

MINUTES OF THE SPECIAL MEETING CONDUCTED BY
CONTRACTORS' STATE LICENSE BOARD OF CALIFORNIA
held at
U. S. GRANT HOTEL, SAN DIEGO, CALIFORNIA
June 17, 1938

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The special meeting of the Contractors' State License Board was called to order by Chairman Roy M. Butcher at 10:30 A.M., June 17, 1938, at the U. S. Grant Hotel in San Diego, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman
Stephen L. Ford, Vice Chairman
S. G. Johnson, Member
Clarence B. Eaton, Member
Walter Trepte, Member
Arthur Alber, Executive Secretary.

Absent:

Hugh W. McNulty, Member
William Nies, Member.

Also present were:

Glen V. Slater, Assistant Registrar
I. L. Swearingen, Deputy Registrar
Jess Aykroyd, Inspector.

It was moved by Mr. Johnson and seconded by Mr. Ford that the minutes of the last meeting, held in Sacramento on April 1 and 2, stand approved as written with the addition of the report of the Rules and Regulations Committee. Unanimously carried.

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Mr. Alber, Secretary, submitted the following report on the activities of the Department:

"Total licenses issued as of	6/1/38	-----	32,912
" " " " "	6/1/37	-----	29,201
Increase - - - - -			3,711
Percentage of Increase - - - - -			12.7%

"Original licenses issued as of 6/1/38	-----	7,450
" " " " " 6/1/37	-----	6,673
Increase - - - - -		777
Percentage of Increase - - - - -		11.6%

"Renewal licenses issued as of 6/1/38	-----	25,462
" " " " " 6/1/37	-----	22,489
Increase - - - - -		2,973
Percentage of Increase - - - - -		13.2%

Mr. Alber also reported a total of 32,912 licenses issued for the fiscal year 1937-38 (as of June 1, 1938), 14,187 of which were in Los Angeles County.

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A general discussion was held relative to building and loan institutions as sponsors. Also on the advisability of changing the class of sponsors; in other words, eliminating material dealers. Mr. Slater suggested that it would be advisable for the Board to consider changing the class of sponsors as building material dealers were the greatest offenders, and if a change were made it should be to a sponsor that would be harder to secure. There ensued a general discussion on material houses as sponsors and it was suggested that a general letter be sent to the material houses regarding signing for applicants. It was also suggested that it be published in the trade magazines.

Mr. Johnson suggested that one who endorses an applicant be asked to answer the following question: "Do you think the applicant is capable of handling the business for which he applies for a license?", or some similar question that would call to the attention of the endorser the fact that he is assuming a certain amount of responsibility in signing for the applicant.

It was Mr. Ford's recommendation that an article be

printed in the bulletin "The California Contractor".

Chairman Butcher referred the foregoing to the Rules and Regulations Committee for a report during the afternoon session.

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The Secretary then made a report on the cost of the handbook. It was moved by Mr. Eaton and seconded by Mr. Johnson that the Board go ahead with the printing of the handbook. Unanimously carried.

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Mr. Alber, Secretary, reported receipt of the following letters:

"Letter from Santa Barbara commending T. L. Glenn."

"Also letter from Long Beach Labor Council about the good work Mr. Klepper is doing."

"Letter from Prosecuting Attorney in Pasadena regarding Patrick Lawson."

"Letter from City Building Inspector of Pasadena regarding A. Patrick Lawson."

"Invitation from Orange County Contractors' Association to attend dinner."

"Letter from State Master Plumbers inviting me to attend their convention in Sacramento."

"Also a letter from the above thanking me for attending and giving a talk."

"Letter from the Building Material Dealers Credit Association of Los Angeles expressing appreciation for the appear-

ance of Mr. Swearingen and myself at their meeting."

"Letter from the Hod Carriers' Association at San Rafael regarding change in policy in publication of directory."

"Letter from W. G. Bingham, new F. H. A. District Director, thanking me for my letter to him."

