

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

Held at
MONTEREY, CALIFORNIA
JULY 21 & 22, 1939

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The regular quarterly meeting of the Contractors' State License Board was called to order by Chairman Roy M. Butcher at 10:30 A.M., Friday, July 21, 1939, in the San Carlos Hotel at Monterey, California.

Those present were:

Roy M. Butcher, Chairman
Stephen L. Ford, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
Hugh W. McNulty, Member
William Nies, Member
Allen Miller, Executive Secretary.

Absent:

Walter Trepte, Member.

Also present was Glen V. Slater, Assistant Registrar.

Chairman Butcher read a telegram from Mr. Trepte informing the Board of his inability to be present because of illness.

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It was moved by Mr. Nies and seconded by Mr. Ford that the minutes of the meeting of the Board, held in San Francisco, California, on April 28 and 29, 1939, be approved as written. Unanimously carried.

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Mr. Slater, Assistant Registrar, distributed to all

the Board members binders containing copies of the Rules and Regulations of the Board, together with opinions rendered by the Attorney General. A general discussion of same ensued.

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The question of the renting of an office in the Builders' Exchange Building at Santa Monica was discussed and motion made by Mr. Nies and seconded by Mr. Ford that the Registrar be authorized to rent such an office for a rental not to exceed \$15.00 per month. Unanimously carried.

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A discussion was held relative to publishing the names of licensees whose licenses have been suspended or revoked, and also the names of applicants who have been granted or denied licenses.

Motion was made by Mr. Nies and seconded by Mr. Eaton that the Registrar be authorized to publish, in any way he may see fit, monthly lists of the names of licensees whose licenses have been suspended or revoked, and also the names of those whose applications for licenses have been denied or granted, and send such monthly bulletin to the trade associations, together with the posting lists of the names of applicants for licenses. Unanimously carried.

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The Registrar inquired as to the policy of the Board with regard to the publishing of its activities and was informed by Chairman Butcher that it has been the policy to have general publicity and believed that the Registrar should proceed to execute that policy.

A general discussion was held relative to obtaining credit reports on applicants and Mr. Johnson called attention to the fact that it had been discussed at great length during the January, 1938 meeting in Bakersfield.

Motion was made by Mr. Nies and seconded by Mr. Eaton that the Registrar be given authority to secure and pay for out of the funds of the Board, at his discretion and for a trial period of thirty days, credit and personal reports on applicants. Unanimously carried.

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A general discussion was held on the policy of inviting secretaries of trade associations to attend the inspectors' conferences. It was the conclusion of the Board that the secretaries of the trade associations should be invited to attend at a certain hour and place, and that they should be invited to act as observers only and not as participants in the conference. Chairman Butcher suggested that such an invitation be printed in the bulletin "The California Licensed Contractor".

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A general discussion was held on the policy of the Board to invite trade groups and associations to Board meetings, with the recommendation by Mr. Miller that any matters which said organizations might wish to submit to the Board be submitted in written form, and personal appearances be limited to suit the calendar of the Board. Mr. Miller's recommendation was accepted by the Board.

Mr. Johnson suggested that announcement of regular

meetings of the Board be made in the trade papers, with an invitation to submit in writing any matters they wish to present to the Board, which suggestion had the approval of the other Board members.

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A general discussion was held on the By-Laws of the Board and it was recommended that the Registrar present the existing By-Laws to the Director for his approval.

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Mr. Fred A. Taylor, Assistant Director, entered the meeting at this time.

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Mr. Miller, Registrar, presented to the Board the following resolution received from Mr. Arthur Alber, former Registrar:

"RESOLVED that whereas Arthur Alber was appointed Registrar of Contractors of the State of California and Executive Secretary of the Contractors' License Board of said State on February 1, 1938, and continued in such employment until May 15, 1939, when he resigned, and

"WHEREAS said Arthur Alber did not take any vacation during his time of employment, and

"WHEREAS subdivision four (4) of Rule Thirteen (13) of the Laws & Rules governing California State Civil Service read as follows:

'Rule 13 - Section 4':

'When an employee is separated from service and has not been granted his vacation, he shall be entitled to unused portions of vacation accumulated from the previous year and to vacation on the basis of one and one-quarter days for each month or major portion of a month of service from the first day of the calendar year until the day of his separa-

tion, but not to exceed thirty working days.'

