

MINUTES OF THE REGULAR MEETING CONDUCTED BY
CONTRACTORS' STATE LICENSE BOARD
OF CALIFORNIA
Held at
Sacramento, California
January 15, 1937

The regular meeting of the Contractors' State License Board was called to order by Roy M. Butcher, Chairman of the Board, at 11:00 A. M., January 15, 1937, in the State Office Building, Sacramento, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman
Ralph E. Hornann, Vice Chairman
William Nies, Member
Stephen L. Ford, Member
Earl S. Anderson, Executive Secretary

Absent:

Hugh McHulty, Member
S. G. Johnson, Member

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar

The minutes of the last meeting, held October 30, 1936 in Oakland, were submitted by the Secretary. It was moved and seconded that the minutes be approved as written. Unanimously carried.

The Secretary read the following report of the Board's transactions and proceedings during the preceding biennium, which report is to be submitted to the Governor as set forth in subsection (1) of Section 4 of the Contractors' License Law:

REPORT TO THE GOVERNOR
OF
CONTRACTORS' STATE LICENSE BOARD

"Pursuant to the provisions of Subdivision (1) of Section 4 of the Contractors' License Law, your Contractors' State License Board takes pleasure in presenting herewith to your Honor the following report of the transactions and proceedings of this body and of its receipts and expenditures for the period ending December 1, 1936.

"Immediately after your appointment of the members of this Board, in accordance with the amendments to the Contractors' License Law adopted by the Legislature of 1935 and approved by yourself, the Board met and organized, selecting the following officers: Chairman, Warren A. Bechtel, Jr., Vice Chairman, Ralph E. Homann.

"The following standing committees were established by the Board and the name of the Board member shown in connection with each was appointed as Chairman: Rules and Procedure Committee, S. G. Johnson; Finance and Budget Committee, William Nies; Personnel Committee, Ralph E. Homann.

"Meetings of the Board during the 87th Fiscal Year were held November 18, 1935, February 25 and April 14, 1936.

"At the meeting held on July 17, 1936, first of the 88th Fiscal Year, Roy M. Butcher was elected Chairman and Ralph E. Homann, Vice Chairman. The following were appointed as Committee Chairmen: S. G. Johnson, Rules and Procedure Committee; Ralph E. Homann, Finance and Budget Committee; Hugh McCulty, Legislative Committee; and Stephen L. Ford, Personnel Committee.

"The meetings of the Board held during the 88th Fiscal Year were upon the following dates: July 17, August 14, September 25 and October 30, 1936.

"Shortly after organization of the Board it was our pleasure to secure the services of Earl S. Anderson, at that time a licensee under the Contractors' License Law, for the position of Registrar and Executive Secretary of the Board. Mr. Anderson continues to hold that position.

"In the following tables we have set forth the number of licentiatees for the 87th and the 88th Fiscal Years to December first, and we have segregated such licentiatees into those securing original and renewal licenses for each of the two years:

	<u>87th Fiscal Year</u>	<u>88th Fiscal Year</u>
Renewals	19,917	22,060
Original applications	6,303	3,404
TOTAL	<u>26,220</u>	<u>25,464</u>

"The income of the Board, almost entirely from license fees, is shown for the two fiscal years in the following table, wherein we have segregated the amounts of fees received for original, renewal and delinquent renewal licenses:

	<u>87th Fiscal Year</u>	<u>88th Fiscal Year</u>
Original applications	\$ 63,030	\$34,040
Renewal	95,140	106,620
Delinquent renewals	<u>8,890</u>	<u>7,360</u>
TOTAL	<u>\$167,060</u>	<u>148,020</u>

"In addition to the fees from licenses the sum of \$6,812. 63 was received from miscellaneous sources, such as certified copies of licenses, transcripts of evidence, sale of directories, interest on the San Francisco building, etc.

