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

Held at
SAN FRANCISCO, CALIFORNIA
October 21, 1938

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The regular quarterly meeting of the Contractors' State License Board was called to order by Chairman Roy M. Butcher at 10:00 A.M. on Friday, October 21, 1938, at San Francisco, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman
S. G. Johnson, Member
William Nies, Member
Walter Trepte, Member
Arthur Alber, Registrar & Executive Secretary
Glen V. Slater, Assistant Registrar.

Absent:

Clarence B. Eaton, Member
Stephen L. Ford, Vice Chairman
Hugh W. McNulty, Member.

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A motion was made and seconded that the Minutes of the regular Board meeting, held July 22 and 23 at Lake Tahoe, and the special Board meeting, held September 23 and 24 at Los Angeles, be approved. Unanimously carried.

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Arthur Alber, Registrar, reported that the Contractors' Directory is now off the press and ready to be mailed out.

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Telegrams were received from both Mr. Stephen L. Ford and Mr. Hugh W. McNulty expressing regret that they could not be present at the meeting.

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The Registrar reported that he had presented the Board's request for six more inspectors to the Director, Mr. A. I. Stewart, and the Director gave permission for the immediate appointment of four new inspectors.

The Registrar also stated that he and Chairman Butcher had taken steps with the Assistant Director, Mr. Fred A. Taylor, for the necessary funds to employ these men.

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A letter dated September 22, 1938, and written by Mr. Floyd O. Booe, Secretary-Manager of the Northern Chapter of the Associated General Contractors, was read. Mr. Booe expressed the opinion therein that he felt it was extremely important, in preparing a civil service examination for a Deputy Registrar for this department, that all newly appointed hearing officers have legal training, preferably on the basis of actual admittance to the Bar.

A general discussion of this subject followed.

Secretary Alber acknowledged receipt of Mr. Booe's letter.

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Mr. Alber read the following Resolution passed by the Long Beach Builders' Exchange on October 14, 1938, which he had received from Mr. E. A. Bradbury:

"WHEREAS, certain amendments are being sponsored to the State Contractors' License Law calling for

1. Making examinations compulsory;
2. Requiring credit investigations;
3. Providing separate license boards for northern and southern California;
4. Elimination of the agricultural exemption clause;
5. Requiring two years residence for applicants; and

"WHEREAS, we believe

1. The Contractors' License Law now contains ample provisions covering exemptions and classifications of applicants;
2. We agree that rigid credit investigations should be made and that such investigations will be far more effective than examinations that may readily be passed by irresponsible applicants;
3. We are strongly opposed to the creation of two State boards, because of the danger of many conflicting opinions, rules and regulations that might be set up;
4. We concur in the agriculture exemption clause in so far as it affects farming, dairying, agriculture, viticulture, horticulture or stock or poultry raising, and,
5. We strongly oppose a requirement for two years' residence before application for a State License can be made, and we have grave doubts as to the constitutionality of such a provision in the Act, and

"WHEREAS, we are of the opinion that

1. Further effort should be made for a reduction in the $100.00 exemption to $50.00, and
2. That Sec. 7 covering renewals should be amended so as to provide that if a license is not renewed on or before June 30th of each year that it shall be ipso facto suspended and a new application required as provided in Sec. 5 of the Act.

"BE IT FURTHER RESOLVED that a copy of this Resolution be sent to Arthur Alber, State Registrar of Contractors for the consideration of the State Contractors' License Board, and if by them approved, to be released in such manner as they determine.

"ADOPTED By the Board of Directors of the Builders' Exchange of Long Beach, this 13th day of October, 1938.

(Signed) J. H. PELKEY
President

ATTEST:

(Signed) E. A. BRADBURY
Manager "

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The Secretary read a letter addressed to Governor Frank F. Merriam, copy of which was sent to the members of the Board and the Registrar, and signed by Harry R. Cayford, Secretary of the California State Builders' Exchange, regarding the enforcement of the Contractors' License Law.

General discussion ensued.