"NOW, THEREFORE, BE IT RESOLVED that the Contractors' State License Board at its regular quarterly meeting does hereby approve the request of Arthur Alber attached hereto and further requests that the Director of the Department of Professional and Vocational Standards of said State, the Honorable Dwight W. Stephenson, approve said request and direct that a check be drawn on the proper fund of this Department in favor of Arthur Alber in accordance with said subdivision four of Rule Thirteen as set forth above."

It was moved by Mr. Johnson and seconded by Mr. Eaton that the resolution be adopted as written. Unanimously carried.

(initials)

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Recess was called by Chairman Butcher at 12:00 M.
until 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., July 21, 1939, those present being:

Roy M. Butcher, Chairman
Stephen L. Ford, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
Hugh W. McNulty, Member
William Nies, Member
Allen Miller, Executive Secretary.

Absent:

Walter Trepte, Member

Also present were:

Fred A. Taylor, Assistant Director
Glen V. Slater, Assistant Registrar.

Mr. Miller submitted a report of his activities from May 15, 1939 to July 21, 1939, (which report was ordered filed/in the "Minutes Documentary File") and the various subjects embodied therein were taken up and discussed.

A general discussion was held on the form letter sent out to contractors engaged in the roofing and siding business in the southern district, and Mr. Miller explained the purpose of the letter. (Exhibit 3, Minutes Documentary File)

(E, held 100% agenda of meeting) - - -
A statistical report of the activities of the Department was distributed to the Board members by the Registrar and a general discussion of same ensued. The report was ordered filed in the "Minutes Documentary File", as exhibit 5.

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Mr. Taylor, Assistant Director, handed each member of the Board a copy of the financial report of the Contractors' License Board covering the period July 1, 1938 to June 30, 1939. He explained each item embodied therein, and a lengthy discussion followed. This financial report was ordered filed in the "Minutes Documentary File", as exhibit 6.

Mr. Taylor informed the Board that \$172,720.89 had been collected since the 1st of July, and that there was an investment of \$289,050.95 of the funds of the Board in the new building at Sacramento. He also reported that the renewal situation had been handled very smoothly this year.

A discussion was held on "N.S.F." checks received in payment of renewal fees, and the advisability of charging a

delinquent penalty fee in all such cases, but a final conclusion was reached that the number of such instances this year was very small and that no action be taken at the present time, but that a notice be issued prior to next renewal period that anyone who sends in a bad check will be penalized.

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Mr. Taylor submitted the proposed budget for the next biennium, explaining that it had been prepared and submitted to the Governor but that there had not been sufficient time to submit it to the Board first for its approval. This document was ordered filed in the "Minutes Documentary File". - *Exhibit b*

Motion was made by Mr. Eaton, as Chairman of the Finance Committee, and seconded by Mr. McNulty, that the budget as presented by the Director be accepted. Unanimously carried.

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A general discussion was held relative to publishing another edition of the Contractors' Reference Book. Mr. Miller recommended that 5000 be published in view of the success of the first publication. Motion was made by Mr. Nies and seconded by Mr. McNulty that a revised edition of the reference book be published, and that the number to be printed be left to the discretion of the Registrar. The motion was unanimously carried.

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A general discussion was held on elimination of the geographical edition of the directory of licensed contractors. Mr. Miller reported that the geographical edition was not of sufficient value to warrant the expense of printing same, and

recommended its discontinuance, which recommendation was approved by the Board without formal action.

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A general discussion was held on the subject of hiring a man to take care of publicity work, including the publication of "The California Licensed Contractor", and any other general work of the Board which might be assigned to him by the Registrar. The Registrar recommended the creation of such a position.

Motion was made by Mr. McNulty and seconded by Mr. Ford that a man be put on to handle publicity work and such other duties as the Registrar and the Board may assign to him, with a starting salary not to exceed the present starting salary of a Deputy Registrar; the selection of such a man to be left to the discretion of the Registrar.

A lengthy discussion followed this motion and vote upon same was deferred until Saturday morning so that further discussion could be held.

