

MINUTES OF THE SPECIAL MEETING CONDUCTED BY
CONTRACTORS' STATE LICENSE BOARD
OF CALIFORNIA

Held at
Sacramento, California
March 19, 1937

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The special meeting of the Contractors' State License Board was called to order by Roy M. Butcher, Chairman of the Board, at 11:00 A. M., March 19, 1937, in the State Office Building, Sacramento, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman
Ralph E. Romann, Vice Chairman
Clarence B. Eaton, Member
Hugh McNulty, Member
S. G. Johnson, Member
William Nies, Member
Earl S. Anderson, Executive Secretary

Absent:

Stephen L. Ford, Member

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar
Louis F. Erb, Deputy Registrar
Harry R. Cayford, Secretary, Fresno Builders' Exchange
Carl Steger, Secretary-Treasurer, San Joaquin County
Master Painters
David S. Moir, Building Contractors Association of
Southern California
William E. Hague, Central California Chapter, A. G. C.
P. M. Sanford, State Builders' Exchange, Richmond

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The minutes of the last meeting, held January 15 and 16, 1937 in Sacramento, were submitted by the Secretary. It was moved and seconded that the minutes be approved as written. Unanimously carried.

Mr. Rowan, Chairman of the Finance & Budget Committee, stated that his Committee had no report to render at this time.

Mr. E. G. Johnson, Chairman of the Rules and Procedure Committee, stated that his Committee on Rules and Regulations had made an investigation of Subdivision 5 of Section 9 of the Act, concerning the keeping of books and records by licensees. He stated that for a long time there had been a desire in the industry that Subdivision 5 of Section 9 be enforced more strictly, for the reason that many of the smaller contractors have not been keeping books and records according to present requirements, not only of the Contractors' Law, but of other laws of the State. Mr. Johnson stated that a written report from his Committee would be available by this afternoon or tomorrow morning, and that members of the Committee had given much thought and study to this provision of the Law. He said the Committee was of the opinion that by securing more strict enforcement of Subdivision 5 of Section 9 of the Act, it would afford the Board a splendid chance to make the License Law of benefit to the industry. However, Mr. Johnson stated that the members of the Committee believed that this provision of the Law should be approached with caution, keeping in mind the wisdom of building up and strengthening the entire Act, and that the Board should adopt the procedure of not bearing down too hard on this particular subdivision. Furthermore, stated Chairman Johnson "we are entirely in sympathy with the request and desire of the Board members and members of the industry in trying to enforce more strictly this provision of the Act."

Mr. Houson stated that he would be interested in the outlining of some approach to this matter, and Mr. Johnson stated that this would be given.

Chairman Butcher stated that a verbal report had been submitted by Mr. Johnson and that same would be accepted until a written report could be rendered, either this afternoon or tomorrow morning.

A general discussion was had in further regard to the keeping of books and records, and Mr. Anderson stated that there was some thought of incorporating this as a question on the application form. It was finally decided that the Board adopt a resolution to approve more strict enforcement of this provision when more flagrant violations are known.

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The Secretary reported to the Board that there was a total of 27,144 licensed contractors as of March 1, 1937, as compared to 24,375 contractors March 1, 1936, making an increase of 2,771.

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The following letters and communications were read by Earl S. Anderson, Executive Secretary and Registrar:

Letter from Salinas Builders' Exchange, stating that their office is open to the Board and Inspector Kelly, and offering their assistance wherever possible.

A letter from the Builders' Exchange of Oakland, in regard to Inspector Rahlves was read. At this time Mr. Anderson, after some discussion was had, stated that the Board was making an arrangement

with the Income Tax Division of the State to go in with them on renting office space in the Dalziel Building in Oakland, for the use of our inspectors in that district. Mr. Anderson stated that the Income Tax Division would take our phone calls and messages and refer them to the inspectors. The lease was signed by Mr. Bonhall and becomes effective March 15th; the cost per month to be \$25.00 and telephone extra.

A letter from the Builders & Manufacturers Exhibit of Oakland, regarding the Oakland situation was read. This was a proposal to furnish space, telephone and message service for a price of \$18.00 per month.

