

In The Matter Of:

*Department of Fire, Building and Life
Office of Manufacture Housing Board Meeting*

October 15, 2014

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- October 15, 2014

MEETING OF BOARD OF MANUFACTURED HOUSING

Department of Fire, Building and Life Safety

Wednesday, October 15, 2014

1:00 p.m.

1110 West Washington, Room 3100B

Phoenix, Arizona 85007

REPORTED BY:
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PREPARED FOR:
ASCII

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

2 CHAIRMAN BAIRD: Let's call the meeting to
3 order. Board of Manufactured Housing, Office of
4 Manufactured Housing, Wednesday, October 15th, 1 o'clock
5 p.m. meeting is now officially called to order. Roll
6 call, please.

7 MS. CORELLA: Sam Baird?

8 CHAIRMAN BAIRD: Here.

9 MS. CORELLA: Arthur Chick?

10 MR. CHICK: Here.

11 MS. CORELLA: Paul DeSanctis?

12 MR. DESANCTIS: Here.

13 MS. CORELLA: Terry Gleeson?

14 MR. GLEESON: Here.

15 MS. CORELLA: Neal Haney?

16 MR. HANEY: Here.

17 MS. CORELLA: Joe Hart?

18 MR. HART: Here.

19 MS. CORELLA: Everette Hoyle?

20 MR. HOYLE: Here.

21 MS. CORELLA: Michael Minnaugh?

22 Absent.

23 Zeek Ojeh?

24 Absent.

25 Gene Palma?

1 MR. PALMA: Here.

2 MS. CORELLA: Debra Blake?

3 MS. BLAKE: Here.

4 MS. CORELLA: Mary Williams?

5 MS. WILLIAMS: Here.

6 CHAIRMAN BAIRD: Thank you. First item on
7 the agenda is our minutes from our previous meeting. I
8 think it was the July 16th meeting. Any comments,
9 questions, issues, on the minutes?

10 Having heard none, the board will accept a
11 motion to accept the minutes.

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

13 CHAIRMAN BAIRD: Second?

14 MR. HOYLE: Second.

15 CHAIRMAN BAIRD: All in favor?

16 BOARD MEMBERS: Aye.

17 CHAIRMAN BAIRD: Opposed?

18 Motion carried. Now to our favorite part of
19 the meeting. Department information, Ms. Debra Blake.

20 MS. BLAKE: Thank you, Chairman Baird. So
21 let's just get started on the department updates.

22 Legislative updates, nothing except a
23 conversation with AMHO at MHCA. Just made them aware of a
24 recent scenario that may drive some legislative change if
25 they decide to take it forward. And it had to do with a

1 change in use where a park was closing, gave the
2 department notice, and then after the department got all
3 the tenants through the relocation process, the park owner
4 challenged the statute saying that he had lost significant
5 rent revenue when tenants moved prior to the termination
6 of their existing lease.

7 And so as we looked at the statutes and
8 asked for clarification and review from Mary with the AG's
9 office, the statutes are really silent on the effect a
10 change in use notice has on the termination date of an
11 existing lease.

12 It's always been assumed that if you are
13 closing the park, as long as you give a 30-day written
14 notice to the park management that you plan to move on
15 this date, that that sufficed.

16 And so the department will just continue the
17 practice as we always have. We don't give any advice to
18 any tenant. We tell them to work out those issues with
19 their park management. But for clarification purposes,
20 one of the stakeholders, AMHO or MHCA, may want to get
21 some clarifying language in the statute that just avoids
22 that issue going forward.

23 I haven't had confirmation from either
24 organization whether or not they feel a need to move
25 forward with it, but that's the only thing I'm aware of

1 out there at this time.

2 MR. HANEY: I can't believe that.

3 MS. BLAKE: Yeah. I know.

4 Staff changes. Nothing with the department
5 in terms of staff changes to report.

6 Just a quick update on the fiscal '14
7 performance goals. As you're aware, the department has
8 some statutory obligations with turnaround times of
9 service levels, for plan review, issuing manufactured home
10 permits, issuing FBB permits. And I would just like to
11 share with you that the department exceeded all those
12 expectations for all of fiscal '14.

13 The statutory time frame for plan review
14 processing is 20 days. The averages for the fiscal year
15 were under 5 days.

16 The manufactured home permit, the statutory
17 requirement is 7 business days. Ayde, of course,
18 processes those and does a great job, and she turns them
19 around to issue them in less than 2 days. And the same
20 for denying them, less than 2 days. So that's wonderful.

21 Just a little bit of financial data and
22 volume regarding those goals. Manufactured home permits
23 for last fiscal year were 776 permits issued, compared to
24 636 the year before or about a 21 percent increase. So
25 that's good news.

1 Revenues, of course, with the fee increases
2 that the board had approved, revenues almost doubled.
3 They are 2- -- 268,000 last fiscal year. They were
4 190,000 the prior fiscal year.

