

Factory Assembled Structures Advisory Board Meeting

Labor & Industries
May 17, 2018
10 a.m. – 12 p.m.
N171

Attendees:

Board Members Present: Joan Brown, Chair, Don Carlson, Mike Lubliner, Alan Duer, Steve Hart, Wade Elliott

Absent: Mike Szramek, Craig Hillis, and Gary Stoskopf

L&I Staff: Ken Knutson, Craig Sedlacek, John McMillan, Alicia Curry, and Matt Erlich

- **PROCEDURAL:**

- Meeting called to order by Joan Brown.
- Approval of Minutes – approved and seconded the minutes from the February 15, 2018

PROGRAM UPDATE

- The FAS program is now in a dedicated fund along with the Elevator program and Contractor Compliance. It is a combined public safety fund, so it funds the operations of the three programs. The minimum working balance established for this fund is \$2.1 million. Currently the fund balance is \$1.4 million. All fees collected in the three programs are deposited into this fund. This does not include any fines collected and it does not include any of the federal SAA money the department receives.
- FAS generated about a third of that \$1.4 million in the fund balance. We currently are running a surplus of about \$50,000 per month in the revenues that we collect versus what is expensed. Unfunded or underfunded liabilities include an authorization to hire eight additional people, which is a 40% increase in staffing for us. Five of those are effective on July 1; the other three on January 1st, 2019. That will change our allotment and bring it more in line with what we are currently spending. The three programs meet quarterly to review the fund and manage expenses.

Addition of new employees:

FAS has authority to hire 8 new staff members. This is based on workload data, showing the relative work we do now compared to when the Program was decoupled from the compliance program. We used data showing the number of permits needing to be inspected, the revenue generated by plan review and the number of inspections done in factories. Permit sales have increased an additional 6% since then.

The new staffing includes four additional field inspectors, a field supervisor, and three plan review staff. One inspector is already on board in the Vancouver service location. Other inspectors will be added in Bellingham, Tacoma, and the Tri Cities area.

Another option discussed with upper management would be to add two customer service staff in the service locations help with inspector scheduling. Right now, the inspectors do their own scheduling. The time saving would be the equivalent of adding an additional four inspectors.

Plan Backlog:

Staffing shortage and inspections in overseas have led to a substantial backlog of new plans in plan review. Factory plans are at a 6-week turn around compared to the program goal of a two-week turn around. Another cause for the backlog is the number of new food truck permits, which involve a lot of work with several major public safety components to consider.

Inspections in Poland will be wrapping up with a target ship date at the end of June. We have had someone stationed in Poland since January and the inspectors have been taking turns providing inspections in this facility.

China will be coming up. Plans were approved a month ago. Actual construction is to be scheduled for August and September. Should take eight to nine weeks to construct the modular part at the factory. China has company quarters available for staff to stay in. Weekly invoiced cost of the overseas work is approximately \$8000/week.

The agency requested legislation to allow FAS to contract with third party inspectors; the bill made it through the House and most of the way through the Senate. It will be resurrected in the next session. Using this option will generate concerns with quality. The program will need to closely monitor the third party inspections, etc. We would prefer other options such as project or temporary staff to do inspections.

Upcoming projects: there will be a six-story building going into Seattle that is being built in British Columbia this summer.

The agency will be proposing a fee increase of 4% on January 1st. The process will start in July with notification to stakeholders that we are considering rulemaking to increase our fees. FAS has not had a fee increase since 2012. Public Hearing on the proposed increase will be held in late October, and fee increase will be effective January 1, 2019.

Board voted support of a 4% increase - motioned and seconded with no opposition.

Old Business:

Can Advisory Board be Board of Appeals for city contesting? The answer is no.

Update from John McMillan:

John is putting on classes to certify installers and there has been lots of interest. HUD shipments have picked up the last 2 years. There is a huge backlog and there are not enough installers to set HUD houses up.

A formal request was sent to Craig for FAS to start doing HUD Site Completion (SC) inspections. Oregon and Idaho determine the site inspectors for SC Construction. Still need to check with state of Oregon to receive the okay. Craig will check.

Oregon no longer regulates park models.

Discussion of a situation where a Park owner in Washington contracts with company in California to purchase or lease 6-10 park models. Park models will not have Washington L&I sticker on them. If the park owner puts the park models at their location in Washington without the sticker, park owner is breaking the law.

ROUND TABLE; NEW ITEMS

- HB1085 was killed; HB2939 did not get out of committee.
- RVs and Park Models are not designed to be lived in.
- ByLaws for Board
 - Agency Rules 296-49A
 - Governors Handbook on Board commissions
 - Board has no bylaws; need bylaws
 - Board Representation of Certain Roles
 - Craig sent sheet around to make sure correct information is had.
 - Nine Board Members per rules. Four year appointment per role.
 - Need a place for appeals to take place. As it stands, the current Board is not the place.
 - Hope to get bylaws approved within the next two or three meetings. We will review any board proposed changes to the draft bylaws at the August board meeting. Members to send comments by the end of July. Move this topic to the front of the agenda. Final vote to take place in November meeting.
- Public Comment for Electrical regarding Manufactured Homes / Buildings.
 - Big changes in 545 and 550
- Warranty on Manufactured Homes
 - Manufacturer's responsibility vs. Dealer's responsibility
 - DOL states it's the dealer's responsibility

Meeting adjourned at 12:00 noon.

Joan Brown, Chair

Craig Sedlacek, Secretary to the Board