

**In The Matter Of:**

*Arizona Department of Fire, Building and Life Safety*

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*Reporter's Transcript of Proceedings*

*January 15, 2014*

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3 ARIZONA DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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Phoenix, Arizona  
January 15, 2014  
1:00 p.m.

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Reported by:

JENNIFER HANSEN, RPR

Certified Reporter No. 50165

PREPARED FOR:

ARIZONA DEPARTMENT OF FIRE, BUILDING  
AND LIFE SAFETY

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1                   REPORTER'S TRANSCRIPT OF PROCEEDINGS was  
2 taken on January 15, 2014, commencing at 1:00 p.m. at  
3 the State of Arizona Department of Fire, Building and  
4 Life Safety, 1110 West Washington, Room 3100B,  
5 Phoenix, Arizona before JENNIFER HANSEN, RPR, a  
6 Certified Reporter in the State of Arizona.

7

8                   BOARD MEMBERS:

9                   Mr. Sam Baird, Chair  
10                  Mr. Terry Gleeson  
10                  Mr. Neal Haney  
11                  Mr. Joe Hart  
11                  Mr. Everette Hoyle  
12                  Mr. Zeek Ojeh

12                 ALSO PRESENT:

13                  Mr. Ken Anderson, Arizona Housing Association  
14                  Ms. Debra Blake, Deputy Director  
14                  Ms. Mary Ann Knight, Deputy Director  
15                  Mr. Gene Palma  
16                  Ms. Ayde Marquez, Department Secretary  
16                  Ms. Mary Williams  
17                  Mr. Tom Frederick  
17                  Mr. Knute Knutson  
18                  Ms. Marci Mitchell  
18                  Mr. Rocco Tibero  
18                  Mr. Dave Arfin  
19                  Mr. Robert Gomez

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

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3                   MR. BAIRD: I want to call to order a  
4 meeting of the Board of Manufactured Housing,  
5 Wednesday, January 15th, 2014 at 1:00 p.m. May we have  
6 a roll call, please.

7                   MS. MARQUEZ: Sam Baird?

8                   MR. BAIRD: Here.

9                   MS. MARQUEZ: Arthur Chick? He's out  
10 sick today. Paul DiSanctis? Absent. Terry Gleeson?

11                  MR. GLEESON: Here.

12                  MS. MARQUEZ: Neal Haney?

13                  MR. HANEY: Here.

14                  MS. MARQUEZ: Joe Hart?

15                  MR. HART: Here.

16                  MS. MARQUEZ: Everett Hoyle?

17                  MR. HOYLE: Here.

18                  MS. MARQUEZ: Zeek Ojeh?

19                  MR. OJEH: Here.

20                  MS. MARQUEZ: Gene Palma?

21                  MR. PALMA: Here.

22                  MS. MARQUEZ: Debra Blake?

23                  MS. BLAKE: Here.

24                  MS. MARQUEZ. That's it.

25                  MR. BAIRD: Everyone had a chance to

1 review the transcripts and minutes of our  
2 July 17th, 2013 meeting?

3 MR. GLEESON: Yes.

4 MR. BAIRD: Any questions on that  
5 anyone? I have none myself. Chair would entertain a  
6 motion to accept them.

7 MR. OJEH: So moved.

8 MR. GLEESON: I second.

9 MR. BAIRD: All in favor.

10 (Chorus of ayes.)

11 MR. BAIRD: Opposed? None. All right.

12 Our favorite part of the meeting is to  
13 listen to Debra tell us what's going on. State of the  
14 State and the Department.

15 MS. BLAKE: Ooh, state of the State.

16 Okay, we have more items to talk about than typical  
17 because we hadn't met since July of last year, but I  
18 will go through the topics with you.

19 So the first thing I want to share with  
20 you is legislative update information. So the 52nd  
21 legislative session was held this last Monday at the  
22 Governor's office which was the official first day of  
23 the session. Of course the end of the session is  
24 always anyone's guess but typically it would run  
25 through at least May 1st.

1                   The bills that I'm aware of that would be  
2 of interest to all of you is AMHO is dropping two bills  
3 that I'm aware of at this point. The first one was at  
4 the Department's suggestion which increases the current  
5 \$1,000 amount available from the relocation fund to  
6 assist in the rehabilitation of a mobile home to  
7 \$1500.

8                   And the purpose for this was the closure  
9 of the park, Sunset Mobile Home Park in Tucson. There  
10 were several very old mobile homes there that required  
11 being rehabilitated according to State law before they  
12 could be moved.

13                  The contractor that helped them meet  
14 those rehabilitation requirements submitted bills to us  
15 to show us that the cost of replacing one bedroom  
16 window to make an egress was \$400 just for the window.  
17 And so typically minimum of two bedrooms, the cost was  
18 anywhere from 12 to \$1400 and so AMHO seeks to increase  
19 that so that there's no out of pocket for a tenant that  
20 needs to have their home rehabilitated.

21                  Now keep in mind that this is not a  
22 blanket funding amount for all owners of mobile homes  
23 because the homeowner has to meet the financial  
24 threshold to qualify which is basically at the poverty  
25 level, so you're looking at most people that are

1       retired are very low income could get that assistance,  
2       but if their available funds exceed that annual poverty  
3       level, then they are not eligible to receive that  
4       assistance. So that's the one that they're looking at.

5                     The second one they're looking at is to  
6       correct some language in some of the statutes that  
7       address relocation. Currently most of those specific  
8       sections state language about how relocation payments  
9       are to be made or paid by the Department and most of  
10      them reference that it's based on the Department's  
11      rule.

12                   There currently are no rules in place,  
13       nor to my knowledge there ever have been, and Neal  
14       would be a better point of reference to that than I am,  
15       that support the Landlord/Tenant Act and so rather than  
16       go through a lengthy formal rule process, what AMHO has  
17       proposed is that the relocation payment process would  
18       be based on the rules or the Department's written  
19       policy or procedure which is how it's done today.

20                   MR. BAIRD: Excuse me, Debra. Did you  
21       mention the State was joining with AMHO on the first  
22       thousand to 1500? Does that mean you're not joining  
23       with them on this one as well or you are?

24                   MS. BLAKE: We just received them and  
25       we've looked at them. We suggested or made available

1 to them the issue that we've seen with the  
2 rehabilitation money threshold, it's certainly up to  
3 them whether or not they want to take it forward.

4                   But we have looked at that, there was  
5 nothing in there that we had any concern about. So if  
6 they want to move forward with it, we wouldn't have any  
7 opposition to it.

8                   MR. BAIRD: Thank you.

9                   MS. BLAKE: Same on the second one, we  
10 can go either way on it, but if the language stays the  
11 same, then we have to go through the governor's  
12 regulatory review process which is very formal, can  
13 take at least six months to get a rule developed and  
14 approved, when there appears to be a process that's  
15 working just as well today which is a written policy.