5 FBB permits were down slightly, 279 compared
6 to 287 the prior fiscal year or about a 3 percent
7 decrease, and the revenue followed that with a slight
8 decrease, about four and a half percent.

9 So a lot of facts and figures. It's
10 available in the financial reports, and we can talk about
11 that later when it's agendized.

12 Other changes. HUD. HUD sent out a recent
13 notification reminding everyone and especially HUD
14 manufacturers that all HUD manufactured homes are for
15 single family residential use only. And that means that
16 if a manufacturer builds a home, puts a label on it
17 knowing that the end user is going to use it for
18 multifamily purposes, like you've probably heard "Man
19 Camps" where people are coming in and out of them,
20 unrelated people each have a room and share bathroom and
21 kitchen facilities. Or if you're using it for office
22 purposes, the fines to the manufacturer can be very hefty.
23 So I'm not sure what prompted that reminder, but
24 nonetheless, we shared that with our manufacturers.

25 The other news with HUD is they're changing

1 their implant audit procedures. They are implementing a
2 formal reply/response process, which is a positive step.
3 Arizona always replies and we never get any response. So
4 I'm happy to know that. Now, hopefully we'll get a
5 response from HUD.

6 Other changes related to HUD. The
7 Manufactured Housing Consensus Committee -- this is the
8 federal advisory committee that provides recommendations
9 to HUD to change both construction and safety standards,
10 installation regulations, disputes, program regulations --
11 it held its first conference call meeting since 2012
12 earlier this year. And I actually just booked my travel.
13 They're having their first face-to-face meeting the first
14 week of December. So that will be good.

15 Annie Santana, the director of engineering
16 for Cavco here in Arizona, and I are both appointed
17 members to the committee. The current topics they're
18 looking at are tamper-resistant receptacle outlets, arc
19 fault breakers, ventilation systems and air quality in
20 manufactured homes, and to correct and clarify a recent
21 HUD rule change having to do with supply air ducts. So
22 those are the four hot topics currently.

23 Lots of activity, I'm happy to report to
24 you, with IGAs. Not all good, but lots of activity. And
25 this is a result of Mike Mueller, who you'll recall from a

1 prior update was promoted into that position to be there
2 to support and manage activities with IGA partners. And
3 now that he's done with his training for Ron
4 Booer [phonetic] down in Tucson, he's devoting his full
5 attention to the IGA partners.

6 Cottonwood had some political changes in
7 their jurisdiction and basically their whole building
8 department got up, walked off the job, and left. We've
9 had an IGA with them. They did hire a new staff and asked
10 us to come up and talk about everything from permitting to
11 what's their jurisdiction as a local, what's their
12 jurisdiction wearing their hat as an IGA partner for the
13 State. And then Mike Mueller spent the following day up
14 there out in the field with their inspector just answering
15 questions, verifying his competency levels. So that's --
16 that's good.

17 La Paz County is going to be receiving a
18 conditional termination letter very shortly. They have
19 not responded to multiple requests regarding whether or
20 not they're interested in renewing their contract with us.
21 In addition, they're noncompliant with their monthly
22 reporting for the second half of 2013 and they've yet to
23 produce a report for 2014.

24 So they either want to participate or they
25 don't. So we'll give them the conditional termination

1 which basically identifies the issues, gives them 30 days
2 to either come into compliance, or it's our official
3 notification that we're going to terminate the IGA. Not
4 necessarily a good thing for us because that means we have
5 to take on the inspections. Not sure how much activity's
6 going on up there, but it does impact our service levels.

7 Greenly County lost its only inspector
8 several months ago, so the department had to temporarily
9 suspend the IGA and support inspections there until they
10 could hire people, provide training. We're currently
11 mentoring the new inspector to bring him up to speed.

12 Dewey-Humboldt, which is up in Yavapai
13 County, signed a new IGA contract with us. The training
14 is going well and so we're about to finish up with them.

15 Tusayan, up near the Grand Canyon, is -- is
16 aggressively seeking an IGA with the department.
17 Unfortunately, the person the town hired to be their
18 building inspector has no construction background and no
19 experience in codes or anything to do with it, so he's got
20 a huge hurdle.

21 We give our installer test just as a measure
22 for basic skills and he failed it three times. So we're
23 working with him, mentoring him. He comes down here and
24 shadows along with inspectors and we will make some
25 attempts to go up there. But at this point in time,

1 obviously, we cannot enter into an agreement with them
2 until they have somebody competent to do the inspections.

3 And Yavapai -- Yavapai County just renewed
4 its contract. They've been an IGA partner. Just a recent
5 change in their ordinances that's been of a little concern
6 to some of our licensees is that apparently a lot of areas
7 up there have expansive soil conditions. And because of
8 that concern, Yavapai County is going to start, and kind
9 of already has, requiring engineered soil reports.

