

DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

OCTOBER 17, 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 Zeek Ojeh.

Board Member absent: Troy Hyde

Department of Fire, Building and Life Safety Staff: Director Gene Palma; Deputy Director Debra Blake; Assistant Attorney General Mary Williams; Board Secretary Ayde Marquez; Licensing and Investigations Manager Donna Grant; Compliance Manager Holly Textor and Deputy Director Mary Ann Knight.

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

APPROVAL OF JULY 18, 2012 BOARD MINUTES

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

DEPARTMENTAL INFORMATION

Personnel Updates: Deputy Director Blake ("Blake") reported that the Department recently hired Lon Clifton for the Installation Inspector position for the metropolitan Phoenix area. Clifton had previously worked with the Department with 18 years of experience as an Inspector and experience in performing verifications of consumer complaints for the Department. At this time, the Department has two positions available; one for an Inspector for the Tucson metropolitan area and the second one for Installation Manager. The Department currently does not have the funding available to hire those positions.

As requested in the prior Board Meeting by Board Member Hart, Blake provided a chart with a comparison for the volume of commercial modulars verses residential modulars. The Department indicates that there is a much higher rate for commercial modulars by 98 percent than residential modulars.

Blake informed all Board Members about the licensing search feature provided on the Department's website. This feature allows anyone to check the current status of a licensee by different criteria's such as license number, company name, qualifying party, license classification or can be filtered by a geographic location.

FINANCIAL REPORT

Blake presented the June, July and August 2012 financial reports. The June 2012 report is the last report for the 2012 fiscal year bringing the Department to a 92.7 percent proration. The goal for the Department is between 95 and 105.

DFBLS Action item: Board member Ojeh requested to include the actual dollar amount to the Revenue Breakdown, Year to Date Revenue Breakdown & Expenditure Breakdown chart.

RECOVERY FUND

Blake provided an update on the Recovery Fund balance of \$165,000 as of October 1st. The Department recently paid out \$101,000 bringing the Recovery fund a total balance of 64,000.

DFBLS Action item: Board member Ojeh requested to reformat the presentation of the Recovery Fund chart more similar to a cash flow accounting.

Blake presented information on the new escrow law and discussions that Department staff has had with Ken Anderson, President of Arizona Housing Association, Scot Butler, legal counsel for AHA, and questions that have been posed by dealer licensees. The two major topics have been: 1) construction loans and disbursements made by the lender to the dealer prior to consummation are still earnest monies and must be handled as such through the title company; and 2) a disconnect in information provided to the Board and Department staff that the new law excludes payments into the Recovery Fund except for used homes sold under \$50K. The discussion concluded that the slow payment of fees into the Recovery Fund may result in consumers needing to wait for payment on claims. The new escrow law was not intended to eliminate the need for the Recovery Fund and its intended purpose; rather, was to minimize/prevent a dealer from mishandling a consumer's monies.

There was some discussion on the Homeowner Information Bulletin for used homes sales. This Bulletin needs to capture information on whether the home is under \$50K or not to alert Department staff as to whether a Recovery Fund fee is required to be submitted by the licensee. However, since this topic was not included on the Agenda as a discussion item, either a separate telephonic meeting will be required or other actions taken to address the topic.

NOTICE OF PROPOSED RULE MAKING

Blake updated the Board that the Department's Five-Year Rule Review Report was reviewed and approved by the Governor's Council on Regulatory Review on October 2, 2012. The Five-Year Rule Review Report is a comprehensive review and analysis of each rule currently in effective as well as future plans for updating rules during the next five-year period. The Five-Year Rule Review will be due in 2017.

CALL TO PUBLIC

No public discussion.

NEXT BOARD MEETING DATE

Wednesday, January 16, 2013

ADJOURNMENT

The meeting was adjourned at 2:36 p.m.