

# DRAFT

## ARIZONA BOARD OF MANUFACTURED HOUSING

### ABBREVIATED MINUTES

#### OCTOBER 19, 2011 BOARD MEETING

#### CALL TO ORDER

Acting Chairman Baird called the meeting to order.

#### ROLL CALL

Board Members present: Samuel Baird, Paul DeSanctis, Neal Haney, Troy Hyde and Joseph Stegmayer

Board Members absent: Chairman Ross Wait, Zeek Ojeh and Roger Wendt

Public/Industry Members present: Ken Anderson, MaryAnn Knight, Mary Williams, Patty Stecher and Betty Rosen

#### APPROVAL OF APRIL 20, 2011 CORRECTED BOARD MINUTES

Motion made by Mr. Haney to approve April 20, 2011 Corrected Abbreviated Minutes, seconded by Mr. Stegmayer and approved by the Board.

#### APPROVAL OF JULY 20, 2011 BOARD MINUTES

Motion made by Mr. Haney to approve July 20, 2011 Abbreviated Minutes, seconded by Mr. DeSanctis and approved by the Board.

#### FINANCIAL REPORT

Deputy Director Blake (Blake) presented the June financial report and made note of the revenue and expense totals for the end of 2011 fiscal year 2011. The FY11 revenue was \$652,003.71, down some from prior year revenue. The FY11 expenditures were \$692,629.50 or a proration at 94 percent when compared to revenue. This was achieved, in part, by the Board's prior decision to raise fees 12% in FY10. Board members reviewed and discussed the July and August reports. Blake announced that beginning with the September report and in response to prior Board requests, the expenditures will be broken down into more specific accounting categories and that Report would be available on [www.dfbls.az.gov](http://www.dfbls.az.gov) for review prior to the next Board meeting.

## **PERFORMANCE AUDIT AND SUNSET REVIEW**

Blake provided a summary of the Auditor's Performance Audit and Sunset Review Report provided in its entirety in the Board packet. With regard to the Office of Manufactured Housing, the Report recommends that the Board should set fees to fully recover costs or achieve a proration of revenue to expenses at 100%. In addition, a new legal interpretation of a statute opined that the costs of administrative functions that directly support the Office of Manufactured Housing – licensing, consumer complaints and investigations must also be considered costs that the fees must cover.

## **FEE STRUCTURE**

Blake provided the Department's budget information included its revenue sources – general fund allocation and how that allocation is distributed amount the Department's Divisions. Projected expenditures were also identified. To meet full cost recovery, it was reported to the Board that current revenues would not meet projected expenditures for FY12. Blake presented three options for Board consideration on raising fees to meet the full cost recovery based on the total anticipated revenue and projected expenditures known at this time. Board members discussed the different types of functions, including those like licensing where the fees collected exceed the actual cost of performing the function and voted to take no action at this time based on the unavailability of cost analysis for each of the Department's fee-generating activities.

## **RECOVERY FUND**

Compliance Director Soliere provided an update on the Recovery Fund balance. At this time there are no claims pending payment; however, there is one case pending hearing in the requested amount of \$20,263.

## **NOTICE OF PROPOSED RULE MAKING**

Blake informed the Board that at this time there are no new updates on the proposed rule making previous reviewed and approval by the Board. However, the process is continuing and a notice has been published on the rule making but has not yet been scheduled for public review.

## **CALL TO PUBLIC**

Mr. Anderson provided comments to the Board on fee increases in the future and suggested increasing the number of Intergovernmental Agreements with local jurisdictions.

## **NEXT BOARD MEETING DATE**

Wednesday, January 18, 2012

## **ADJOURNMENT**

The meeting was adjourned at 2:27 PM.