10 So the department worked with them through
11 our IGA partnership from a couple perspectives. And that,
12 number one, is making sure we're -- they are only
13 implementing this requirement if the specific site has
14 that expansive soil condition. There's no sense in adding
15 the cost, the time delays unless that condition is
16 present. And number two, not to have a delay in issuing
17 installation permits. Rather, just like any other
18 engineered plan, it must be on site during the inspection.
19 And so that's kind of a wrap-up with the IGAs.

20 I attended the MHA -- MHA. MHI,
21 Manufactured Housing Institute's annual convention that
22 was hosted here in Scottsdale. And I attended their
23 technical activities committee -- commit -- easy for me to
24 say -- technical activities committee. They had asked for
25 a state of the state for Arizona factories, any

1 challenges, insights, concerns from an IPIA perspective
2 and an SAA perspective. And since the department serves
3 both of those roles with HUD, it was a nice opportunity to
4 provide some information.

5 Jim Lange, who you know is our installation
6 manager, and Ron Clifton, our most tenured installation
7 inspector, are presenting at the semiannual Arizona
8 building official training next week. It's in Prescott.
9 They do two a year. One in Prescott, one in Phoenix, and
10 we've participated for the last 3 or 4 years. And it's a
11 good opportunity to share the information with building
12 officials. Many of them are already our IGA partners, as
13 well as ROC contractors who attend those meetings.

14 The department staff is almost completed the
15 annual installer training schedule. There are a couple
16 sessions left to do in October, and then of course we
17 participate in the Arizona Housing Association's annual
18 convention so that their members can attend the
19 convention, attend our training at the convention, and
20 earn their credits. And that is November 6th and 7th.

21 And then of course the department continues
22 to attend AHA, Arizona Housing Association, chapter
23 meetings to be available for questions.

24 And then two more things. Just a recap of
25 the action items from the last board meeting. One of the

1 issues was sending an e-mail to board members with the end
2 of fiscal '14, or as we call it, the 13th month reporting,
3 and that was all sent to you in August.

4 Also, some question came up at the last
5 board meeting because term expiration dates for all board
6 members except Michael terminate the same day, which was
7 kind of an unusual situation. So I looked into that, sent
8 an e-mail out to all of you the end of August verifying
9 your expiration date and your term, and we'll talk about
10 that later because it's part of your packet.

11 And then the -- we talked at the last board
12 meeting about call to public forms. Those also are in
13 your board packet for review and consideration, and we can
14 talk about that later.

15 The last thing on my department updates is
16 just a reminder. On September 11th, I sent an e-mail to
17 all board members regarding the topic of compensation for
18 board members attending board meetings. I asked to hear
19 back from you. I've heard back from four.

20 So if you have not yet responded to me on
21 that, please let me know that you're interested and -- in
22 that compensation or you are not. And if you are, then I
23 will hook you up with Holly who will walk you through the
24 HR process, gather the information that's necessary for
25 you to be compensated.

1 CHAIRMAN BAIRD: Did I respond?

2 MS. BLAKE: No, sir.

3 CHAIRMAN BAIRD: Okay.

4 MS. BLAKE: Mr. Chairman, you did not.

5 CHAIRMAN BAIRD: All right. I didn't think
6 I did.

7 MS. BLAKE: So --

8 MR. CHICK: Well, why was it necessary to
9 respond?

10 CHAIRMAN BAIRD: I -- I thought if you
11 didn't want to do it, you didn't have to. But that's
12 fine.

13 MS. BLAKE: Well, a response would be a
14 record that you received the information and that you
15 declared your -- your option. So --

16 MR. PALMA: Can I go back my 12 years?

17 MS. BLAKE: No.

18 MR. CHICK: For the record, I'm not.

19 MS. BLAKE: No, you may not.

20 So if you have not yet responded to me and
21 if you care to do so, please respond to me and yay or nay.
22 And if yay, I'll further direct you.

23 MR. CHICK: Okay. Well, can I do it now?

24 CHAIRMAN BAIRD: She wants it in writing.

25 MR. CHICK: Oh, okay.

1 CHAIRMAN BAIRD: She wants it in writing.

2 MR. CHICK: I'll send her an e-mail.

3 CHAIRMAN BAIRD: Just a record that says,
4 "Nay."

5 MS. BLAKE: Yep.

6 MR. CHICK: Okay. Send to Deb.

7 MR. DESANCTIS: Isn't it -- isn't it like
8 too much work for like \$22 or something?

9 MS. BLAKE: That would be your decision, not
10 mine. I have -- I don't have to do anything. So it's not
11 my work, but --

12 CHAIRMAN BAIRD: Those that haven't
13 responded, perhaps if you would resend that to us, we
14 could just respond with a yay or nay then. It will be a
15 lot easier.

16 MS. BLAKE: Mr. Chairman, I can do that.

17 CHAIRMAN BAIRD: Thank you.

18 MS. BLAKE: And that completes the
19 departments updates.

20 CHAIRMAN BAIRD: Very good. I have a
21 question concerning the -- the non-single family potential
22 of a HUD coded product out there.