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A letter from the "Southwest Wave of Los Angeles" in regard to their policy of not accepting advertisements from contractors who advertise prices, was read.

A letter from the California State Chamber of Commerce signed by P. F. Sanford, Chairman, and LaBarra, Chairman of Southern Section was read. This was in regard to contacting members of the Legislature and asking them to support amendments and having members attend Legislative committee meetings. Senate Bill 240 was approved by both sections. Senate Bills 933, 934 and 935 were opposed by the State Chamber of Commerce.

A letter from the Builders' Exchange of Long Beach, signed by E. A. Bradbury, favoring the amendments with a few exceptions, was read. The Exchange opposed the question in regard to conviction of a felony in that it does not apply to the Act. They also called attention to a typographical error in Section 5. At this time there was considerable discussion as to whether or not

A license could be denied because of conviction of a felony, and Mr. Anderson read a letter in reply to Mr. Bradbury on this matter.

A letter from the General Contractors' Association of Orange County was read by Mr. Anderson, regarding a suggestion to be added to Subdivision 4 of Section 9; said suggestion being the addition of the words "or Workmen's Compensation, Insurance and Safety Laws" of the State.

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At this time a lengthy discussion was held regarding the advisability of entering into the enforcement of the Compensation Insurance Law as applied to contractors and just what our limitations would be. The matter of scaffolding and the safety of same was also discussed. Mr. Butcher, Chairman, stated that if there were no objections this letter would be referred to the Legislative Committee.

A letter from the Master Plumbers' Association of San Francisco, signed by Mr. McCloud, regarding Subdivision 4 of Section 9 was read, regarding the insertion of "or health laws" in the Law to prevent continued violation of the plumbing ordinance by contractors. Mr. Anderson also read his answer to this letter. Mr. Nien-stated that he believed some member of the Board or Mr. Anderson should be instructed to set the Association right on our limitations regarding this qualification.

A letter from Frank Connolly of the Associated General Contractors of Los Angeles, commenting on the article from "Business Week" regarding non-Californians obtaining contractors' licenses, was read.

Copy of a letter sent to Mr. Bradbury of the Long Beach Builders' Exchange, signed by Senator John H. McColl, regarding Senate Bills 933, 934 and 935 was read, in which he states that these bills were introduced at the request of Floyd O. Booe. It stated no action would be taken until industry meetings are called.

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The meeting recessed at 12:30 P. M. to reconvene at 1:30 P. M., which time was set by Chairman Butcher.

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AFTERNOON SESSION
2:30 P. M., March 19th, 1937

The meeting was called to order by Chairman Butcher at 2:30 P. M. in the State Office Building, Sacramento.

The following were present:

- Roy M. Butcher, Chairman
- Ralph E. Homann, Vice Chairman
- Clarence B. Eaton, Member
- Hugh McNulty, Member
- S. G. Johnson, Member
- William Wiles, Member
- Earl S. Anderson, Executive Secretary

Absent:

- Stephen L. Ford, Member

Also present were:

- Glen V. Slater, Assistant Registrar
- Ralph S. Bowdle, Deputy Registrar
- Louis F. Erb, Deputy Registrar
- Harry R. Cayford, Secretary, Fresno Builders' Exchange
- Carl Steger, Secretary-Treasurer, San Joaquin County Master Painters
- David S. Moir, Building Contractors' Assn. of Southern California
- Willisa E. Hagne, Central California Chapter, A.G.C.
- P. M. Sanford, State Builders' Exchange, Richmond
- Joe Burr, Sacramento Builders' Exchange
- Frank J. Connally, So. California Chapter, A.G.C.

At this time Mr. Fred A. Taylor, Assistant Director of the Department of Professional & Vocational Standards addressed the Board at length in regard to three bills which have been introduced in the Legislature which would allow the self-supporting boards and agencies of the Department of Professional & Vocational Standards to invest surplus funds in the construction of a building in Sacramento for the use of this Department, and the equipping and furnishing of same. Mr. Taylor stated that this would include some agencies outside this Department; namely Corporation Commission, Collection Agency, Detective License Bureau, Real Estate and some others. Mr. Taylor stated that there had been some misunderstanding of the motive and necessity of this action and that he had been asked to explain the matter to the Board.