16                  Any more questions about that one?

17                  MR. BAIRD: Thank you.

18                  MR. HANEY: We did have some discussions  
19 with AMHO about this and I guess my question would be  
20 it kind of gives the Department latitude to change its  
21 written policy without any review or approval from  
22 anybody else?

23                  MS. BLAKE: Yes.

24                  MR. HANEY: I guess almost everything  
25 that we have in the industry there's a written policy

1   that if it's got to be changed, then there's some  
2   review by somebody, either this board or Legislature or  
3   somebody, whereas this would kind of, you know, next  
4   year if you're gone or Gene's gone, somebody says I  
5   don't like that, I'm going to change it, it could be  
6   changed without any review. I guess that's the only  
7   objection I would have to that.

8                 MS. BLAKE: The Department can't change  
9   the dollar amount.

10                MR. HANEY: No.

11                MS. BLAKE: That's set in statute.

12                MR. HANEY: That part I'm not talking  
13   about, I'm talking about --

14                MS. BLAKE: The practice of how it's  
15   paid.

16                MR. HANEY: Right, how you're paying it.  
17   In other words it's not codified anywhere --

18                MS. BLAKE: Right.

19                MR. HANEY: -- that this is how it's  
20   going to be done and it could be changed next year,  
21   next month, three years from now without any review or  
22   approval by anybody or any oversight of any kind.

23                MR. BAIRD: Excuse me. There are no  
24   written rules right now.

25                MR. HANEY: Right now there's not.

1                   MS. BLAKE: There are no rules, there is  
2 a written practice as how the Department pays it, I can  
3 tell you that. I mean I've been here seven years, it's  
4 changed once.

5                   MR. HANEY: Right.

6                   MS. BLAKE: It changed in 2008. I would  
7 have to verify by looking back through Board records.  
8 The Department doesn't take lightly when it changes  
9 policies and practices. The reason we changed it back  
10 then was for the good of the homeowners and the good of  
11 our licensees.

12                  Let me explain that. In the past what  
13 had happened is the money was paid directly to the  
14 homeowner years ago, then at some point the money was  
15 paid in the names of both the installer who did the  
16 reinstallation and the homeowner.

17                  Well, that was somewhat problematic and  
18 the reason it was problematic was because we had a  
19 large park that closed and an installer contracted with  
20 all of these homeowners to move their home and he moved  
21 them. I mean literally every day he's moving homes to  
22 their new locations.

23                  But he didn't set them up because at that  
24 time we would issue the check to the homeowner and the  
25 installer, the homeowner just wants to get in their

1 home so they sign it off, installer signs off, gets his  
2 money and then there's no motivation for him to  
3 complete the work and so homeowners ended up being  
4 displaced either with family or hotels for two, three,  
5 four months so we said okay, we have to fix this.

6 So we did change it, I'd have to look  
7 again to see who we discussed it with, but thought,  
8 okay, to protect everybody's interest we will only pay  
9 the installer and we will pay the installer once he has  
10 submitted documented evidence to the Department that  
11 the utilities have been energized. Those don't get  
12 energized until they're inspected by us or the local  
13 jurisdiction and the home is ready to move into at that  
14 point. That's worked really well.

15 But to your point --

16 MR. HANEY: What I guess I'm getting at  
17 is people change, staff changes, somebody comes up two  
18 years from now who's a homeowner, says, hey, listen,  
19 I'm the one who paid into the fund, I'm the one who  
20 should have the final say on it, I want the check  
21 written to me.

22 And it has a sympathetic ear, there's  
23 nobody reviewing it necessarily. I mean they may but  
24 there's nothing that says it must be reviewed before  
25 that kind of a change can be made.

1 MS. BLAKE: Well, I would say through  
2 your conversations, and when you said "we," just for  
3 the record that's Manufactured Housing Communities of  
4 Arizona who's the other stakeholder for the parks,  
5 through your negotiation with them, the Department  
6 doesn't decide these.

7 MR. HANEY: Right, I understand that.

8 MS. BLAKE: We provide feedback.

9 MR. HANEY: I'm just throwing that out as  
10 information. You said you just looked at it, here's  
11 some things for you to consider. If your opinion is to  
12 ask at the Legislature of things that, you know, might  
13 be long-term beneficial to ensuring that if there's  
14 changes made that they would be in the best interest of  
15 all parties involved.

16 MR. PALMA: Just to shed some light on  
17 this, Chairman, Neal, by virtue of the Department's  
18 relationship with General Accounting office, an  
19 agreement we have for them to do our accounting, they  
20 have to meet, the acronym is GAAP, General  
21 Accounting --

22 MR. OJEH: Generally Accepted Accounting  
23 Principles.

24 MR. PALMA: There you go. So all  
25 transactions are always reviewed by them. In fact we

1 just recently went through this audit, not this  
2 particular procedure but other ones, they wanted to  
3 know what documentation do you ask for, where do you  
4 store it, how long do you store it for.

5 So there is somebody reviewing the  
6 procedures, it's just not a policy decision that Debra  
7 makes or I myself makes, those are guidelines that have  
8 to be followed by the State itself.

9 MR. HANEY: Right, I understand that in  
10 those kind of audit procedures, but primarily an audit  
11 when they do that is saying you do have to have  
12 invoices, receipts, whatever, you have to document why  
13 you paid it according to your procedures that you've  
14 set. What I'm saying is those procedures could change,  
15 the audit could still proceed and be okay even though  
16 not all parties are left protected in the case of a  
17 payout on a relo.

18 The way you're doing it now all parties  
19 are protected, nobody gets paid until the final  
20 inspection and the home is move-in ready and that's  
21 fair. The mover/installer is guaranteed his money, the  
22 homeowner is guaranteed that they have a home ready to  
23 move into, all those things are good, but next year,  
24 two years, three years from now somebody makes the  
25 argument, convinces somebody that that's not the best

1 procedure and they change it.

2 You still would meet your audit  
3 requirements because you're still following whatever  
4 procedure that is now, but not necessarily in the best  
5 interest of all parties concerned.

6 MR. BAIRD: Debra, what would be the  
7 protocol that's existing now for a change in this  
8 process to be made?

9 MS. BLAKE: Well, are you talking about  
10 dropping the bill and having conversations with changes  
11 to it?

12 MR. BAIRD: As I understood what Neal was  
13 saying, he was concerned about a change in personnel or  
14 a change in feelings toward the issue that the  
15 Department could just change the process and I was  
16 questioning what is the protocol for a change in a  
17 process such as this?

18 MS. BLAKE: Well, typically the  
19 Department's process steps and procedures are  
20 established internally, which is Neal's point, and so  
21 we don't normally reach out because it's our process so  
22 we can meet our statutory obligations. So unless the  
23 Board has specific oversight, it's in the scope of  
24 their responsibilities which this would not be because  
25 the Board has no responsibility towards the

1       Landlord/Tenant Act which is really what this is all  
2       about.

3                   So the only way to I guess ensure that  
4       it's all written down and no change can be made unless  
5       it goes through a review is to create a rule and go  
6       through the regulatory review process.