23 MS. BLAKE: Yes.

24 CHAIRMAN BAIRD: What if the manufacturer
25 isn't aware?

1 I mean, I know there's several things that
2 come across my desk that look like office units and then
3 we figure kind of like it's -- if it walks like a duck and
4 quacks like a duck, it's probably a duck. So we have to
5 say no, that's an office unit. They can't be HUD coded.
6 Or it's a duplex or whatever.

7 MS. BLAKE: Uh-huh.

8 CHAIRMAN BAIRD: We do that. But we do know
9 that some of our HUD units end up as office units.

10 MS. BLAKE: Well --

11 CHAIRMAN BAIRD: But way after the fact, you
12 know.

13 MS. BLAKE: And that's kind of a -- a long
14 discussion because I think the intent is whether or not
15 the manufacturer knew or should have known. If the design
16 lends itself to being an office, you should have known,
17 whether you did know or you didn't know.

18 But further beyond that, the discussion gets
19 to -- because some of the feedback I've had, well, okay.
20 So it's a HUD home. It's got a HUD label. You know, a
21 mom, dad, and kids bought it, lived in it, and then they
22 decided to do something different and now they're renting
23 it to three college students who share it. Well, who's
24 going to police that?

25 Certainly, we're not.

1 Now, the other scenario that we do see quite
2 a bit is -- and especially in the Tucson area, although
3 I'm sure it happens here too -- is a manufactured home,
4 10, 15 years old. Somebody sells it. Somebody buys it
5 cheap. They park it along the corner of a busy
6 intersection and it becomes Debbie's Dog Grooming, you
7 know.

8 CHAIRMAN BAIRD: Sure.

9 MS. BLAKE: So we get a lot of that. People
10 pick it up cheap and then they turn it into commercial
11 use. A radio station, K -- and I don't remember the call
12 numbers -- they bought one in Tucson and they're going to
13 use it for their radio station.

14 MR. DESANCTIS: So -- and I'm sorry to --
15 interesting. Are you talking about how the -- it's
16 designed from the manufacturer or are you talking about
17 intent of use?

18 Because how did the -- the factory, how did
19 they know?

20 I mean, it's not going to happen if there's
21 financing, because there is --

22 MS. BLAKE: Right.

23 MR. DESANCTIS: -- no type --

24 MS. BLAKE: Well, and just to clarify for
25 the record, this that we're talking about, the board can't

1 take any action about. It's a --

2 MS. WILLIAMS: Or discuss.

3 MS. BLAKE: Or discuss.

4 It was a public record --

5 MR. PALMA: Okay.

6 MS. BLAKE: -- this document that went out,
7 but -- so if we want to have a more in-depth discussion
8 about it, we can agendize it for the next meeting. So
9 would you like for that to be on the agenda?

10 CHAIRMAN BAIRD: I don't think it's
11 necessary. The individuals can talk to you directly, I
12 believe.

13 MS. BLAKE: Sure.

14 CHAIRMAN BAIRD: And that's the way we
15 should handle it.

16 MS. BLAKE: Okay. Thank you.

17 CHAIRMAN BAIRD: It's -- it's -- like you
18 said, it's very complicated and it's certainly not black
19 and white, and it really comes down to what the official
20 definition of single family is as well.

21 MS. BLAKE: That's true.

22 CHAIRMAN BAIRD: You know, so -- over the
23 years I built several houses that are dual master suites
24 that had unrelated folks live in, retired folks.

25 MS. BLAKE: Right.

1 CHAIRMAN BAIRD: Mr. and Mrs. Smith and
2 Mrs. Jones live together. Is that a single family?

3 You know, you go -- there you go. So
4 that's -- that's -- I don't think that's what HUD's after
5 really.

6 MS. BLAKE: No. I think the main focus is
7 not for commercial use.

8 CHAIRMAN BAIRD: Yeah.

9 MS. BLAKE: And so --

10 CHAIRMAN BAIRD: That's a good way of
11 looking at it. Yeah. Okay.

12 MS. BLAKE: Okay.

13 CHAIRMAN BAIRD: Thank you.

14 Any questions for Debra on the state of the
15 department?

16 No? Great. Let's move on then to the
17 financial report. Let's have somebody new do this.

18 Debra, would you like to do this for us?

19 MS. BLAKE: I'd be thrilled to do it for
20 you.

21 CHAIRMAN BAIRD: Thank you. Thank you.

22 MS. BLAKE: What you see presented on page 7
23 in your packet -- well --

24 MR. DESANCTIS: Page 8.

25 MS. BLAKE: Page 8. Thank you.

1 MR. DESANCTIS: I'll motion to agree.

2 MS. BLAKE: -- is the 13th month reporting.
3 As I indicated, this was already sent to all of you when
4 it become available.

5 CHAIRMAN BAIRD: Yeah.

6 MS. BLAKE: What you see is obviously
7 summarized from what you normally see to just show the
8 volume, the year-to-date fees, and -- and that kind of
9 information.

