF OCTOBER 19, 2011 BOARD MINUTES

Question was posed by Board member Arthur Chick for clarification on the statute referred to in the minutes related to the Sunset Audit and administrative functions versus administrative fees. Motion made by Mr. Ojeh to approve July 20, 2011 Abbreviated Minutes, and approved by the Board by unanimous vote.

ANNUAL SELECTION OF CHAIRPERSON FOR THE BOARD

Chairman Ross Wait opted to step down as the Chairperson after years of serving in that capacity. Board member Sam Baird agreed to serve as Chairperson. Board member Stegmeyer made a motion that Sam Baird be elected as Chairman; seconded by Board Member Troy Hyde; Board voted unanimously to approve the motion. Chairman Sam Baird will serve for calendar year 2012.

FINANCIAL REPORT

Deputy Director Blake (Blake) presented the September, October and November 2011 financial reports and made note of the revenue and expense totals for the end of 2011 fiscal year 2011. Board members reviewed and discussed the financial reports and the cash flow of revenues and especially expenditures. Board member Hyde requested a fiscal year expenditure total for the prior fiscal year. Board member Chick requested the 13th month final accounting total revenue and expenditure numbers for FY11. Board member Baird requested the same 13th month accounting for FY09 and FY10.

FEE STRUCTURE

Blake explained to Board members that all OMH Board fees are deposited into the State's General Fund and the Department receives a General Fund budget appropriation. In addition and separately, there are other Funds that some costs are allocated against – for example HUD payments which are deposited into a dedicated fund for a particular use and salaries for staff who perform those functions are assessed against that Fund and not the General Fund. Blake reminded Board members that staff is working toward cost analysis for the activity related to fees and that for FY12 the fees are not going to cover the expenses.

RECOVERY FUND

Compliance Director Beth Soliere provided an update on the Recovery Fund balance. She reported a balance of \$88,613 as of January 6, 2012; one claim pending payment in the amount of \$15,635; and no claims pending hearing. In addition Soliere collected \$4,000 from a cash bond that is not included in the reported balance as of yet. Board member Chick requested year-to-date information on how much money was spent in total claims for this year.

Board member discussion took place with regard to the process to protect the Recovery Fund from abuse by a consumer when there is no one defending the amounts of money the consumer presents to the Administrative Law Judge. Chairman Wait offered that the new escrow process will help alleviate issue with dealer abuse in not delivering goods. However, the issue remains of who represents on behalf of dealers who are either no longer in business or simply do not attend the hearing. Department staff does not have standing in the case to appear.

Board member Stegmayer requested additional information on the status of the license on the report of complaints to know why a license is invalid – example, invalid due to bond cancellation.

NOTICE OF PROPOSED RULE MAKING

Blake presented information about the new escrow law, effective July 1, 2012, and the statutory requirement for the Board to adopt rules for dealer trust and escrow accounts. Ken Anderson, President of Arizona Housing Association, requested via email that the Board consider letting the law go into effect and have a period of time before the Board address rules. Board members discussed the potential issues with the dealer and consumer establishing the escrow instructions without rules to protect the consumer. Board members requested to see draft rules before the April Board meeting and an update from the Arizona Housing Association on the escrow instruction task force.

CALL TO PUBLIC

Terry Gleeson posed the question about expiration dates of Board members in attendance and whether or not they will continue on the Board. Blake confirmed that currently there are three (3) non-expired Board members – Arthur Chick, Troy Hyde and Terry Gleeson upon his Oath of Loyalty. Blake reminded the remainder of Board members to reapply with Board and Commissions if interested in continuing to serve.

NEXT BOARD MEETING DATE

Wednesday, April 18, 2012

ADJOURNMENT

The meeting was adjourned at 3:01PM.