7                   MR. HANEY: Or put the process, the  
8       current procedure, as part of the statute and that way  
9       if they want to change the procedure, then they would  
10      have to go to the Legislature at least and change the  
11      statute.

12                  MS. BLAKE: You can do that. Typically  
13      that detail level of how you accomplish compliance with  
14      the statute is through rule and so we're back to that,  
15      but there's many ways you can do it.

16                  MR. HANEY: Okay. I just throw that out  
17      not because I don't like you or Gene or Ayde or anybody  
18      else, but I just have a general distrust of government  
19      and you may not be here in three years, you know, I may  
20      not be here in three years.

21                  MS. BLAKE: I understand your concern and  
22      typically the protocol is when there's this kind of a  
23      discussion about a bill, all of the directly involved  
24      stakeholders, which is typically the Department because  
25      we have some responsibility, AMHO whose members are

1 homeowners that live in parks, and MHCA who are the  
2 parks, park owners, typically AMHO would get with MHCA  
3 and say here's what we're saying, there would be a  
4 conversation, they would come to terms.

5 So there's not a lot of challenge I guess  
6 when it gets to the point of being on the floor where  
7 people are voting on it and discussing it. So I'm not  
8 sure where you're at in that process and --

9 MR. HANEY: We did meet with AMHO but the  
10 information we were given isn't probably as detailed as  
11 what you've given us today.

12 MS. BLAKE: Okay.

13 MR. HANEY: So maybe I'll have Susan  
14 contact Art. Is Art still president?

15 MS. BLAKE: No, Richard Zettlemoyer I  
16 think is president now. I can forward that to you  
17 because it's a draft, but it's a public record if it's  
18 a proposed bill and so let me make a note.

19 Anyone else would like it? Do you want  
20 it to come to the whole Board, would you want -- Neal,  
21 you have primary interest in it. Is there anyone else  
22 on the Board that would like to receive that via  
23 e-mail? Okay. So I will --

24 MR. HANEY: Nobody else does, that's  
25 fine.

1                   MR. BAIRD: You have a direct interest.

2                   MS. BLAKE: Just to you, Neal, or do you  
3 want it to go to Susan Brenton as well or you want to  
4 disseminate it?

5                   MR. HANEY: I can get it to Susan and our  
6 legislative committee.

7                   MS. BLAKE: Okay, thank you.

8                   The other legislative update is MHCA that  
9 Neal's associated with is dropping a bill on  
10 abandonment of mobile homes and parks. The Department  
11 just received a copy from AMHO's lobbyist on MHCA's  
12 proposed changes and literally we just received it so  
13 we will be looking at it, analyzing what, if any,  
14 impact it has to the Department and provide feedback.  
15 That's everything on the legislative update section.

16                  Board changes. I think most of you are  
17 aware John Dingeman who was the newest board member had  
18 to resign, he accepted a new position and is relocating  
19 out of state, so that means that there is an open  
20 public seat on the Board. The information has been  
21 posted on our website along with a link to information  
22 on how to apply with Boards and Commissions.

23                  As of yesterday when I reviewed the  
24 Boards and Commissions' website, if you look under  
25 Boards With Vacant Openings we're not listed, but I do

1 know Boards and Commissions is aware of the vacancy,  
2 their website just hasn't been updated to this point.  
3 So if you know people, again it's a public seat,  
4 someone that has some vested interest in what goes on  
5 in the industry, so spread the word if you know of  
6 anyone.

19                   The good news is that this week we  
20                   offered an internal promotion to Mike Mueller who is  
21                   our installation inspector in Tucson and for the  
22                   southern region of Arizona, he accepted it and it will  
23                   be effective next Monday.

24 Mike brings the critical technical  
25 knowledge for field installation work that we do need

1 and this will allow him to really focus on mentoring  
2 and training local jurisdictions and inspectors to  
3 ensure the appropriate installations throughout  
4 Arizona. And Mike also recently earned his  
5 International Code Counsel certification as a  
6 residential building inspector so that's a huge  
7 accomplishment.

8 Other changes of interest to the Board --

9 MR. GLEESON: I have a question, who's  
10 going to take over the position in Tucson as an  
11 inspector?

12 MS. BLAKE: We'll have to post for it and  
13 fill it. Mike will be covering it in the short term so  
14 he'll be doing kind of half days getting up to speed  
15 with IGA practice and half days covering inspections.

16 Expedited plan review. As you all know  
17 and voted and approved, we had implemented that  
18 expedited plan review service effective last July and  
19 it was widely used. We were quite surprised. We knew  
20 the manufacturers would want to use it, but because of  
21 double the cost, as you remember, but basically those  
22 that were using it were dealers, installers and so it  
23 worked really well.

24 We didn't have any incident where we  
25 didn't meet our seven-day turnaround time. We did

1 contract with a third party to do some very in-depth  
2 complex buildings for us, but we were able to meet  
3 that. However, the update is we've suspended the  
4 program temporarily.

5 Why you might ask, Patti has gotten her  
6 service levels down because plans coming in have slowed  
7 to where she can meet that within seven days, so in  
8 early November we made notice that we were temporarily  
9 suspending it. It didn't seem appropriate to take  
10 double the fee when we knew we could turn it around in  
11 the seven days that the expedited plan offered. As of  
12 today we are still at that seven-day turnaround time.

13 But we didn't do away with the program so  
14 at any point the forms are still on the website, we can  
15 implement it, you know, same day if the need arises.

16 MR. BAIRD: Your relationships with the  
17 third-party vendors you're using is ongoing?

18 MS. BLAKE: It is ongoing although  
19 currently we're not sending them anything, we can't pay  
20 them unless we have the extra fee. But they're aware  
21 of the situation and they are available to help us when  
22 that turns around again.

23 MR. OJEH: Kudos to the staff.

24 MS. BLAKE: Yes, Patti does a great job.  
25 Thank you. I will pass that on to her.

1                   MR. GLEESON: Are they improving on their  
2 corrections, is that why she's able to keep up?

3                   MS. BLAKE: No.

4                   MR. GLEESON: Okay.

5                   MS. BLAKE: No. Well, let me qualify  
6 it. I would say the last month before we suspended it  
7 we saw a shift from about 67 percent error rate down to  
8 45. Now whether that was reflective of a trend or just  
9 a one month occurrence there wasn't enough time to  
10 really be able to measure it, but from July through  
11 September the trend didn't improve, but we're still  
12 hopeful that it will.

