

DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

JULY 18, 2012 BOARD MEETING

CALL TO ORDER

Chairman Sam Baird called the meeting to order at 1:00 pm.

ROLL CALL

Board Members present: Chairman Samuel Baird, Arthur Chick, Paul DeSanctis, Terry Gleeson, Neal Haney, Joe Hart, Everette Hoyle and Troy Hyde.

Board Member absent: Zeek Ojeh

Department of Fire, Building and Life Safety Staff: Director Gene Palma; Deputy Director Debra Blake; Board Secretary Ayde Marquez; Mary Ann Knight and Joni Cage.

Public/Industry Members present: Ken Anderson, President Arizona Housing Association

APPROVAL OF APRIL 18, 2012 BOARD MINUTES

Chairman Baird entertained a motion to accept the prior Board Meeting Minutes; Gleeson made motion to accept; motion seconded by Hyde; and Board voted unanimously to accept.

DEPARTMENTAL INFORMATION

Personnel Updates: The Department had the following staff changes:

- Jim Lang was the Installation Inspector in the Tucson area; he was also doing the Installation Training for the Department Licensee's as well as the consumer verification complaints. Mr. Lang left seeking other career opportunities; and
- Betty Rosen retired from State service. She was the Installation Manager.

At this time, the Department has one opening for a Phoenix Installation Inspector position. Blake interviewed about 14 applicants; Blake and her staff will get together

next week to make a decision on who they will offer the position to. The Department is working within the budget for a 2nd Installation Inspector job opening in the near future.

Procedural Changes: The Department is currently working with the Manufacturer's on creating a process for the inspection of the marriage line, floors and wall connection. The Department does not have the man power to inspect every home without causing a delay in the installation process, potentially leaving the home exposed to weather, etc. Therefore, Manufacturers have opted to allow installers and contractors to provide photographic evidence of all close-off connections in lieu of actual inspection. Photographs must include the serial number of the unit as verification that it is not the same picture taken 3 months ago being used over and over.

Industry News: The Arizona Housing Association convention will take place on August 24, 2012. The Department staff has been asked to facilitate one of the breakout sessions on topics of installation.

FINANCIAL REPORT

Blake presented the March, April and May 2012 financial reports. Blake provided a brief explanation of the production trend. At this time the Department is seeing a significant growth on FBBs compared to the previous year.

DFBLS Action item: Board member Hart requested information on the percentage of residential FBBs compared to commercial FBBs

FEE STRUCTURE

Blake presented the new Fee Schedule for 2013 fiscal year. Based on the Board's motion from the previous meeting the only fee changed was the Manufactured Home Installation Permit from \$123.00 to \$300.00. New fees went into effect July 1, 2012. At this time the Department has not received feedback on the fee increase.

DFBLS Action item: Board member Hyde requested the email previously sent to Board members regarding the fee assumptions be resent to him.

DFBLS Action item: Chairman Baird requested a list of revoked/suspended/invalid licenses be made available on the homepage of the Department's website.

RECOVERY FUND

Blake provided an update on the Recovery Fund balance as \$143,000 with one pending claim that is scheduled for hearing/awaiting hearing in the claim amount of \$112,000.

According to Joni Cage, this case was denied once but is now on appeal, so if the Judge does award that amount it will bring the Recovery Fund total down to \$38,000.

As requested at the previous Board Meeting, the Department provided a more detailed Consumer Complaint Summary breaking it down by Manufacturer, Dealer, and Installer involved in each complaint.

NOTICE OF PROPOSED RULE MAKING

Blake informed the Board that the approved rule package was approved by the Governor's Council on Regulatory Review on April 4, 2012 and went into effective on June 4, 2012. The Department sent out a massive email to inform the industry about the new change. Arizona Housing Association also shared this information with its members through its newsletter.

CALL TO PUBLIC

Ken Anderson extended an invitation to all Board Members to attend the annual Convention on August 24th at no cost. He announced that the Convention would include a review of the new escrow law as it relates to purchase contracts and the handling of consumers' monies, and a session on installation topics presented by the Department.

Anderson thanked the Department for their concern in keeping track of the response time for installation inspections and suggested the Department consider using a Third Party to perform inspection's on the Department's behalf. Blake responded that the Department has considered using services of a Third Party but the fees charged by Third Party inspections companies exceeds the fee the Board approved for FY13 for installation permits.

DFBLS Action item: Anderson posed a question on what HUD required in terms of percentage of inspections for installations. He acknowledged that the State requires 100% of all homes and buildings installed to be inspected. Blake indicated that she would verify HUD's requirement.

NEXT BOARD MEETING DATE

Wednesday, October 17, 2012

ADJOURNMENT

The meeting was adjourned at 2:21 p.m.