After Mr. Taylor's talk Mr. Butcher asked the Board if it wished to take any action on this matter.

It was moved by Mr. McKulty, seconded by Mr. Nies that the Board instruct the Registrar to draw up a resolution approving Senate Bills 250, 251 and 252 for the appropriation of our surplus funds to acquire land and construct and equip a building for the suitable accommodation of our agencies. Unanimously carried.

Mr. McKulty, Chairman of the Legislative Committee, submitted the following report of the activities of his Committee:

"Your Legislative Committee desires to report as follows covering the period since the last regular meeting of the Board:

"Amendments introduced at the first session of the Legislature affecting the Contractors' License Law and the Contractors' State License Board have been read, and your Committee sets forth herewith a list of such bills, their authors, the subject matter and our recommendations.

"A. B. 293, Desmond. Amends the License Law by reducing the \$200.00 exemption clause to \$50.00. Your Committee approves the bill, providing S. B. 240, carrying the same provision, does not pass.

"A. B. 1571, Cottrell. Permits the State Attorney to defend State employees when sued personally for official acts. Your Committee approves this bill.

"S. B. 240, DeLap. Generally amends the Contractors' License Law and is the bill introduced by the Construction Industry's Council. This bill is approved.

"S. B'S. 250 to 254, Nielsen. All of these bills deal with the right of the Department to acquire land and construct office facilities thereon. These bills are approved.

"S. B. 933, McColl. Repeals the Contractors' License Law. The Committee disapproves this bill.

"S. B. 934, McColl. Amends Sections 5 and 7 of the Contractors' License Law by reduction of the fees. The Committee disapproves this bill.

"S. B. 935, McColl. Amends Sections 4 and 5 and adds a new subsection to Section 4 of the Contractors' License Law. Changes the representation upon the Contractors' License Board and proposes other minor changes. The Committee disapproves the bill.

"Your Committee is glad to note that the Executive Committee of the State Chamber of Commerce has gone on record upon the above bills in line with the action of this Committee.

"Certain errors of a technical nature having come to light through continued study of S. B. 240, amendments to correct these errors have been drawn and will be introduced at the proper time. These amendments do not change the administrative features of the law or of S. B. 240.

"Apparently numerous changes to S. B. 240 will be necessary and your Committee presumes that the changes will be proposed by members of the Contractors' Associations before the bill proceeds through the Legislature.

"Respectfully submitted,

(Signed) Hugh McNulty, Chairman
Ralph Hermann, Member
S. G. Johnson, Member"

Mr. McNulty stated that he had received a number of proposed amendments which he would like to turn over to the members of the Executive Committee of the Construction Industry Council and other construction organization members present.

Mr. Anderson submitted the proof of the first bulletin, named the "California Licensed Contractor", which will be published by the Registrar of Contractors, and which will be mailed to all licensees and others connected with the construction industry. A number of favorable comments were made by members of the Board. Some recommendations were also made to make this bulletin more satisfactory.

Mr. McNulty stated that it had come to his attention that there were employees in the different agencies who are not receiving their minimum salaries, or have not received the amount they should be receiving according to the time they have put in. Mr. Anderson explained that everyone in this Department was receiving his minimum and that the Governor had a plan for increases in salary according to the efficiency record of the employee and the length of time employed. Mr. Anderson advised he had discussed the matter with the Director and that he hoped to make some recommendations shortly.

It was moved by Mr. McNulty, seconded by Mr. Johnson that this Board approves the granting of increases in salary to those employees who have reached the prescribed percentage of efficiency, providing there are funds available for this purpose. Unanimously carried.

It was moved by Mr. Howarth, seconded by Mr. McMulty that the price of the 1936-37 Directory of Licensed Contractors be set at \$4.00. Unanimously carried.

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Chairman Butcher stated that Mr. Eaton had been appointed by him as a member of the Finance & Budget Committee.

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At this time Mr. Butcher called upon Mr. Eaton, the newly appointed Board member representing the General Engineering Contractors, for a few remarks. Mr. Eaton expressed his appreciation of being appointed to the Board and his pleasure at being able to attend the meeting.

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The meeting of the Contractors' State License Board adjourned at 4:55 P. M. to reconvene at 10:00 A. M., Saturday, March 20th.