13                  We talked at the last Board meeting about  
14 the errors and omissions insurance and I am tasked with  
15 researching it with the Board of Technical  
16 Registration, and I did speak with Deputy Director  
17 Melissa Cornelius who verified that only her home  
18 inspector registrants, that's a new statute that got  
19 put into place a year or two ago where the home  
20 inspectors, they have to have the E&O insurance, but  
21 all of their architects, engineers, all of the rest of  
22 their licensees are not required to do any of that. So  
23 that's what I know about that. We don't have it  
24 agendized today, but if the Board wants to discuss it  
25 further, then we can agendize it for a future meeting.

1                   The Department was selected, kudos to my  
2 staff, as one of three state IPIAs throughout the  
3 country, in-plant inspection agencies, which is a  
4 designation that states are given by HUD when you meet  
5 certain criteria to participate in joint monitoring  
6 teams.

7                   Sam will recall that this was the  
8 practice of Housing and Urban Development for many  
9 years where it brought other states or properly  
10 certified people into the mix of being the auditor for  
11 the IPIA in the manufacturing plants. So we were asked  
12 to do that which shows that they have a great deal of  
13 confidence in what we do in the plants and so that's  
14 good news for us.

15                  MR. BAIRD: Who were the other two plants  
16 or two states?

17                  MS. BLAKE: They did not disclose that to  
18 me but I can ask. The first meeting is going to take  
19 place in Virginia with Institute of Building and  
20 Technology, IBTS, sometime in February so we'll know  
21 more information at that point.

22                  Arizona Housing Association has requested  
23 to meet with the Department quarterly to discuss issues  
24 or topics impacting the industry and we welcome that  
25 opportunity and our first meeting with them is actually

1       scheduled for next week.

2                     Next item appears to be a significant  
3       increase in illegal installation activity primarily  
4       with commercial leased FBBs. Department staff has  
5       initiated an investigation and I simply don't know how  
6       long that investigation is going to take, but we have  
7       significant information already gathered.

8                     MR. BAIRD: Excuse me, Debra, when did  
9       the investigation start?

10                  MS. BLAKE: Well, the actual  
11      investigation started about two months ago. The first  
12      incident that came to our attention was back in July  
13      and this illegal installation resulted in a notice tag,  
14      a red tag if you will, being placed on the building  
15      because there were no State-approved plans and there  
16      was no permit for the installation and yet the building  
17      was underway being installed.

18                  A couple of months later or the next  
19      month same entities involved, same situation, the  
20      Department reacted again by red tagging it. To date  
21      I'm aware of about eight now.

22                  MR. BAIRD: Eight red tags?

23                  MS. BLAKE: Eight red tags for the same  
24      dealer, the same installer, so I guess that's what  
25      really initiated the investigation to go forward.

1                   MR. BAIRD: Got you.

2                   MS. BLAKE: Just a quick update on the  
3 proration of revenue to expenses. In a few minutes  
4 you're going to look at the financial reports, and you  
5 may have already looked at the electronic packet that  
6 was sent. One of the reasons why the Department  
7 doesn't report that proration number, those of you who  
8 have been on the Board for a while know we used to  
9 report it monthly, it's like a roller coaster because,  
10 again, we've talked about it so many times, the way the  
11 State's accounting process works it's not I pay all of  
12 these same bills every month, I get all of the same  
13 revenue and so some bills are front-loaded, some are  
14 paid quarterly, so it just -- it doesn't make a clear  
15 picture.

16                  But what I did for you at this point just  
17 to give you a sense I looked at the revenue and  
18 expenses from July 1st through end of October and we  
19 were at 98.6 percent, so congratulations to all of you  
20 for making that decision. You recall we have to be  
21 within 95 to 105.

22                  The impacts to that revenue stream were  
23 the permit increase that you approved that went into  
24 effect last July, the increased revenue from the  
25 expedited plan review fee, and ROC contractors'

1 requirement to attend installation training as a  
2 precursor to allow them to purchase installation  
3 certificates which are required by law. So we have a  
4 lot of them coming to training, I think they've learned  
5 a lot, but they pay the fee to come and so we've had  
6 some additional revenue there.

7 Almost done through the section. Thank  
8 you for bearing with me.

9 MR. BAIRD: You also controlled expenses  
10 very well during the year.

11 MS. BLAKE: Yes.

12 MR. BAIRD: There's another side to that,  
13 there's an income and expenses, they both have to work  
14 together.

15 MS. BLAKE: Yes, absolutely. Thank you  
16 for bringing that up. Manufactured Housing Consensus  
17 Committee which is HUD's advisory committee is going to  
18 be addressing several topics this calendar year  
19 hopefully including creating an IPIA, there's that word  
20 again, an IPIA subcommittee which will be part of the  
21 advisory committee's technical committee.

22 Manny Santana who's Cavco's corporate  
23 director of engineering is on that committee. Yours  
24 truly is also on that advisory board and I would be  
25 participating on the IPIA subcommittee so hopefully we

1 can make some significant changes there.

2                   Old news, most of you may have already  
3 heard this, I don't think I presented it at a Board  
4 meeting previously with confirmation, but the  
5 Chariot Eagle plant in Arizona did close effective  
6 October 11th, 2013. Their prior production was  
7 park models; however, they were certified through us to  
8 produce HUD homes but they did so at the rate of about  
9 one every three months or so. So they weren't a big  
10 HUD producer but they were a big park model producer  
11 but they're completely out of business now.

12                  The rule packet update for you there. As  
13 you all know there's been a governor's moratorium for  
14 the past few years against creating any rules unless  
15 there was some Federal or dire reason to do so. As you  
16 know our rules need updated. There are several issues  
17 like with setting homes in flood prone areas that we  
18 need to address. I'm meeting with staff this month and  
19 we've all gone through our individual sections of rules  
20 to come up with proposed changes to them so I will  
21 obviously be bringing that back to the Board when we've  
22 completed that draft process for the Board to look at.

23                  Training. Since the last Board meeting  
24 all of the regularly scheduled annual installation  
25 training sessions were held throughout the state and at

1 Arizona Housing Association's annual convention. Where  
2 we're at with that right now is makeup sessions. This  
3 is for licensees who did not attend a regular session.  
4 The first session was held on December 20th and the  
5 final one is next week on January 24th.

6 Some statistics for you. There were 13  
7 licensees who failed to attend the regular sessions and  
8 are now scheduled to attend the makeup which includes  
9 the training fee of \$100 plus a \$50 administrative  
10 penalty because the Department had to issue legal  
11 orders to encourage their attendance.

12 Five did attend the December training,  
13 one actually cancelled their license, and there are  
14 eight remaining that must attend the January training.  
15 If they don't attend that training, then we will issue  
16 an Order of Revocation against their license. The  
17 revocation is for a period of one year.

18 And I think last but not least, just a  
19 recap of the action items from the Board meeting last  
20 July. One of the questions that came up or the  
21 Department was asked to do was to review the frequency  
22 of licensing renewals among other State agencies. That  
23 document was a slide-in to your board packet. There  
24 are a couple more copies down at the end of the table  
25 if anyone needs an extra one.