10 The good news, the exciting news about all
11 of this is the board successfully adjusted fees over the
12 last couple of years so that the proration that the board
13 is tasked with making decisions to impact must be between
14 95 percent and 105. It ended up at 99.3.

15 And this is also consistent with the results
16 of the sunset audit that you've all had information about
17 before where we were directed and tasked with full cost
18 recovery, which of course would be 100 percent. And so
19 you -- you got real close. So that's good news.
20 Congratulations for that.

21 Any questions as you've had a couple of
22 months to review these final numbers?

23 And something that I added to it that's on
24 page 11, because I know there's been some confusion in the
25 past about moneys coming into the department, specifically

1 for Office of Manufactured Housing. And so page 11 was my
2 attempt to explain the difference between what are the fee
3 based revenues coming in --

4 CHAIRMAN BAIRD: Uh-huh.

5 MS. BLAKE: -- and the other money,
6 sometimes called grant money, that we get from HUD, and
7 then the amount of money we use from the relocation fund
8 as statutorily authorized, not only to cover the actual
9 cost of relocation, which is its purpose, but also the
10 direct and indirect cost of staff to handle those calls
11 from tenants, handle those petitions, and those items that
12 relate to the Mobile Home Landlord-Tenant Act.

13 CHAIRMAN BAIRD: It's very clear.

14 MS. BLAKE: Well, thank you.

15 Okay. If no questions or discussion about
16 that, we'll move on to page 13. That is the unofficial
17 close of business. The end of the fiscal year ends, as
18 you know, June 30th. Those are the numbers as they were
19 presented before any adjustments, as they were reflected
20 on the 13th month report we just looked at.

21 CHAIRMAN BAIRD: Uh-huh.

22 MS. BLAKE: And then on page 15 is the July
23 report. I think I would just point you to page 16. That
24 looks like so far for 2014, you know, volumes are slightly
25 above or at least near what the production was for last

1 year, which is improved greatly from 2012.

2 And then on page 17, our most current report
3 available is the August 2014. And as the board had
4 requested, the charts on page 19 and 20, just for the
5 most -- and 21, just for the most current reporting.

6 Any questions, comments, on the financial
7 reporting?

8 CHAIRMAN BAIRD: No one has a question about
9 the note?

10 This would be the first time we've had a
11 meeting where no one's questioned the note off to the
12 right about the educational grants.

13 MR. CHICK: It was well explained last time.

14 CHAIRMAN BAIRD: Last seven times.

15 MS. BLAKE: Have we beat that dead horse to
16 death yet?

17 CHAIRMAN BAIRD: I'll just point out that
18 the -- if you look at the August -- page 18, look at
19 August for the production trend, up significantly over
20 last year versus other months. 40, probably 30 percent
21 higher. So hopefully that's an indication for us.

22 If there's no other questions or comments,
23 let's -- let's see if we can accept these.

24 MR. CHICK: I move that we accept the
25 financials as presented.

1 CHAIRMAN BAIRD: And seconded by Joe.

2 All in favor?

3 BOARD MEMBERS: Aye.

4 CHAIRMAN BAIRD: Opposed?

5 Motion carried.

6 Thank you, Debra.

7 MS. BLAKE: You're welcome.

8 CHAIRMAN BAIRD: Okay. Recovery fund.

9 MS. BLAKE: Okay. If you turn in your
10 packet to page 22, the standard report that you see every
11 board meeting is the recovery fund summary. The balance
12 as of September 1st, 2014, plus the prior months' cash
13 bond interest earned, gives us a new balance of 263,000.
14 There are no claims awaiting to go to hearing, no claims
15 that had been to hearing, and I'm not aware of any that
16 we've received any notification about from a consumer. So
17 the balance is growing slowly, but it is growing as
18 indicated there.

19 Beginning on page 23 is the summary of the
20 complaints that the department is working on, and those
21 are the three complaints filed in calendar year 2014,
22 identifies dealer issue or manufacturer and installer
23 issue and whether or not they are possible recovery fund
24 claims. The only one that is possible is the Horning
25 complaint, although I believe it's been resolved.

1 I'm sorry. Let me reread that.

2 CHAIRMAN BAIRD: Uh-huh.

3 MS. BLAKE: Oh. The dealer has not
4 corrected, and so that may go to a recovery fund claim.

5 The next two pages, 24 and 25, are the same
6 complainants just with a little bit more detail as to who
7 was being held accountable for it and what the high level
8 detail issues were.

9 CHAIRMAN BAIRD: Okay.

10 MS. BLAKE: Questions, comments on that
11 section?

12 CHAIRMAN BAIRD: I guess not.

13 MS. BLAKE: Okay.

14 MR. GLEESON: Nope.

15 CHAIRMAN BAIRD: Let's move on.

16 MS. BLAKE: Mr. Chairman, would you like to
17 move along to fee schedule?

18 CHAIRMAN BAIRD: Let's move on to the fee
19 schedule.

20 MS. BLAKE: Thank you, sir.

21 Beginning on page 26, this is the fee
22 schedule that the board voted on. Fees went into effect
23 July 1st. And it's just here for your reference.