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Mr. Alber read a teletype from R. S. Bowdle, dated October 21, 1938, stating that the State Chamber of Commerce Committee on the Contractors' License Act recommended that there be no amendments to same, but that strict enforcement of the Act be continued. A general discussion followed.

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The Secretary read a letter addressed to Mr. Hugh W. McNulty, Chairman of the Legislative Committee, dated October 20, 1938, from Earl S. Anderson, Manager of Con-

struction Industries Department, Los Angeles Chamber of Commerce, stating that no constructive suggestions for the amendment of the Contractors' Act have been brought to the attention of that committee.

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Mr. Alber read a letter, dated September 28, 1938, addressed to Mr. Roy M. Butcher, Chairman of the Board, and signed by Mr. Floyd O. Booe, Secretary-Manager of the Northern Chapter of Associated General Contractors, opposing any plan which would require technical examination of applicants for a State Contractor's License.

A general discussion was then entered into by the members of the Board relative to the position it would take regarding amendments to the Law.

Mr. Johnson recommended that the Board go on record as being opposed to any amendments unless they had the unanimous support of the construction industry. He presented a Resolution, copy of which is herein set forth, and, also, the Registrar was instructed to see that this Resolution was given to all trade journals and such other meetings of publicity that he deems necessary in order that the building industry be advised as to the stand of the Board regarding the amending of the Act.

"WHEREAS the Contractors' License Board in session on October 21, 1938, has given thoughtful consideration to legislative proposals looking to the amendment of the Contractors' License Act; and

"WHEREAS there does not appear to be any general unanimity of opinion as to the type of amendments which would be of benefit to the general public and to the construction industry; and

"WHEREAS the Contractors' License Act is in our opinion at this time the most forward looking and progressive type of legislation of its kind upon the statutes of any State in the United States; and

"WHEREAS the members of the Contractors' License Board, and each of them, is of the opinion that everything is now being done by the Board and its staff to give a strict and proper enforcement of the statute as it now exists;

"THEREFORE, BE IT RESOLVED that in view of the conclusions reached by the Board, until such time as the industry as a whole does present a constructive and forward looking program, that the present statute shall not be disturbed by amendments."

Motion was made by Mr. Trepte and seconded by Mr. Johnson that the above resolution be adopted. Unanimously carried.

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Chairman Butcher next introduced Mr. Bud Gallichotte of San Jose, California, a painting contractor, who addressed the Board and assured its members that it is the desire of the painters to do everything possible to keep up the standards of the construction industry.

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Chairman Butcher called recess at 12:00 o'clock noon, to reconvene at 2:00 P.M.

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AFTERNOON SESSION
2:00 P.M.

The afternoon session of the Contractors' State License Board was called to order by Chairman Roy M. Butcher at 2:00 P.M., at San Francisco, California, on October 21, 1938.

The following were present:

Roy M. Butcher, Chairman
S. G. Johnson, Member
William Nies, Member
Walter Trepte, Member
Arthur Alber, Registrar & Executive Secretary
Glen V. Slater, Assistant Registrar.

Absent:

Clarence B. Eaton, Member
Stephen L. Ford, Vice Chairman
Hugh W. McNulty, Member.

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The Registrar reported on the Inspectors' Conference held in Los Angeles October 13, 14 and 15. He stated that both Mr. Butcher and Mr. Nies appeared at the Conference and addressed the inspectors.

After some discussion on the Inspectors' Conference it was recommended that these conferences be held every four months instead of three. Also, the Registrar informed the Board that there would be a monthly meeting of all inspectors in their respective headquarters, and matters pertaining to the administration of the Act in their particular area will be discussed, and problems relating to the enforcement of the Act will be taken under consideration.

Motion was made by Mr. Nies and seconded by Mr. Trepte that the matter of district and State meetings be left to the discretion of the Registrar of Contractors. Unanimously carried.

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At this point Mr. Fred A.Taylor, Assistant Director, entered the meeting and Chairman Butcher requested him to address the Board, whereupon he stated as follows:

"Income from July 1 to September 30, 1938 - $178,072.4
Expenses during the same period - - - - - - 41,312.4

"Not including the amount that has already been transferred to the building construction fund, there is a balance of $209,379.27 in the license fund.