1                    Basically this is just a quick little  
2 chart. The top two of course is our department, our  
3 renewal for licenses is annually. Registrar of  
4 Contractors every two years. As you look through the  
5 list obviously every year and every two years are the  
6 top two contenders and of course the majority of them  
7 and most of them have to do with the medical field.  
8 Most of the medical field are every two years. And so  
9 that's a look at it.

10                  And so it's not agendized to make any  
11 changes on it at this particular Board meeting so it's  
12 informational for you, but something to consider if the  
13 Board wants to entertain a different cycle for renewals  
14 in the future.

15                  MR. BAIRD: That's under our  
16 jurisdiction?

17                  MS. BLAKE: Yes, you set licensing  
18 requirements. Would you like that agendized at the  
19 next meeting keeping in mind that the purpose of the  
20 next meeting is to set fees? Doesn't mean that you  
21 can't have this on there as well.

22                  MR. OJEH: What are the pros and cons of  
23 going say from one to two years from a staff  
24 perspective and from the contractors' perspective?

25                  MS. BLAKE: Well, the first one that pops

1 into my mind is the revenue because currently they pay  
2 an annual fee so that would be obviously cut in half.  
3 I'm sure I can't speak for licensees, Terry is a  
4 licensee, whatever, I'm sure they would just as soon do  
5 it every two years.

6 MR. GLEESON: Yes.

7 MS. BLAKE: I don't know, I mean I think  
8 that's a discussion really for the Board to have. But  
9 the immediate impact to the Department would be a  
10 reduction in the revenue for those fees.

11 MR. BAIRD: Unless the fees change.

12 MS. BLAKE: Unless the fees increase some  
13 way.

14 MR. GLEESON: You can do a license  
15 range. You can renew your tags for two years.

16 MR. BAIRD: On your car.

17 MR. GLEESON: Yeah. You're still paying  
18 for two years of licensing, you just only have to do it  
19 every two years.

20 MR. BAIRD: Some advantage would be less  
21 administrative paperwork.

22 MS. BLAKE: It definitely would be less.

23 MR. BAIRD: Frankly, from our point of  
24 view being a licensee as well, I would just as soon do  
25 a two year and pay double because it's less

1 administrative on my account as well. I would think we  
2 would like to talk about that.

3 MS. BLAKE: So you want that added to the  
4 fee discussion because it may impact that? Okay.

5 MR. BAIRD: Just talk about it so we can  
6 all be thinking about the pros and cons of that. There  
7 may be some negatives. And, Debra, we would ask for  
8 you to come up with some negatives as well from a  
9 regulatory point of view.

10 MS. BLAKE: Just to clarify, you want it  
11 on the agenda?

12 MR. BAIRD: Yes.

13 MS. BLAKE: But you want to be able to  
14 take action on it if you decide to do so? Because if  
15 you just want to discuss it, you can't take action on  
16 it. Do you want to do both potentially, doesn't mean  
17 you have to?

18 MR. BAIRD: Yes, of course. Thank you.

19 MS. BLAKE: You're welcome.

20 MR. BAIRD: In my mind it would be part  
21 and parcel to the fees. It's just part of the fee  
22 discussion.

23 MS. BLAKE: But I'll agendize it  
24 separately.

25 MR. BAIRD: Thank you for bringing this

1 to us. This gives us a --

2 MS. BLAKE: I have one more. I'm sorry.  
3 At the last Board meeting one other question was posed  
4 and that was a question about who was the responsible  
5 licensee for the \$15,000 recovery fund payout that  
6 wasn't on the report and I did get that information for  
7 you. It was US Homes, one of our licensees as a  
8 dealer.

9 In a nutshell the licensee sold a home to  
10 a customer knowing where that customer was going to  
11 have their home installed and the home did not meet the  
12 snow load requirements for the jurisdiction, therefore  
13 the homeowner either had to pay about \$15,000 to have a  
14 ramada put over it to meet the local jurisdiction.

15 So the result of it was I believe it got  
16 resolved between the dealer and the licensee  
17 eventually. But the dealer's license was suspended  
18 pursuant to the final order which is our practice. If  
19 we pay out recovery fund, the licensee's license is  
20 suspended until they make it good.

21 And that was the last I had on the  
22 updates.

23 MR. BAIRD: Any questions, anybody, on  
24 the updates for discussion purposes? No, okay. Let's  
25 move ahead. Thank you, Debra, that was very in-depth,

1 we appreciate it. We have a much better feel for  
2 what's happening.

3 Let's move into the financial reports.  
4 Debra, since you've hardly said a word would you mind  
5 taking this.

6 MS. BLAKE: Can I have a glass of water  
7 and a 15-minute break first?

8 MR. BAIRD: Or you can have something  
9 stronger or more spirited.

10 MS. BLAKE: Ayde does such a good job of  
11 preparing packets so I want to give her kudos while  
12 she's here.

13 MR. BAIRD: Kudos.

14 MS. BLAKE: She's the brains and the hard  
15 work behind all of it.

16 But beginning on page 5 of your packet  
17 under the tab Monthly Financial Reports she's prepared  
18 for you the financial report for June 2013 which is in  
19 the end of the previous fiscal year, fiscal '13, and  
20 then July began the new fiscal year for fiscal '14 and  
21 she's given you those reports July through November.  
22 Again, obviously we run about a month and a half behind  
23 which is why the December one is not there yet because  
24 we have to compile all the reports.

25 I'm not sure if Board members had an

1 opportunity to review these previously or have any  
2 questions at this point.

3 MR. BAIRD: If anybody has a question,  
4 bring it up. I went through them, it's just reporting  
5 the information as it was. The July or the  
6 year-to-date 2013 information would be good information  
7 for us to have on hand when we review the fees for next  
8 year, so maybe we can make that part of our packet.

9 MS. MARQUEZ: You want to include June or  
10 July?

11 MR. BAIRD: The end of June if we could  
12 have that added as the first section for the April  
13 meeting, we could do some comparisons forecasting based  
14 upon that. That's kind of what I had.

15 MS. BLAKE: Mr. Chairman, Board members,  
16 the only question I would have is do you want any  
17 changes to the information that you're getting? I know  
18 Ayde provides to you any new licenses that were issued  
19 that month and detail about that licensee which you  
20 requested before. We've gone through a couple of  
21 different iterations of the revenue and expense charts  
22 that are provided, is that still valuable information  
23 for you and do you want any changes to it?

24 MR. BAIRD: From my point of view we get  
25 this information on new licensees on a monthly basis

1 e-mailed to us, I'm not sure the value of including it  
2 in this packet or not. We could save some money by  
3 leaving it out unless somebody else would like to have  
4 it. It is e-mailed to us and we get it on a timely  
5 basis. I could do without it. Anybody else need it?