"Letter from Hod Carriers' Union of Fresno demanding a stricter enforcement of the Contractors' License Law."

"Letter from Mr. Nicholson, Building Inspector at Larkspur, expressing appreciation of the services of Mr. Rahlves."

"Letter from Marin County Building Trades Council of San Rafael regarding Mr. Rahlves."

"Letter from Labor Union in San Rafael regarding Mr. Rahlves."

"Letter from Walker and Walker of Wilmington, Delaware, asking for copy of our law as they are figuring on a similar law in Delaware."

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Mr. Hugh W. McNulty, Member, joined the meeting at this time.

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Mr. Alber then distributed to each member a copy of Mr. Taylor's Finance and Budget report, together with a copy of his letter, and a general discussion of same ensued. It was suggested that a statement of net worth showing assets and liabilities should be secured from Mr. Taylor for the next regular meeting.

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The Secretary then made a report on publicity appearing in the various trade magazines, such as an article regarding payment of renewal fees which appeared in Southwest Builder and Contractors; article in "California Plasterer"; article in "Building Contractors' Forum", etc.

This was followed by a report of his activities in connection with meetings attended since the meeting of April 1.

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At this point Mr. A. I. Stewart, Director of the Department of Professional and Vocational Standards, entered the meeting and was introduced to the Board members.

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A general discussion was entered into relative to the opinion of Mr. Jess Hession of the Attorney General's Office with regard to financial pre-qualification. Mr. Ford expressed the opinion that an owner should be at liberty to ask for a statement from a contractor, stating, "If a contractor gives a statement to an owner and then they get into trouble, then that owner would have some way of getting back at that contractor."

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Mr. Alber reported on the suit filed in San Mateo County against Mr. Slater and Mr. Huntington; also on the Stanislaus County decision in favor of the Department wherein a contractor had diverted from the plans and specifications.

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The Secretary also submitted the following reports:

Schedule of duties in the Sacramento office.

Report on additional help in the Los Angeles Office.

Appointment of a person in each office to take oath on applications and verification of complaints in accordance with opinion of Attorney General.

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Mr. Stewart expressed his ideas with regard to Mr. Ford's suggestion relative to financial pre-qualification.

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It was moved by Mr. Eaton and seconded by Mr. Ford that the Board recess for lunch. Unanimously carried.

The special meeting of the Contractors' State License Board recessed for lunch at 12:30 P.M. to reconvene at 2:30 P.M.

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AFTERNOON SESSION
3:00 P.M.

The afternoon session of the Contractors' State License Board was called to order at 3:00 P.M. by Chairman Roy M. Butcher, after a luncheon with the Director, Mr. A. I. Stewart.

The following were present:

Roy M. Butcher, Chairman
Stephen L. Ford, Vice Chairman
S. G. Johnson, Member
Clarence B. Eaton, Member
Walter Trepte, Member
Hugh W. McNulty, Member
Wm. Nies, Member
Arthur Alber, Executive Secretary.

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The Secretary reported on three resolutions appearing in various periodicals relative to the enforcement of the

that the Registrar make a survey regarding inspectors' districts and submit same at the next regular meeting. Unanimously carried. Contractors' State License Law, stating that after receiving same he and Mr. Slater went to Fresno and had a meeting with Mr. Harry L. Todd, Mr. Wm. Russell and Mr. Wm. Smith, who stated that at their meeting in Monterey they adopted resolutions similar to this and were desirous of getting new legislation next time and wanted the Board to cooperate with them. They want some kind of law passed which will confine a licensee to his particular classification.

Mr. Alber read an excerpt from the Building Contractors' Association's "Open Forum" of June 2, 1938, regarding "joint control". A general discussion of same ensued, and also as to the lien law.

General discussion of the large territory covered by Inspector Boney and the need for more inspectors. Mr. Alber stated he would like to have the Board consider having two more inspectors in the Los Angeles office and a supervising inspector. Mr. Nies stated that in addition to inspectors he would like to see an investigator appointed.