"Something like $150,000.00 or $200,000.00 has been transferred to the building fund.

"The financial position of the Board, notwithstanding the portion of contribution to the building being constructed, is very good. If you didn't collect any money whatever, not a nickel between now and June 30, 1939, I would still say you would have a surplus of around $8,000.00. I estimate we will take in between now and July of next year around $20,000.00 at the present rate of income, which will bring the income up to $200,000.00 or $210,000.00. There are now about 33,000 licentiates."

General discussion followed.

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Mr. Alber reported that the Board had requested him, at its previous meeting, to take such steps as necessary to obtain offices for inspectors where he deemed necessary, not to exceed six in number, and the rental price not to exceed $20.00 per month. With reference to this he stated

that he had received permission from Mr. A. I. Stewart, the Director, to rent three offices, and he reported that steps had been taken to procure the necessary additional finances for the renting of these offices. He also stated that in addition to the three offices, one for Santa Ana, San Bernardino and Fresno, the Registrar deemed it expedient to have one in San Jose, and was instructed to take such steps as necessary to obtain funds for this office.

General discussion followed.

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Mr. Alber, Registrar, reported to the Board that he had attended the following meetings and spoke before the various groups on the Act and the activities of the department:

Aug. 4 - Long Beach Contractors' Association,
" 8 - Long Beach Builders' Exchange,
" 18 - So. Cal. Contractors' Association, L.A.,
" 24 - San Diego Merchants' Central Credit,
" 31 - Ventura - Evans' Group,
Sept. 13 - San Pedro Builders' Exchange,
" 26 - Napa Builders' Exchange,
Oct 10 - Long Beach Builders' Exchange.

He also called attention to the various trade journals that have mentioned the activities of this department.

A report was made regarding the new form of application blanks now being used. General discussion followed.

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Registrar Alber reported on the matter of building material dealers throughout the State sponsoring applicants, and there was presented to the Board a list of such sponsors and the number of applicants they have sponsored over a period

of thirty days in each of the three offices. General discussion followed.

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At this time Mr. Wm. E. Hague of the Central Chapter of Associated General Contractors was introduced by the Chairman. He stated that it would be a good idea if the Board would send out letters to all architects stating that all contractors who bid on their work should be licensed, and that this letter should also go to the engineers.

Thereupon, a motion was made by Mr. Johnson and seconded by Mr. Trepte that a letter be sent to all licensed architects and civil engineers requesting them to see that their bidders show their contractor's license number on all bids. Unanimously carried.

Mr. Hague further stated he had received a letter from an association relative to improvements for the Contractors' License Act, and said that he felt the Board was in a better position to take care of these matters than he was, and he had every confidence that it would do what was best.

Mr. Hague further stated that he felt the Board members should, in addition to their expenses, be allowed a per diem of $25.00, as it was not fair to ask successful business men to give up their time and money in the furtherance of such a duty when there was money available to, in at least a small way, compensate them.

General discussion on this subject followed.

At this point Messrs. J. F. Lindstrom, Jack Simonds, Wm. Logue, and Nethercutt appeared before the Board and all made brief remarks. The subject matter of their talks was a desire to have an inspector for what is commonly known as the San Mateo-Palo Alto district. Mr. Butcher informed the gentlemen that steps have been taken for the appointment of a new inspector for the above area and he would be put to work there as soon as the necessary steps can be completed.

Mr. Lindstrom also spoke very highly of the efficient work done by Inspector Morrissey in that area, and also the good work that Deputy Registrar, Louis F. Erb has been doing.

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Motion was made by Mr. Trepte and seconded by Mr. Nies that the meeting adjourn. Unanimously carried.

The regular meeting of the Contractors' State License Board adjourned at 5:30 P.M.

Arthur Collier
EXECUTIVE SECRETARY

Reported by:

Agnes Tillman
515 Van Ness Ave.
San Francisco, Cal.