6 MR. GLEESON: No.

7 MR. HOYLE: No.

8 MS. BLAKE: So remove that from the Board  
9 packets?

10 MR. BAIRD: Yeah. Then the pie charts  
11 that are nice and pretty, it's good to see.

12 MR. OJEH: It's much more detailed this  
13 time than before.

14 MR. BAIRD: They're very detailed and I  
15 think very informative, especially when we're reaching  
16 the next Board meeting we're making changes, there it  
17 is. Any comments? Anybody look at it other than right  
18 here?

19 Where I was coming from on that is  
20 perhaps we could do like a PowerPoint and just have  
21 it. Rather than have it paper here rather than killing  
22 trees we could kill a little bit of electricity and  
23 have it on the board for us to review. Just a thought.

24 MS. BLAKE: Up to you.

25 MR. GLEESON: Are you talking about just

1 the pie charts?

2 MR. BAIRD: Yeah. The other information  
3 I think is very valid, the chart itself, but the pie  
4 charts if we could have some way for us to do that, we  
5 wouldn't have to print -- how many of these packets did  
6 we make up, 12, 15?

7 MS. MARQUEZ: 14.

8 MR. BAIRD: And there's three pages for  
9 each month and this time we've got six months in here  
10 or we've got 12 months, obviously 36 times 14, I mean  
11 that's not a lot of money but it's money and I just  
12 don't know if we have a chance to look at it even.  
13 Comment, Neal?

14 MR. HANEY: I don't particularly care for  
15 pie charts, they don't give us any new information.

16 MR. BAIRD: No, it's on the chart, the  
17 information is right there, it just gives us a relevant  
18 way of looking at it. Frankly, I think if we saw it in  
19 the April meeting before we reviewed fees, that would  
20 be good enough for me. I could see us just doing once  
21 a month, maybe the June one as well because that would  
22 give us the fiscal year twice a year. We could do June  
23 and then do it in the April one before we set fees, we  
24 would have them both there for us, that would be good  
25 to do.

1                   MR. OJEH: At a glance it's really easy,  
2 you know, to do comparison.

3                   MS. BLAKE: Would you like perhaps to  
4 consider maybe -- we typically give you three months  
5 financial reports at a time, would it be helpful to  
6 have the quarterly one for the three months as just a  
7 summary of revenue and expenses rather than  
8 month-to-month or do you not even need it that  
9 frequently?

10                  MR. BAIRD: Quarterly is great.

11                  MR. HART: Quarterly.

12                  MR. BAIRD: I think quarterly, let's take  
13 a half step here.

14                  MS. BLAKE: Quarterly for the three  
15 months represented in the packet, right?

16                  MR. BAIRD: Exactly.

17                  MR. GLEESON: You're talking about just  
18 the pie charts, right?

19                  MR. OJEH: All the information is there,  
20 it's the pie chart he's talking about.

21                  MR. BAIRD: I think that would be all the  
22 information we need really, it's just a comparison.  
23 Are you clear?

24                  MS. MARQUEZ: I got it.

25                  MR. BAIRD: Will that help, less work?

1                   MS. MARQUEZ: It would make a difference  
2 I think.

3                   MS. BLAKE: Okay, we'll make that  
4 change.

5                   Okay, Mr. Chair, are you ready to move on  
6 to the next category?

7                   MR. BAIRD: Just make a comment right  
8 here. We've got some statistics, this is for those of  
9 you that don't have all of the economic reports,  
10 through November of last year, that's January through  
11 November of '13, manufactured housing production in  
12 Arizona was up 19.3 percent over the previous year so a  
13 significant improvement. And as the year went on we're  
14 getting better and better as evidenced by November's  
15 report, we were 78.3 percent ahead of the previous  
16 November's.

17                  MR. HART: Wow.

18                  MR. HOYLE: Wow.

19                  MR. BAIRD: We went from 83 to 148,  
20 significant. '13 turned out to be a good year.

21                  MR. GLEESON: What was the second number,  
22 from 83 to?

23                  MR. BAIRD: 83 to 148, 78.3 percent,  
24 significant.

25                  And the total US numbers if you want to

1 share with that, November was only 11.6 percent  
2 increase the total United States so seven times that is  
3 what we did. And then year-to-date, January through  
4 November, nationally 9.4 percent as compared to Arizona  
5 being 19.3 ahead of last year.

6 Percentages are like anything, you can  
7 have one foot in an ice bag and the other foot in a  
8 bucket full of fire and your average is going to be  
9 great but you're going to be real hurt. This compares  
10 to a horrible year we had in '12, right, so we're back  
11 to what level. We're back to a better level and we're  
12 on our way up, so there you go.

13 Okay, we're ready to go on. Any other  
14 issues on the financials anybody? We can move on.  
15 Great. Thank you, Debra.

16 MS. BLAKE: You're welcome.

17 MR. BAIRD: So the next section was the  
18 recovery fund, I believe.

19 MS. BLAKE: That begins on page 50. This  
20 is the chart that we provide you at every Board  
21 meeting, just a balance sheet for the recovery fund.  
22 You will note that there have been no claims, there's  
23 no claims waiting to go to hearing, there's no claims  
24 that have been scheduled for hearing, and there's no  
25 claims that have not been scheduled, so no claims out

1 there so that's good news.

2                   However, the prior impact to the recovery  
3 fund, as we talked about many times, has brought that  
4 balance down significantly and as of November 1st the  
5 balance was at rounded 168,000.

6                   Beginning on page 51 are the two  
7 outstanding claims that are currently being worked on,  
8 one received in August, one in June, both of 2013,  
9 neither of these are possible for recovery fund. In  
10 both cases it was -- well, the first one in June it was  
11 verified to Champion Home Builder, the parties came to  
12 an agreement and the complaint has been closed. There  
13 was a financial settlement on it.

14                  The one in August did not involve a  
15 dealer, Best Buy Homes, and they also came to an  
16 agreement and settled the matter so the complaint is  
17 now closed. Beginning on page 52 a little bit more  
18 detail about each of those complaints in terms of the  
19 customer name.

20                  Oh, I'm sorry, I misstated on that other  
21 payout, that was not the one with the wrong load,  
22 that's the one that was in August, I apologize. Best  
23 Buy Homes is the one that made the customer whole  
24 giving them back what they paid for the home and the  
25 parties settled on it.

1                   MR. BAIRD: So it wasn't the US Homes?

2                   MS. BLAKE: US Homes is still suspended,  
3 I apologize, yes, they are suspended because they have  
4 not made it good. So that was the issue in the August  
5 complaint with Best Buy Homes sold them the wrong snow  
6 load for the area.

7                   Champion Homes Builders, as you can see  
8 because it goes on to two pages, there were a lot of  
9 issues with the construction of that home that were  
10 verified by the Department through our inspection  
11 process, and that is the one where the manufacturer  
12 settled with the homeowner and that's closed.