24 CHAIRMAN BAIRD: No changes.

25 MS. BLAKE: No changes.

1 CHAIRMAN BAIRD: The next section was the --
2 I guess my area. I was calling for a call to the public
3 form, something that people could fill out as they walked
4 in or do it in advance if they wanted to speak to us.

5 The department came up with this form that's
6 on page 29. I think it's great. I see no -- there are no
7 members of the public here today. That's the first time
8 that's happened in a long time, you know. We must be
9 doing a wonderful job. Congratulations everyone. Or it's
10 Ebola or it's the stock market. I don't know what, you
11 know. Everybody's afraid.

12 But first of all, I'd like to -- do we think
13 we need this form or can we keep it as informal as we've
14 been keeping it?

15 Comments on that?

16 MR. HOYLE: Mr. Chairman, I think it's a
17 good idea to keep the form.

18 CHAIRMAN BAIRD: Okay. Any other comments?

19 I -- I agree as well. I think it's good to
20 have it and we'll just have it available. You can put it
21 on your website?

22 MS. BLAKE: We can. And we'll -- we'll put
23 it as part of the agenda packet. Just to make you aware,
24 we can make it available. It's helpful to the board if we
25 know what they're going to talk about. But if they come

1 to the board meeting, they have not prepared a form, they
2 don't want to do a form, you -- they still have to be
3 heard --

4 CHAIRMAN BAIRD: Right.

5 MS. BLAKE: -- at the meeting.

6 CHAIRMAN BAIRD: Right now we kept call to
7 the public at the end of our meeting. So we could make
8 some forms available here --

9 MS. BLAKE: Uh-huh.

10 CHAIRMAN BAIRD: -- that they could fill
11 out. It's not required, but if they're there and they
12 want to speak, I would think generally they'd want to fill
13 it out.

14 Yeah. So I think we can do that.

15 MS. BLAKE: Okay. So we can post it on our
16 website --

17 CHAIRMAN BAIRD: Yeah.

18 MS. BLAKE: -- have it available at each
19 board meeting. Okay.

20 MR. HART: Mr. Chairman, we were discussing
21 a move in that to the front of the meeting?

22 CHAIRMAN BAIRD: We talked about that and
23 there's -- I thought we said last time that we would leave
24 it at the end of the meeting?

25 MS. BLAKE: I'd have to look at the court

1 reporter transcript --

2 CHAIRMAN BAIRD: All right.

3 MS. BLAKE: -- but I don't recall there was
4 any decision to make a change.

5 CHAIRMAN BAIRD: We can bring it up again.
6 I'm okay with leaving it at the end, especially with
7 having this form out there to give them time to fill it
8 out.

9 MR. HART: That works.

10 CHAIRMAN BAIRD: I don't think it really
11 matters, this -- you -- you're just trying to cross a T
12 and dot the I?

13 MR. HART: There you go.

14 CHAIRMAN BAIRD: There you go. Okay. Well,
15 we'll leave it the way it is then if everybody's okay with
16 that?

17 Paul, you don't care? Paul's both ways. He
18 said okay.

19 MR. DESANCTIS: I thought it was going to be
20 at the beginning. That was my recollection.

21 CHAIRMAN BAIRD: Yeah. We talked about it.

22 All right. The next section I have, and --
23 if there's nothing else on the board public forum deal is
24 the -- is the expirations. Page 31 shows when we're all
25 expiring here. If Ebola doesn't get us first, we'll be

1 over here in January, which means, if you want to serve
2 again, great.

3 Turning to page 32, it tells us all how long
4 we have served and where we are in our term basis.
5 Myself, for example, I -- I've had three terms; right?
6 This is my third term, so in January it'll -- I'll have
7 served for 9 years. And we have Mr. Haney who has served
8 for 12 years or will be in January. Four different terms.

9 So -- and then going along with this, so you
10 know this and you've seen how much service you've given,
11 is the -- the attendance that we've been able to -- the
12 record of attendance, as I should say, for everyone. And
13 you can see the percentages for '12, '13, and '14.

14 And obviously, we talked about this last
15 time, about if you want to be here, then you should -- and
16 want to serve, then you should be here if you can. So we
17 all know business is business and we do it.

18 We all agreed also that telephonically,
19 although it's available, it really doesn't work, you know.
20 You can testify to that, Paul. You've done more of them
21 than anybody. It's just -- you just --

22 MR. DESANCTIS: The other day, I don't
23 know -- I meant to ask them. I had to phone in to the
24 board and it was perfect. I -- I don't know what they're
25 doing with their system. It really worked pretty well.