"During the 87th and 88th Fiscal Years 331 formal complaints were filed with the Registrar of the Board. These cases were disposed of with the following punitive actions resulting:

Suspensions	69
Revocations	14
Denials	18

"For a detailed report of the expenditures under the Board, you are respectfully referred to the records of the Department of Professional and Vocational Standards, of which this Board is a division. In those records you will find an accurate record of all expenditures by the Board under the provisions of the Contractors' License Law, all of which have been approved by the Director of the Department, Mr. William G. Bonelli, and his administrative staff, and the Controller, as coming within the purposes of the enforcement of the Contractors' License Law.

"In conclusion, your Board desires to state that the operations of this division of the State government have been carried out at all times having in mind your firm position that the State government must be for the service of all and the particular benefit of no individual or small group. That such a policy has been satisfactorily accepted by the public and by the licentiates of this Board is a matter of established fact -- if this were not so we would not be enjoying the confidence of the construction industry and the representative groups among the licentiates of this Board, who have from time to time generously given of praise for the administration of the Contractors' License Law."

After the reading of the report to the Governor, Chairman Butcher asked for comments upon the report and a general discussion was had, with the result that the Board members held it to be a splendid report. It was moved by Mr. Ford, seconded by Mr. Niss that the report be accepted. Unanimously carried.

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

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Mr. Ford, Chairman of the Personnel Committee also stated that his Committee had no report at this time to render.

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

Letter to Earl S. Anderson as Registrar of the Board from Edward Martin of the Electrical Contractors' Association of Northern California, containing a resolution praising the activities of the Contractors' State License Board.

Letter from the Fresno Builders' Exchange to Earl S. Anderson, offering the Board a location for the inspector at a rental of \$15.00 per month. This letter was signed by Harry R. Cayford, Secretary.

Letter from the Bay Builders' Exchange of Santa Monica regarding the moving of their office and requesting a rental of \$15.00 per month for the use of their offices by our inspector. This communication was signed by E. E. Harding, President.

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There was a general discussion of these communications from

the two Builders' Exchanges and Mr. Butcher instructed the Registrar to write to the Exchanges stating that the Board did not feel that it should change the policy adopted last year, at which time it was decided to incur no further expenses for inspectors' headquarters. Mr. Butcher further added that this matter was under the jurisdiction of the Department of Finance. Mr. Anderson stated that he would incorporate the resolution adopted in regard to rentals, in the letter answering these requests.

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A letter from Charles Morehead, Secretary-Manager of the Contracting Plasterers' Association of Alameda County, Oakland, regarding a contractor by the name of John Sherman applying for renewal of his license, was read by Mr. Anderson; also a letter from L. P. Erb, regarding this matter, together with a letter from the San Francisco Office to Inspector Hahlves and a letter from Mr. Anderson to Mr. Morehead.

A letter from the Secretary of the Industrial Accident Commission to William G. Bonelli, in which commendation was given to the Bureau for the assistance given to the Commission by them in the drive to compel employers to protect their employees with Compensation Insurance, was read. The report of the Legal Department of the Commission was also read relative to the results of this drive.

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Mr. Anderson read several communications from city building departments regarding letters sent out by the Board incorporating the resolution adopted at the last Board meeting relative to

requiring contractor's to show their State license number when securing building permits. These communications were from El Centro, Redlands, Mill Valley and the forms used by the City of Berkeley.

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The article in the December 24, 1936 issue of the Los Angeles Times regarding news release sent out by this Board; also the article in "Business Week" were read by Mr. Anderson. Mention was also made regarding the address of Chairman Butcher at the Electrical Contractors' Convention, which was published in the magazine "Electrical West".

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A general discussion was held regarding the keeping of records and books by contractors and Mr. Anderson presented the forms which had been drawn up for use in securing desired information from contractors.

It was moved by Mr. Homann, seconded by Mr. Ford that the matter be submitted to the Committee on Rules & Regulations. Unanimously carried.

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At this time Mr. Fred A. Taylor, Assistant Director of the Department of Professional & Vocational Standards addressed a few remarks to the Board, stating that the budget submitted by the Board had been approved by the Department of Finance without any decrease having been made in the appropriation.