13                  MR. BAIRD: Excellent.

14                  MS. BLAKE: Any questions about that  
15 section?

16                  MR. BAIRD: No. It's the best report  
17 we've had, zero zero zero.

18                  MR. GLEESON: I like it.

19                  MR. BAIRD: We like it.

20                  Next section we go to is Licensing which  
21 is always on here, it's a standing item I think, any  
22 questions on licensing?

23                  MS. BLAKE: Just for point of reference  
24 that is the chart I handed out to you that was the  
25 frequency of renewals that we've already discussed.

1                   MR. BAIRD: Good. Fee structure,  
2 standing item as well.

3                   MS. BLAKE: Mr. Chairman and Board, that  
4 begins on page 54. These are the fees that you put  
5 into effect last July that are still in place today.  
6 Again, it will be a point of reference for the next  
7 Board meeting in April which will be the time and place  
8 to set the fees to become effective July 1st, 2014.

9                   MR. BAIRD: Are there any discussions  
10 needed on the fee structure before the next meeting?

11                  MS. BLAKE: No, not from my perspective.

12                  MR. BAIRD: Okay. Well, then, I guess  
13 we're ready for the call to public.

14                  MS. BLAKE: Okay, go ahead.

15                  MR. BAIRD: What were you going to say?  
16 Did I leave something out?

17                  MS. BLAKE: No, just pointing out the  
18 schedule, it's not agendized, but the last tab of your  
19 book for your planning purposes for the year, please  
20 put these dates on your calendar. Thank you.

21                  MR. BAIRD: You're welcome. Call to  
22 public. Any public comments? Anybody like to be  
23 recognized?

24                  MR. KNUTSON: Yes. Mr. Chairman, under  
25 Fee Structure number A list there's --

1                   MR. BAIRD: State who you are.

2                   MR. KNUTSON: Knute Knutson from Design  
3 Modular. Under A under Fee Structure it says there's  
4 to be discussion about switching from linear foot to  
5 square foot for commercial buildings, has that  
6 discussion taken place?

7                   MS. BLAKE: Thank you. Mr. Chairman and  
8 Board members, this was on the agenda for the last  
9 Board meeting and so we brought it forward again for  
10 this meeting. It is a fee consideration because  
11 obviously if we change from linear foot to square foot,  
12 the calculation would be an increase at the current  
13 fee.

14                  So we can have a discussion at your  
15 discretion about it and how the Board feels about doing  
16 that because if you decide to make that change, it  
17 would impact the fee decision for the next Board  
18 meeting. Today it's measured linear foot, length plus  
19 length plus width plus width, as opposed to square  
20 foot. Obviously I know you all know that is length  
21 times width.

22                  So based on the fee schedule that's in  
23 that tab, the current fee, and, again, we can't make  
24 decisions about fees today, we're talking about the  
25 underlying basis for the fee, but currently for where

1       this applies is for the commercial FBBs because the  
2       current fee is \$4.50 per linear foot.

3                   So what we would be looking at is  
4       twofold, do we change linear foot to square foot and if  
5       we do, do we adjust the \$4.50 fee.

6                   MR. BAIRD: The same type of decision we  
7       have in whether or not we renew our licenses every two  
8       years versus every one year. Those discussions need to  
9       be held at the same time because when you're changing  
10      how you measure, it would also affect how much you  
11      charge per whatever measurement you decide.

12                  MS. BLAKE: So do you want to --

13                  MR. BAIRD: I think this should be slid  
14      forward just like we're doing another item under the  
15      fee structure discussion next time.

16                  MS. BLAKE: Okay. So no discussion about  
17      that concept today, you want to move it forward?

18                  MR. BAIRD: Does someone feel the need to  
19      talk about it now?

20                  MR. HOYLE: No.

21                  MR. BAIRD: Because they go hand-in-hand,  
22      you can't do one without the other.

23                  MS. BLAKE: Okay, we'll move it to the  
24      agenda for next time, the fee discussion. Thank you.  
25      Back to public.

1                   MR. BAIRD: Wait, just one more thing,  
2 require annual attendance at the installation training  
3 session beginning in '14; if so, will the fee apply.

4                   MS. BLAKE: Thank you. Just to bring  
5 your memory recollection from a brief discussion we had  
6 at the last Board meeting, there was some discussion  
7 about requiring other licensees, dealers, salespersons,  
8 manufacturers to attend an annual training session  
9 related specifically to installation and there had been  
10 some issues that have come up where dealers may have  
11 benefited from having a better understanding about the  
12 installation requirements.

13                  Typically the dealer contracts for the  
14 installation as part of the sales contract. Now that's  
15 not a hard and fast rule, but I would say that's most  
16 commonly the way it goes.

17                  So what the Board had discussed, and I  
18 had an update for you, is that the reason we  
19 established an annual fee and an annual requirement for  
20 training for installers is it's part of the HUD Federal  
21 regs which we've adopted so that gives us the authority  
22 to say if you want to keep your license, you have to  
23 hear the information and yes, we can charge you a fee.  
24 And you'll remember back in 2007 or '08 the Board voted  
25 on that fee and so that's where that authority comes

1 from.

2                 If the Board agrees or thinks that  
3 dealers and salespersons or whomever else that we  
4 license should be included in that, according to Mary  
5 Williams, our legal counsel, there's no statutory basis  
6 currently to do that so we could offer them to attend,  
7 we can't make them come unless we change the statutes,  
8 and of course that's a legislative process. It could  
9 be through statute, it could be through rule as part of  
10 their annual licensing, we could write it into rule if  
11 that's what you decide as a board that you'd like to  
12 do.

13                 MR. BAIRD: Any comment from the Board  
14 members on what we'd like to do?

15                 MR. HANEY: I like the fact that it's  
16 available.

17                 MR. BAIRD: I agree.

18                 MR. HANEY: I don't like that you would  
19 make dealers and/or salespeople be mandatory that they  
20 attend. Certainly if I hire an electrician, I'm not  
21 going to go out and take a class on installing  
22 electric. If I hire a plumber, I'm not going to take a  
23 class on plumbing. If I hire an installer, if they're  
24 licensed, which they should be, and they followed all  
25 the procedures, you're going to have some confidence.

1           Even if I attend the class, I'm not going  
2 to know enough to go around and do an inspection of  
3 their work. I like the fact that it's available.

4           MR. BAIRD: Is it available?

5           MS. BLAKE: It's always been available  
6 that they may attend at no charge.

7           MR. BAIRD: Really?

8           MS. BLAKE: The first year that we  
9 provided the training we had a lot of dealers that came  
10 because it's not so much about being able to understand  
11 the technical, did they make those electrical  
12 connections correctly, but for them it's understanding  
13 the process, before you can get a permit what do you  
14 need to do, what is required to do it so that they can  
15 hold the installers they hire accountable.