1 CHAIRMAN BAIRD: Really?

2 MR. DESANCTIS: But again, I think when we
3 spoke about that, there's -- it's not as much of an issue,
4 quorum. Because that was the original, I think, intent.

5 MS. BLAKE: Uh-huh. Yes.

6 CHAIRMAN BAIRD: Yeah. I agree.

7 Any comments on that? Everybody?

8 Okay. Does everybody know what to do if you
9 want to sign up again, how to do it?

10 MS. BLAKE: And I -- and I would just --

11 CHAIRMAN BAIRD: If you don't, call Debra.

12 MS. BLAKE: Yeah. Call Debra.

13 And I would just suggest because all the
14 term dates are January 19th, January 21st is the first
15 board meeting we have scheduled. I have no idea if boards
16 and commissions is going to be appointing new -- well, the
17 governor appoints you to the board. Because this is a
18 gubernatorial election, is that going to be top on
19 anyone's agenda? My guess is not, but I don't know.

20 If -- it's my understanding and I'll confirm
21 it before the January meeting. If you were senate
22 confirmed, you can continue to serve even if you haven't
23 been reappointed. If you were not senate confirmed, you
24 were just appointed, then at the -- at the end of your
25 term, you can't serve on the board. So --

1 MS. WILLIAMS: Let me -- because --

2 MS. BLAKE: Yeah. We're going to --

3 MS. WILLIAMS: There's some new ones in
4 Phoenix. All of them are either senate confirmed or not.

5 MR. GLEESON: We are.

6 MS. WILLIAMS: By statute. Are you
7 confirmed by the senate?

8 MR. GLEESON: I think we all are.

9 MR. DESANCTIS: All of us.

10 MS. BLAKE: Were you, Neal? Because I don't
11 know how --

12 MR. HANEY: Oh, several times.

13 MS. BLAKE: Yeah.

14 CHAIRMAN BAIRD: Oh, yeah. Neal was there.
15 We were there together.

16 MS. BLAKE: Okay.

17 CHAIRMAN BAIRD: All of us were there
18 together.

19 MS. BLAKE: Okay. We'll clarify, but --

20 CHAIRMAN BAIRD: I think all of us were. I
21 don't know about Michael, but --

22 MS. BLAKE: -- if -- if you want to be
23 reappointed and you haven't received information from
24 boards and commissions, I will know that probably at the
25 same time or before you will.

1 CHAIRMAN BAIRD: Yeah.

2 MS. BLAKE: Then we'll get clarification
3 that you can continue to serve or cannot before the
4 January board meeting.

5 CHAIRMAN BAIRD: Thank you.

6 When does the board decide about
7 chairmanship of the board?

8 MS. BLAKE: It's an annual decision.

9 MR. HANEY: We decided last meeting.

10 MS. WILLIAMS: Can't do it today.

11 MS. BLAKE: You can't do it today.

12 CHAIRMAN BAIRD: Do not miss a meeting.

13 MS. BLAKE: We can agendize that for the
14 January meeting.

15 CHAIRMAN BAIRD: Let's do that.

16 MS. BLAKE: Giving up already?

17 CHAIRMAN BAIRD: No. And those of you that
18 want to entertain being chairman, please bring your
19 thoughts and we'll have an open discussion about it.

20 MR. GLEESON: I think you do a great job as
21 chairman.

22 MR. HART: I second that.

23 CHAIRMAN BAIRD: Yeah. I -- I like
24 spreading things around, letting other people get involved
25 as well, but we'll see. But it should be an agenda item.

1 We should discuss it.

2 MR. CHICK: So it's always the third
3 Wednesday?

4 CHAIRMAN BAIRD: Yeah. We're sticking to
5 the -- pretty much third Wednesday of the month -- of the
6 quarter.

7 MR. CHICK: Oh, Debra. Excuse me,
8 Mr. Chairman.

9 CHAIRMAN BAIRD: Certainly.

10 MR. CHICK: My term ends the 19th. The next
11 meeting is the 21st. I do not plan on requesting another
12 term.

13 MS. BLAKE: You're not going to request
14 reappointment?

15 MR. CHICK: No.

16 MS. BLAKE: Okay.

17 MR. CHICK: I'm getting too old. It's time
18 to retire.

19 MS. BLAKE: Okay.

20 CHAIRMAN BAIRD: Our package isn't that
21 great.

22 MR. CHICK: Coming into Phoenix is becoming
23 a chore.

24 CHAIRMAN BAIRD: I hear you.

25 MR. CHICK: And --

1 CHAIRMAN BAIRD: Well, thank you.

2 MR. CHICK: And my wife's vacation time
3 is -- is important.

4 CHAIRMAN BAIRD: I would think so.

5 MR. CHICK: So that's -- that means that I
6 don't make a meeting in the summertime. Too many things
7 happen at my age, so -- I've enjoyed serving here. I --
8 I -- I enjoy all the people that -- that are on the board,
9 so -- and you've done a good job and I can see the
10 dedication. And hopefully whoever takes my place enjoys
11 it as much as I have. So -- thank you.