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MORNING SESSION
11:10 A. M., March 20th, 1937

The meeting was called to order by Chairman Butcher at 11:10 A. M. in the State Office Building, Sacramento.

The following were present:

- Roy M. Butcher, Chairman
- Ralph E. Howarth, Vice Chairman
- Clarence B. Eaton, Member
- William Nies, Member
- Earl S. Anderson, Executive Secretary

Absent:

- Stephen L. Ford, Member
- S. C. Johnson, Member
- Hugh McMulty, Member

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar
Louis F. Erb, Deputy Registrar
Carl Steger, Secretary-Treasurer, San Joaquin
County Master Painters
David S. Hoir, Building Contractors' Assn. of
Southern California
William E. Hague, Central California Chapter, A.C.C.
Floyd G. Bone, Northern California Chapter, A. C. C.
William Conklin, Northern California Chapter, A.C.C.
F. W. Sanford, State Builders' Exchange, Richmond
Harry R. Cayford, Secretary, Fresno Builders' Exchange
Joe Burr, Secretary, Sacramento Builders' Exchange

The following resolution, submitted by the Rules & Resolutions Committee, was read:

"WHEREAS, the contractor who operates without due regard for his costs of operation is a detriment to his vocation, and the wide-spread operation of such contractor tends to deny the right of a living to his competitors, and

"WHEREAS, the keeping of proper records by contractors would tend to correct such operations, and

"WHEREAS, Subdivision 5 of Section 9 of the Contractors' License Law requires that licensees shall keep records of receipts and disbursements, as well as all contracts and documents in connection with all his transactions as a contractor, and

"WHEREAS, complaints from the industry indicate that many contractors fail to comply with the above provision of the Law.

"NOW, THEREFORE BE IT RESOLVED, that the Contractors' State License Board in regular meeting this 20th day of March, 1937, instruct the Registrar to carefully study the application of said Subdivision 5 of Section 9 of the Contractors' License Law to a program designed to educate and bring to a decent regard for their vocation and the Law, the aforementioned operators in accordance with such further instructions as may be given by the Board."

It was moved by Mr. Nies, seconded by Mr. Eaton that the resolution be accepted. Unanimously carried.

The following resolution, pertaining to the approval of Senate Bills 250, 251 and 252 which would permit the use of some of our surplus funds to acquire land and erect and equip a building, was read by Mr. Anderson:

"WHEREAS, Senate Bills 250, 251 and 252 by Senator Nielsen were introduced by the Department for the purpose of obtaining additional office accommodations, and

"WHEREAS, there is a very definite need for additional space for all of the Boards of the Department of Professional and Vocational Standards, and

"WHEREAS, several of the agencies have surplus funds over and above the amount necessary to properly conduct the business of said agencies, and that said bills have the effect of using only surplus moneys of such agencies for the purpose of acquiring land, the construction and equipment of a building to provide suitable accommodations;

"THEREFORE, BE IT RESOLVED THAT the Contractors' License Board approves of the foregoing Senate Bills, and for reasons heretofore enumerated urges the passage.

"PROVIDED, HOWEVER, that no appropriation or allocation of surplus moneys from the Contractors' License Fund shall be in an amount which would in any way, manner, shape or form, impair the efficient, necessary and desirable operation of this Board."


Mr. Boos of the A. C. C. took the floor at this time and advised against the use of our surplus funds to such an extent that we would be unable to engage in certain activities regarding labor in the event this bill were passed by the Legislature.

A general discussion was again held regarding the use of our funds for the erection of a building, and it was decided that inasmuch as the matter had been discussed and settled previously, that the resolution should stand approved as read.

Mr. Foss of the A. G. C. then suggested that the members of the Construction Industries Council should proceed to handle the legislation as soon as possible as the bill would soon be before the Committee.

It was moved by Mr. Rosann, seconded by Mr. Nies that the meeting adjourn, to meet again at the call of the Chairman. Unanimously carried.

The meeting adjourned at 11:55 A. M.



EARL S. ANDERSON
EXECUTIVE SECRETARY
CONTRACTORS' STATE LICENSE BOARD

Reported by:
Gladys M. Crosby
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