16           MR. HANEY: At least have a general idea  
17 of what they should be able to expect.

18           MS. BLAKE: Yes, so they can communicate  
19 it to their customers to set reasonable expectations.

20           MR. HART: Is this free?

21           MR. HOYLE: Yeah, it's free.

22           MR. HANEY: Dealers and salespeople can  
23 attend in an audit function basically.

24           MR. BAIRD: Debra, can any licensee  
25 attend?

1 MS. BLAKE: Yes.

2 MR. BAIRD: I just wonder if we could  
3 make the schedule available to all licensees. I know  
4 it's on the website when the training is but just  
5 informing them that it's available if they so choose  
6 and would like to. How would we go about doing that?

7 MS. BLAKE: We'd have to do it through  
8 e-mail communication, you know, just like other things  
9 where we've taken away snail mail because of the cost  
10 of postage, but I think we do have pretty current  
11 addresses on our licensees, officially dealers, may not  
12 so much salespersons, but if we focused it on the  
13 dealer who employs the salespeople, they could make the  
14 decision to bring them along or disseminate the  
15 information to them.

16 So we could send it to manufacturers and  
17 dealers and if they're interested they're invited and  
18 welcome to attend at no charge.

19 MR. OJEH: My feeling is if we do not  
20 make it mandatory that would be widespread acceptance  
21 or even gain the knowledge that we want to have the  
22 dealers to have, and since there isn't any cost  
23 associated with it that it might be to the industry's  
24 advantage that it becomes mandatory unless if that  
25 information is also available somewhere that they don't

1 need to have, but it's just my feeling.

2 MR. BAIRD: Just to clarify here, to make  
3 it mandatory would require a change through the  
4 Legislature?

5 MS. BLAKE: Either statutory change  
6 through the Legislature or possibly a rule packet  
7 change which is remember we're working on a  
8 comprehensive rule packet, it probably could fit  
9 there.

10 For whatever it's worth, I mean we've had  
11 dealers voluntarily attend and that's good. If I  
12 recall the Board discussion was they would benefit from  
13 it. We have had to take disciplinary action against a  
14 couple of salespeople and dealers because they too are  
15 responsible if they've contracted for it and hand over  
16 the keys to a homeowner to move in when in fact it has  
17 not been inspected, approved by the State, that has  
18 been problematic.

19 And of course we never like to have to go  
20 the disciplinary route, so if there's a better way to  
21 get the information out there whether it's voluntary  
22 attendance, we notify them as you suggested, or as the  
23 Board had indicated maybe before making it a  
24 requirement, and if that's the route you want to do, it  
25 has to be through a formal process like rules or

1 statute changes.

2 MR. BAIRD: I think Neal's point is well  
3 taken that even if you attend one of these, you're not  
4 the expert.

5 MS. BLAKE: Of course not.

6 MR. BAIRD: So all licensees aren't going  
7 to become the instant expert on how to do this, it's  
8 just more of a familiarization issue. It is available  
9 to them, I just don't think they realize it's available  
10 to them to be able to do. So we could get the word out  
11 through e-mails, e-mail doesn't cost anything.

12 MR. HANEY: It might be something we put  
13 in the notice as part of their renewal form.

14 MS. BLAKE: We don't send those out but  
15 on the form itself online. That's a good suggestion.  
16 We haven't developed our schedule yet, even though Ayde  
17 would like to push me to get that done, for our  
18 training schedule for 2014 which typically our kickoff  
19 begins in April and so we can certainly post it on our  
20 website along with that encouraging them. We can send  
21 dealers an e-mail and go that route if that's where you  
22 would like us to go with it.

23 MR. BAIRD: I think that's a good way to  
24 go. Are we all agreed?

25 MR. HOYLE: I agree.

1                   MR. BAIRD: I also think there are  
2 associations that we deal with that would like to make  
3 note of that for their own membership encouragement as  
4 well. Okay.

5                   MS. BLAKE: Okay.

6                   MR. BAIRD: Back to call to public.  
7 Thank you for bringing those two.

8                   MR. KNUTSON: If I could, Chairman, I  
9 have one more question or suggestion.

10                  MR. BAIRD: Certainly.

11                  MR. KNUTSON: I think I heard earlier  
12 from Debra that the AHA, whatever association that  
13 is --

14                  MR. BAIRD: Arizona Housing Association.

15                  MR. KNUTSON: -- they have requested and  
16 granted a quarterly meeting with Debra to talk about  
17 issues.

18                  I wonder if I could put in a formal  
19 request either now or by mail for a group of the FBB  
20 people, the commercializer side, to have the same  
21 opportunity.

22                  MR. BAIRD: Actually it wasn't a Board  
23 direction or request that Debra met with the  
24 association, they just worked it out. She was giving  
25 more of an update. As far as we're concerned, just

1 deal directly with Debra. She's been most willing to  
2 meet with anybody who has need to or request of.

3 MR. KNUTSON: Thank you.

4 MS. BLAKE: Certainly.

5 MR. BAIRD: Mr. Anderson, you raised your  
6 hand earlier.

7 MR. ANDERSON: It was actually covered,  
8 Mr. Chairman, but thank you.

9 MR. BAIRD: You're welcome. Anything  
10 else public?

11 The Chair will then remind everybody that  
12 our next meeting, which is the most important meeting,  
13 is April 16th, Wednesday, 1:00 here so we need more  
14 than a quorum present, and we need you all to look at  
15 the financials as well because we're going to be  
16 setting the fee schedule.

17 Plan accordingly your timing, it will  
18 take longer than our average meeting. And if you  
19 represent others or there's others that you're involved  
20 with, try to get as much information together so we can  
21 make the most informed decisions.

22 Other than that, the Chair will entertain  
23 a motion to adjourn.

24 MR. HANEY: So moved.

25 MR. BAIRD: A second?

1                   MR. GLEESON: Second.

2                   MR. BAIRD: All in favor? See you next  
3 time.

4                   (2:10 p.m.)

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1 STATE OF ARIZONA )  
2 COUNTY OF MARICOPA ) ss.  
3

4 BE IT KNOWN that the foregoing proceedings  
5 were taken before me, JENNIFER HANSEN, a Certified  
6 Reporter in the State of Arizona; that the proceedings  
7 were taken down by me in shorthand and thereafter  
8 reduced to print by computer-aided transcription under  
9 my direction; that the foregoing 51 pages are a true and  
10 correct transcript of all proceedings had upon the  
11 taking of said proceedings, all done to the best of my  
12 skill and ability.

13 I FURTHER CERTIFY that I am in no way related  
14 to any of the parties hereto nor am I in any way  
15 interested in the outcome hereof.

16 DATED at Phoenix, Arizona, this 4th day of  
17 February, 2014.

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19  
20 \_\_\_\_\_  
21 Certified Reporter  
22  
23  
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