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Mr. Miller called the Board's attention to the opinion rendered by the Attorney General relative to examination of applicants being mandatory. General discussion ensued. Mr. Miller submitted the following resolution for consideration and recommended its adoption:

"WHEREAS this Board has power under Section 7065 of the Business and Professions Code (Section 5 of Statutes of 1929, Page 791) to adopt rules and regulations for the qualification of applicants for contractors' licenses, and

"WHEREAS Section 7068 of the Business and Pro-

fessions Code provides in part: 'The Board shall require an applicant to show such degree of experience, and such general knowledge of the building, safety, health and lien laws of the State and of the rudimentary administrative principles of the contracting business as the Board deems necessary for the safety and protection of the public.', and

"WHEREAS on June 15, 1939 the Attorney General of the State of California did render an opinion (# NS1771) to the effect that 'giving an examination of some kind to an applicant for a contractor's license is mandatory', but in his opinion refused to make any general statement as to the minimum requirements of such an examination, and

"WHEREAS it is the opinion of Allen Miller, Registrar of Contractors, and Dwight W. Stephenson, Director of Department of Professional and Vocational Standards, that an examination procedure whereby the applicant is furnished a printed set of questions pertaining to his general knowledge of the building, safety, health and lien laws of the State, and to the rudimentary administrative principles of the contracting business, which questionnaire the applicant, without assistance, must answer at any time or place he may choose, and file and submit the same with his completed application form, will constitute a compliance with the mandatory features of the law;

"NOW THEREFORE BE IT RESOLVED:

"1. That it is the policy of this Board that an examination testing the applicant's general knowledge of the building, safety, health and lien laws of this State and of the rudimentary administrative principles of the contracting business be given to each applicant for a contractor's license.

"2. That the Registrar is hereby given the power and authority to, and he shall, in compliance with the rules and regulations heretofore and hereafter adopted by this Board and with the provisions of the Business and Professions Code, and commencing on or before September 15, 1939, conduct a written examination of each and every applicant for a contractor's license, testing the applicant's general knowledge of the building, safety, health and lien laws of this State and of the rudimentary administrative principles of the contracting business. The Registrar shall have and shall use the power and authority to correct, grade and mark the examination papers filed and submitted by applicants, and to refuse a license to those applicants who fail to maintain a passing grade in any examination conducted in compliance herewith.

"3. That the rules and regulations of this Board be amended in the following particulars:

- (a) By adding a new rule to be designated as Rule 15 of Section I as follows: 'The deputies shall mark and grade examination papers and orally question and examine applicants as directed by the Registrar';
- (b) By adding a new section designated as Rule 8a of Section II, reading as follows: 'Inspectors shall mark and grade examination papers and orally examine applicants as directed by the Registrar';
- (c) By adding a new rule to be designated as Rule 37 of Section III, reading as follows: 'All applicants must qualify by a written examination designed to test his general knowledge of the building, safety, health and lien laws of the State and of the rudimentary administrative principles of the contracting business; provided, however, that this examination may not be required of an applicant or of a responsible managing officer of an applicant who is at the time of application the holder of an unexpired individual license, or who is the responsible member or officer of a licensed copartnership or corporation; provided, further, that an additional examination shall not be required of a person who has, within a period of two years after September 15, 1939, been qualified by examination';
- (d) By adding a new rule designated as Rule 38 of Section III, reading as follows: 'The written examination to be given by the Registrar shall consist of ---20--- questions to be answered either 'true' or 'false'; -10- of such questions shall be of such a nature as to test the applicant's general knowledge of the building, safety, health and lien laws of the State, and -10- questions to test his knowledge of the rudimentary administrative principles of the contracting business; all of such questions and the space opposite each where an answer may be indicated, together with proper instructions to the examinee, shall be printed upon a sheet or pamphlet separate and apart from the application form; said questionnaire shall be delivered to each applicant requesting an application form, and shall be answered in writing and filed and submitted to a member of the personnel of this Department by the examinee in person at the same time he submits his application for approval. The questions contained in said questionnaire may be answered by the applicant at any time or place that he may choose, provided, however, that applicant shall receive no assistance from any person or persons in answering said questions or marking said questionnaire, and shall certify to that fact under oath at a proper place upon said questionnaire.) Applicants unable to read or write may, in lieu of filling out the

written questionnaire, be examined orally by a deputy or inspector, his answers to the questions to be inserted on a regular examination form by the examining officer. Failure to answer one or more questions shall be equivalent to a wrong answer to said question or questions. Members of the personnel of this Board may orally examine the applicant concerning the questions contained in said questionnaire, and if said oral answers are different from the answers to said questions on said questionnaire, he may change the answers on the questionnaire and initial said change or changes in the presence of the applicant who likewise shall initial said change or changes. In such a case the questionnaire is to be graded after such changes, if any, are noted upon it. No license shall be issued to an applicant who fails to file said questionnaire or who fails to maintain a minimum grade of 70% in answering the questions. This requirement is in addition to other requirements provided in the Statute and to the rules and regulations for qualifying of applicants.';