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Mr. Anderson made a report to the Board relative to the transferring of Inspector Rahlvas from the San Francisco to the Oakland territory, and together with Inspectors Ford and Levey provides this territory with three inspectors. Mr. Anderson

stated that he hoped this change would clarify the existing unsatisfactory conditions in this district.

Mr. Anderson also reported that Mano Zan was working in the Sacramento district, upon the inquiry of Mr. Homann.

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The Secretary reported to the Board that there was a total of 26,052 licensed contractors as of January 1, 1937, as against 23,424 contractors January 1, 1936, making an increase of 2,628.

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A news release shortly to be sent out regarding the enforcement work of the Board and the general increased respect for the Law, was submitted by Mr. Anderson.

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The meeting recessed at 12:30 P. M. to reconvene at 2:00 P. M., which time was set by Chairman Butcher.

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AFTERNOON SESSION
2:00 P. M., January 15, 1937

The meeting was called to order by Chairman Butcher at 2:15 P. M. in the State Office Building, Sacramento.

The following were present:

Roy M. Butcher, Chairman
Ralph E. Homann, Vice Chairman
William Kies, Member
Stephen L. Ford, Member
Earl S. Anderson, Executive Secretary

Absent:

Hugh McNulty, Member
S. G. Johnson, Member

Also present were:

Glen V. Slater, Assistant Registrar

Ralph S. Bowdle, Deputy Registrar

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It was moved by Mr. Nies, seconded by Mr. Ford, that the Rules & Procedure Committee make an investigation of the need for an arrangement that would bring to the Board information as to the nature of the books and records kept by contractors of the State of California. Unanimously carried.

A general discussion was held at this time as to the necessary records and a suggestion was made regarding incorporating this information in the application form.

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Mr. Anderson presented a request for a Petition for Review before the Board from the attorney for the Defendant in the case of C. Warwick Evans -vs- W. O. Warner. The Petition for Review of this case failed to receive a majority vote of the Board.

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At this time Mr. Anderson submitted copies of the Resolution adopted at the last meeting of the Board regarding employees engaging in outside work, which resolution was sent to all employees of the Contractors' State License Board.

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Mr. Anderson reported that the Director of Finance had approved the expense accounts of the Board members at not to exceed \$4.00 per day for meals and not to exceed \$4.00 per day for hotel.

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At this time Mr. William G. Bonelli, Director of the Department of Professional & Vocational Standards, accompanied by Fred A. Taylor, Assistant Director, addressed the Board members relative to the proposed amendments to the Contractors' License Law.

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The meeting of the Contractors' State License Board adjourned at 6:30 P. M. to reconvene at 10:00 A. M., Saturday, January 16th.

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MORNING SESSION
11:00 A. M., January 16, 1937

The meeting was called to order by Chairman Butcher at 11:00 A. M. in the State Office Building, Sacramento.

The following were present:

Roy M. Butcher, Chairman
Ralph E. Homann, Vice Chairman
William Nies, Member
Stephen L. Ford, Member
Hugh W. McNulty, Member
Earl S. Anderson, Executive Secretary.

Absent:

S. G. Johnson, Member

Also present were:

Glen V. Slater, Assistant Registrar
Ralph E. Bowdle, Deputy Registrar

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

*Your Legislative Committee met in Sacramento on December 28, 1936, to discuss amendments to the Contractors' License Law. The members of the Legislative Committee present were Chairman McNulty, S. G. Johnson and Board Chairman Roy M. Butcher.

"Also present for conference with the committee were P. M. Sanford, representing the State Builders' Exchanges, Registrar Anderson, Assistant Registrar Slater and Deputy Registrar Bowdle.

"The number of letters from various associations and interested individuals were considered by the committee but no action was taken, it being felt best to await an expression of desire from the industries council which at that time was planned. Certain minor changes in the proposed draft of amendments of the date of meeting were authorized, however.

