

DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

May 1, 2013 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 (telephonically), John Dingeman, Terry Gleeson, Joe Hart, Everette Hoyle and Zeek Ojeh (telephonically).

Board Member absent: Neil Haney.

Department of Fire, Building and Life Safety Staff: Director Gene Palma; Deputy Director Debra Blake; Mary Williams, Assistant Attorney General; Board Secretary Ayde Marquez; Mary Ann Knight; Dave Meunier; and Patricia Stecher.

Public/Industry Members present: Ken Anderson, President Arizona Housing Association; Tom Frederick, Mike Morton, Accelerated Construction Technologies; and Lois Morey, ESB Modular (telephonically).

INTRODUCTION OF NEW BOARD MEMBER

Chairman Baird introduced new Board member, John Dingeman. Mr. Dingeman provided a summary of his background as a certified residential real estate appraiser and registered property tax agent working with the manufactured housing industry. In addition, he is the Vice President of the Coalition of Arizona Appraisers and previously served on the Board of Appraisal.

APPROVAL OF JANUARY 16, 2013 BOARD MINUTES

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

DEPARTMENTAL INFORMATION

Staff Changes: Deputy Director Blake (“Blake”) informed the Board members recent staff changes as follows:

- Johnny Lee Michelson, Phoenix Installation Inspector, retired effective March 31, 2013
- Jim Lang, former Tucson Installation Inspector, was rehired to fill the vacant Phoenix Installation Inspector position

Procedural Changes

1. Alternate engineered designs have been approved for all Arizona-based manufacturers for meeting the frost depth requirements established by local jurisdictions.
2. Cavco has approved attached awnings to its manufactured homes either based on an awning-ready model or will accept an approved engineered design sealed by an Arizona registered engineer.

Note: Procedural changes and other changes/clarification implemented by the Department will be part of a rule package change as soon as the Governor’s moratorium on rule making ends. It is rumored that the moratorium has been extended through 2015.

Recap of Action Items from previous Board Meeting

1. Information was forwarded to the Board members on the Arizona Building Officials (AZBO) Spring Training. Department staff facilitated an installation training class at the AZBO Spring Training in Prescott. We have been asked to present at the fall training in Phoenix to include a factory tour.
2. The addition of actual dollar amounts related to the percentages displayed in the charts provided as part of the financial reports was added and updated charts for September through November 2012 were provided in the May Board packet.
3. Department staff reviewed and verified the percentages depicted in the financial charts were consistent with the information in the adjacent legends.
4. Complaints Verified Summary Report was reviewed and reflects a previous Board-requested change to only provide information for complaints in an open status.

FINANCIAL REPORT

Blake presented the December 2012, January and February 2013 financial reports, noting that the annual HUD supplemental payment in the amount of \$158,987 was received and noted on the February report.

FEE STRUCTURE

Mary Ann Knight, Deputy Director of Administration for the Department, provided an overview of the technology solutions that have been put into place to more accurately capture time and activities the Department uses to perform costs analysis.

Blake stated that this is the annual Board meeting to establish a fee schedule for the upcoming fiscal year beginning on July 1, 2013 (FY14). Blake presented a cost analysis summary of FY12 fees compared to FY13 fees. The analysis provided the revenue collected, the actual costs and the differential. In all fees categories reviewed, the revenue collected did not cover the actual costs. Recommendations were presented to the Board for increases necessary to achieve full cost recovery and options for gradual cost recovery on the fee categories for which cost analysis has been performed – plan review, installation inspections for manufactured homes and FBBs

The Board discussed the recommendations and options and included feedback from public members for consideration. The Board voted on motion made by Mr. Chick and seconded by Mr. Hart to adjust the following fees for FY14:

- Installation Permit fees for mobile and manufactured homes \$350.00
- Installation Permit fees for FBB \$450.00

Lois Morey, ESB Modular a commercial FBB manufacturer, presented her recommendation of expedited plan review service to the Board and expressed concerns on the how plan review processing delays impact her business. Mr. Morton, Accelerated Construction Technologies a commercial FBB manufacturer, also expressed how plan review delays impact his business. Blake stated that the Department has statutory authority to contract with a 3rd Party provider for the construction of buildings. Patty Stecher, Department's Plan Reviewer, explained the plan review process and challenges with deviations to engineered plans sealed by engineers.

The Board discussed the plan review process and proposal and voted on a motion made by Mr. Hoyle, seconded by Mr. Dingeman, as follows:

- Plan Review fees
 - o Normal submission \$150.00, hourly is \$119
 - o Expedited \$269.00, hourly is \$238

DFBLS Action items:

- Review the per linear foot per story fee.
- Review information from Mr. Hart on the City of Phoenix process where engineers pass a class on plan review and the City accepts the sealed plan without further review by others.

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RECOVERY FUND

Blake presented the Recovery Fund Summary chart and the Complaints Verified Summary Report.

Mr. Chick posed a question about the portion of the Recovery Fund available for education purposes. Blake explained the large deposit of interest earned monies (\$324,000) moved to the Recovery Fund and to the recordkeeping for the education fund in fiscal 2011. She further explained that although the accounting shows \$270,000 as available for educational purposes, the reality is that the Recovery Fund only has an actual balance of \$101,000. Blake reminded the Board that although the \$101,000 could be used for educational purposes, the Board had previously voted that no educational grants would be approved to ensure the balance of the Recovery Fund was available for consumers.

DFBLS Action item: Update Educational Grants section of monthly financial reports to clearly represent the actual amount of monies available for educational purposes from the interest earned from the Recovery Fund.

CALL TO PUBLIC

Ken Anderson, President of Arizona Housing Association, addressed that Board and thanked them on behalf of the industry for mitigating the fee increase.

NEXT BOARD MEETING DATE

Wednesday, July 17, 2013

ADJOURNMENT

The meeting was adjourned at 3:41 p.m.