(e) By adding a new rule to be designated as Rule 39 of Section III, to read as follows: 'An applicant who has failed to attain a passing grade upon a written examination may apply for and be re-examined as many times and as often as he may choose, provided, however, that each application for re-examination made within six months after the applicant has received notice of his failure to pass a previous examination must be accompanied by an additional application fee of \$10.00 and a statement showing the approximate date of his last request for an examination or re-examination.';

(f) By adding a new rule to be designated as Rule 40 of Section III, to read as follows: 'If a request for re-examination is made within six months from date of notification of failure to pass a previous examination, the Registrar may in his discretion waive the requirement that a new application form be filed; if longer than six months, a new application form must be filed.';

(g) By adding a new rule to be designated as Rule 41 of Section III, to read as follows: 'All examination papers filed by an applicant shall be the property of and retained by the Registrar, but the same may be examined by the applicant in the office of the Registrar during regular office hours.

(h) By amending Rule 3 of Section III to read as follows: 'Every applicant and examinee shall include in the application certifications of good character and integrity. Persons making such certifications shall be:

- (1) Licensed civil or structural engineers or licensed architects or licensed contractors;
- (2) Owners for whom applicant has performed construction work as a contractor, superintendent or foreman, or in a responsible capacity;
- (3) Building supply firms;
- (4) Banking or Building and Loan institutions.

If applicant is an individual he must secure certifications as follows; two in groups 1, 2, 3 and one in group 4.

If applicant is a copartnership or corporation each member or officer must personally secure certifications as follows: one in each group (1, 2, 3, and 4).

An examinee who is not the individual applicant, or a member or officer if applicant is a copartnership or corporation, must personally secure certifications as follows: one in each group (1, 2, 3, and 4).¹

(1) By amending Rule 5 of Section III to read as follows: 'If an individual, copartnership or corporation is qualifying by examination in the person of a responsible managing officer, and the applicant or his personnel have had no previous experience in a responsible capacity in the construction business, said applicant or member or officer may substitute as signatories persons of recognized standing and character in groups 1, 2 and 3 only.'²

A vote upon the above resolution was deferred until Saturday so that it could be discussed further.

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Motion was made by Mr. Ford and seconded by Mr. McNulty that the meeting adjourn until 10:00 A.M. Saturday, July 22. Unanimously carried.

Meeting adjourned at 5:00 P. M.

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SATURDAY, JULY 22, 1939
10:00 A.M.

The regular meeting of the Contractors' State License Board reconvened at 10:00 A.M. Saturday, July 22, 1939, at Monterey, California, to take up unfinished business.

The following were present:

Roy M. Butcher, Chairman
Stephen L. Ford, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
Hugh W. McNulty, Member
William Nies, Member
Allen Miller, Executive Secretary.

Absent:

Walter Trepte, Member.

Also present was Glen V. Slater, Assistant Registrar.

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After a further discussion upon the motion made by Mr. McNulty and seconded by Mr. Ford just prior to the adjournment of Friday's session relative to the creation of a new position for the handling of publicity work, a vote was taken and the motion was unanimously carried.

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The discussion on the subject of examination was again opened, and it was called to the attention of the Board that the wording of the Contractors' License Law had been changed in the process of codification. Chairman Butcher instructed the Registrar to check to see if the change in the wording of the law was made before or after it went to print and report on same at the next meeting.

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Mr. Johnson, Chairman of the Rules & Regulations Committee, reported that his committee had come to the conclusion that it was necessary to accept the recommendation that was submitted by the Registrar relative to examinations, but that in doing so a few things should be considered in developing an examination program, such as the fact that there will be applicants who qualify in every respect from a practical point of view, but who may not be familiar with the health, safety and lien laws of the State, and the Contractors' License Law, and may, therefore, fail to pass the standard test. It was the recommendation of the committee that in order to simplify the examination procedure certain questions should be incorporated, such as ten questions that bear on the applicant's knowledge with reference to the above mentioned laws, and ten questions that bear relation to his experience in his particular vocation.

Mr. Johnson stated that his committee was looking over the first application form that was printed after the Board was organized; that this form was prepared upon the recommendation of the Board; that on the third page of that form were about nine or ten very pertinent questions which, when answered, would give the Board a pretty good idea of what sort of an individual the applicant was, and it was the opinion of the committee that it might be advisable, and make the examination far more effective and much more just and fair, if those questions were incorporated in the new application form.