12 MR. DESANCTIS: Now, you can do what I do.
13 Because I plan on coming back as a member of the public
14 and keeping you all here all day.

15 CHAIRMAN BAIRD: Yeah. You'll be able to
16 attend the meetings from that perspective; right?

17 MR. HANEY: That does raise a question,
18 though. I mean, there may be others who do not plan on
19 applying to reappointment. And in this case, if Art's
20 not, then that seat's going to be vacant until somebody
21 else applies, is appointed, and is confirmed.

22 MS. BLAKE: Correct.

23 MR. HANEY: And so if there are several, is
24 that -- and that takes us down below a quorum, then --

25 MS. BLAKE: Then you can't meet.

1 MS. WILLIAMS: Then you can't meet.

2 MS. BLAKE: You can't meet. I'm aware of
3 two now that Art has indicated, but I've not had feedback
4 from anyone else.

5 CHAIRMAN BAIRD: Well, what's our quorum
6 number?

7 MS. BLAKE: Five.

8 Right? Yeah, five.

9 MR. DESANCTIS: I --

10 CHAIRMAN BAIRD: I plan on redoing it.

11 MS. BLAKE: You are? Okay.

12 CHAIRMAN BAIRD: Two, three, four.

13 MR. DESANCTIS: Nope. But I'll show up if
14 that becomes an issue.

15 CHAIRMAN BAIRD: Well, it's not because
16 Michael's just in.

17 MR. HANEY: Well, you can't show up to the
18 meeting if you haven't reapplied and been reappointed.

19 MS. WILLIAMS: No, the --

20 MR. DESANCTIS: Applied with boards and
21 commissions?

22 MR. GLEESON: You don't have to be
23 reappointed.

24 CHAIRMAN BAIRD: You just have to be
25 reapplied.

1 MR. DESANCTIS: Right. I've got that thing
2 down and --

3 MS. BLAKE: Well, we're going to get
4 confirmation.

5 CHAIRMAN BAIRD: We think.

6 MS. WILLIAMS: We'll figure it all out.

7 MR. GLEESON: So if we're senate con- --
8 confirmed, we don't have to even reapply or do we reapply?

9 MS. BLAKE: No. You have to reapply if your
10 term is up.

11 MR. HANEY: But you can continue to serve --

12 MS WILLIAMS: Right.

13 MR. HANEY: -- until such time as you've
14 been through the process.

15 MS. BLAKE: At your request.

16 MS. WILLIAMS: Yes.

17 MR. DESANCTIS: So -- but can someone jump
18 in to, like, fill a spot if someone resigned? Not during
19 this sort of up time, but just in the middle of the course
20 of the terms.

21 MS. BLAKE: Well, that's what Michael did.

22 CHAIRMAN BAIRD: That's what Michael did.

23 MS. BLAKE: They will replace vacant seats
24 even if the term hasn't expired.

25 CHAIRMAN BAIRD: So if we can all attend, it

1 sounds like we're all going to try to reapply and then we
2 can all have a meeting and have a quorum present if
3 Michael shows up and the rest of us show up.

4 One, two, three, four, five. That would be
5 five.

6 Do you know -- have you heard from Zeek?

7 MS. BLAKE: I have not.

8 CHAIRMAN BAIRD: Okay.

9 Okay.

10 MS. BLAKE: Okay. So I would just encourage
11 you, if you are going to reapply, the information was in
12 your board packet for the July session, gives you the
13 website, and I would encourage you to get out there and do
14 it sooner than later because it is a process. It's not
15 like you just apply.

16 And they're going to look at other people
17 who've applied that fit the seat that you're in, the group
18 that you represent. Chances are you would get
19 reappointed, but I wouldn't wait until the last minute if
20 it's something that you're interested in continuing to do.

21 CHAIRMAN BAIRD: Okay. Call to the public?

22 We have none.

23 Announcements of future business?

24 There's January 21st we talked about and
25 there's a schedule for the remainder of the year as well

1 for your calendars.

2 So any other topics we need to discuss
3 today? Anything -- anything?

4 No?

5 Will someone like to make a motion?

6 MR. HANEY: So moved.

7 CHAIRMAN BAIRD: Second?

8 MR. HART: Seconded.

9 CHAIRMAN BAIRD: Seconded.

10 Favor?

11 Goodbye.

12 (Proceedings concluded at 1:43 p.m.)

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

3

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 were taken before me; that the foregoing 36 pages are a
 5 full, true, and accurate record of the proceedings, all
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 6 proceedings were taken down by me in shorthand and
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7 I CERTIFY that I am in no way related to any
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- Review and signature was waived.
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12 I CERTIFY that I have complied with the ethical
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 13 J(1)(g)(1) and (2).

14 Dated at Phoenix, Arizona, this 29th day of
 October, 2014.

15

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SARA J. TELLO, RPR
 Certified Reporter
 Arizona CR No. 50837

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