General discussion about the advisability of inspectors having an office and being in a certain place at a certain time. Motion was made by Mr. Eaton and seconded by Mr. Ford

that the Registrar make a survey regarding inspectors' districts and submit same at the next regular meeting. Unanimously carried.

Motion was made by Mr. Johnson and seconded by Mr. McNulty that the Personnel Committee investigate the need for additional inspectors for Fresno County, also for Los Angeles and other areas in conjunction with the survey to be made by Mr. Alber, and to have a report ready for the July meeting. Unanimously carried.

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There followed a discussion about holding a school for inspectors periodically and Mr. Butcher expressed his opinion that a school for inspectors every three months or so was a good thing and should be done.

Motion was made by Mr. McNulty and seconded by Mr. Eaton that Mr. Alber be given authority to hold a school for inspectors in July and October. Unanimously carried.

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General discussion on the payment of Social Security, Unemployment Reserves, and Sales tax.

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Mr. Alber reported his meeting with Mr. Harry Mellon of the City Prosecutor's Office in Los Angeles.

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Mr. Alber was delegated to make an appointment with Mr. Taylor for Mr. Ford regarding the financial statement.

Mr. Alber was also delegated to secure from Mr. Taylor a

clearer report on the budget, and also a report on the \$16,000.00 in the San Francisco building.

Chairman Butcher ordered that the financial report, Mr. Ford's report, and Mr. Alber's report come in together at the next meeting.

There followed another discussion of the budget.

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General discussion on the feasibility of adding more questions to the application blank, particularly one pertaining to bankruptcy.

Motion was made by Mr. Nies and seconded by Mr. Eaton that everything possible be asked of an applicant pertaining to his integrity and even bordering on his financial statement, and ask him what his status is; that those questions be embodied in the application; that this be done through the proper committee and within the scope of the law. Unanimously carried.

Chairman Butcher referred the above to the Rules and Regulations Committee for a report in July.

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Mr. Johnson, Chairman of the Rules and Regulations Committee, submitted the following recommendation:

"With reference to material dealers and lumber yards who sponsor applicants for licenses and the suggestion that perhaps those sponsors need to be substituted with other sponsors. The Committee talked the thing over and since the law at present prescribes who the sponsors shall be there is nothing the Board can do in changing the sponsorship. For that reason the best

thing we can do at the present time, the Committee thinks, is to advise these material people through a general letter that they are assuming a certain amount of responsibility when they sponsor an applicant for a license, and to have this letter printed in trade journals and also in our own bulletin 'The California Contractor'. This, in effect, is the recommendation of your Rules and Regulations Committee, and I move that it be accepted."

Motion was made by Mr. Ford and seconded by Mr. Nies that the foregoing recommendation of the Rules and Regulations Committee be accepted. Unanimously carried.

Mr. Johnson added: "We thought it might be well to send this letter to material dealers credit associations as well. If it should become too expensive to send this letter to all material dealers, perhaps we could leave it to the discretion of the Registrar to send it to those whom he thinks should be educated. We did not include that in our recommendation. We think it would be advisable to send a letter to all material dealers if the expense of obtaining the addresses of these material firms in the State is not too great. I have no idea at this time how many there are, but it might be a good thing for the Board to have a list of these firms, and if the expense involved is not too great we believe that it would be a good thing to have this list and to send a letter to these firms. We believe the material firms are the weakest sponsors and they should be advised of the responsibility to be assumed when they sign their names to the application blanks. I will leave the wording

to the Registrar. This recommendation from the Committee, if adopted by the Board, is entirely within the scope of the law 'according to such rules and regulations as the Board may adopt'."

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Motion was made by Mr. Eaton and seconded by Mr. McNulty that the special meeting of the Contractors' State License Board adjourn, to meet again at the call of the chair. Unanimously carried.

The special meeting of the Contractors' State License Board adjourned at 5:35 P.M.


EXECUTIVE SECRETARY

Reported by
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