The application form printed in 1936 and used during 1936 and 1937 was referred to with regard to questions relative

to applicant's experience. Mr. Johnson recommended that those questions be incorporated in the examination as it would give the man who cannot answer the other questions, but who has the experience, a chance to qualify. He also recommended that when it comes to rating a man according to his previous experience he should answer the question as to how long he has served his apprenticeship. Mr. Johnson further recommended that the number of questions should be left to the discretion of the Registrar, suggesting that there be twenty questions to be answered "true" or "false", ten of such questions to be of such a nature as to test the applicant's general knowledge of the building, safety, health and lien laws of the State, and ten questions to test his knowledge of the rudimentary principles of the contracting business.

Motion was made by Mr. Johnson and seconded by Mr. Nies that the Board accept the Registrar's resolution as written and presented; that the Registrar make out a questionnaire consisting of twenty questions, and that the Board hold a special meeting on August 12,^{and} in Long Beach to go over same. The motion was unanimously carried.

The Registrar was also instructed to submit at the special meeting to be held in August a new application form amended with the questions suggested.

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The Registrar read a telegram from Mr. Floyd Boce of San Francisco expressing regret of his inability to be present.

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Mr. McNulty read a letter from Mr. Harry Cayford,

Secretary of the Fresno State Builders' Exchange at Fresno, California, relative to the Board transferring its office from the Mason Building to the Builders' Exchange at a monthly rental of \$20.00 per month.

It was moved by Mr. McNulty and seconded by Mr. Eaton that the transfer be made at the rental quoted. The motion carried unanimously.

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The Registrar informed the Board that he had asked the Attorney General for an opinion relative to the taking of stenographic notes of the proceedings at hearings, and the opinion rendered by the Attorney General was that it is not mandatory that such notes be taken except possibly in cases that might be appealed, and Mr. Miller advised the Board that he would give the matter further consideration before determining whether or not such a procedure should be discontinued.

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Mr. Miller informed the Board that it had been the practice in the Los Angeles Office to have inspectors called in to do counter work because of the great volume of work in that branch office; that he felt that such type of work could be performed by a man less experienced and drawing less salary than the inspectors; that this work should be performed by a man rather than by a woman because complainants would rather discuss their construction griefs with a man rather than with a woman, and he recommended the creation of a new position in the Department to handle this type of work, and suggested that the title of such position be left to his discretion, but that

the salary of such new position should be below that of an inspector. It was moved by Mr. Eaton and seconded by Mr. Ford that the Registrar's recommendation be accepted. This motion was carried unanimously.

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At 12:15 P.M. Chairman Butcher announced that the Board would go into an executive session immediately.

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EXECUTIVE SESSION

At 12:15 P. M. Saturday, July 22, 1939, the Chairman called an executive meeting for the purpose of election of officers for the ensuing year, and the appointment of various committees.

Upon the motion of Mr. Nies, seconded by Mr. Eaton, Mr. Roy M. Butcher was nominated to retain the office of Chairman of the Contractors' State License Board for the ensuing year, and nominations were closed. The Secretary was instructed to cast a unanimous vote for Mr. Roy M. Butcher for Chairman for the ensuing year.

Upon the motion of Mr. McNulty, seconded by Mr. Johnson, Mr. Stephen L. Ford was nominated for Vice Chairman of the Contractors' State License Board for the ensuing year, and nominations were closed. The Secretary was instructed to cast a unanimous vote for Mr. Stephen L. Ford for Vice Chairman for the ensuing year.

The following committees were reappointed for the fiscal year 1939-40:

LEGISLATIVE COMMITTEE

Hugh W. McNulty, Chairman
William Nies
S. G. Johnson

RULES AND REGULATIONS COMMITTEE

S. G. Johnson, Chairman
Hugh W. McNulty
Stephen L. Ford

FINANCE AND BUDGET COMMITTEE

Clarence B. Eaton, Chairman
Walter Trepte
Stephen L. Ford

PERSONNEL COMMITTEE

William Nies, Chairman
Clarence B. Eaton
Walter Trepte.

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There being no further business, motion was made and seconded that the meeting adjourn, to reconvene on August 12 and 1939, at Long Beach. Unanimously carried.

The regular quarterly meeting of the Contractors' State License Board adjourned at 12:45 P. M.

Allen Miller
EXECUTIVE SECRETARY

Recorded by
P. Michaelson
906 Calif. State Bldg.,
Los Angeles, Cal.