"The committee determined to call a meeting of representatives of all construction associations for January 9 and 10, to be held in Fresno, California, and the Registrar was instructed to send proper notification.

"The legislative committee met in Fresno on January 9 and 10, with representatives from a large majority of the construction organizations of the state.

"The meeting was presided over by Chairman McMulty with members Butcher (ex officio), Hosann and Johnson present. Assisting at the meeting were Registrar Anderson, Assistant Registrar Slater, and Deputy Registrar Bowdle.

"Representatives of the construction industry associations present were:

D. J. Turner, Secretary
Bakersfield Builders' Exchange, Bakersfield
J. Frank Loughton
Salinas Builders' Exchange, Salinas
Harry Cayford, Secretary
Fresno Builders' Exchange
Joseph C. Burr, Secretary
Sacramento Builders' Exchange
P. M. Sanford,
State Builders' Exchange, Richmond
David S. Moir
Building Contractors Ass'n. of Southern California
F. B. Layne
Building Contractors Ass'n. of Southern California
Geo. Buckley
Construction Industries Committee, L. A. C. of C.
Carl Steger, Secretary-Treasurer
San Joaquin Co. Master Painters
Frank P. Schmitz, Master Painters
State of California
C. C. Money, Secretary
Napa County Builders' Exchange
Joseph Masi, State Conference,
Master Plastering
H. W. Chutter
Calif. Ass'n. of Concrete Pipe Manufacturers

Dave Bunker
Santa Clara County Builders' Exchange, San Jose
William E. Hogue
Central California Chapter, A. G. C.
C. F. Phillips,
Salinas Builders' Exchange
Charles W. Pettifer
General Contractor, Long Beach

"The specific actions of the group were embodied in the motions hereinafter set forth:

"The meeting opened with a motion that any actions taken at this meeting, the majority of votes cast in favor or against any motion shall be considered as expression of those present. Unanimously carried.

"It was moved and seconded that the \$200.00 Exception Clause in the present law be reduced to \$50.00. Unanimously carried.

"It was moved and seconded that Paragraph (b) of Section 2, relating to the exemption on agriculture be eliminated. Unanimously carried.

"It was moved and seconded that Sub-division (1) of Section 5 be adopted as written, with the exception of changing the three years experience to four years and inserting the word "administrative" after the word "rudimentary". This motion was adopted by a majority vote. Those opposing the motion were Mr. Sanford, Mr. Pettifer and Mr. Mani.

"It was moved and seconded that there be inserted in Section 3, the words "excepting certified architects or registered civil engineers acting solely in their professional capacity." Unanimously carried.

"It was moved and seconded that there be inserted provision that no renewed licenses will be required to take an examination. Unanimously carried.

"It was moved and seconded that the third word in the second paragraph of Sub-division 4 of Section 5, be changed to the words "an original". Unanimously carried.

"It was moved and seconded that the amendment relative to the diversion of funds be inserted and known as Sub-division 14, of Section 9.

"It was moved and seconded that, with the exception of the foregoing changes the amendments as submitted to the group be approved as written. Unanimously carried.

"As a result of the calling together of the above representatives an organization was set up to be known as the "Construction Industry Council" to act as the representative of all construction organizations in connection with legislative matters desired by the entire industry. The formation of this organization was not accomplished as an action of your legislative committee, although it was the outcome of the meeting called by the committee.

"The meeting of the Legislative Committee was adjourned January 10. Next to meet at the call of the chairman after a presentation of the committee's report on recent work for the Board in its session at Sacramento, January 15.

"Respectfully submitted,

(Signed) Hugh W. McNulty, Chairman
S. G. Johnson
Ralph E. Hosano"

It was moved by Mr. Nies and seconded by Mr. McNulty that the report of the Legislative Committee be accepted. Unanimously carried.

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It was moved by Mr. McNulty and seconded by Mr. Nies that the Board go on record as favoring the introduction before the Legislature of the Amendments as approved at the meeting in Fresno on January 9, 1937, of the Construction Industry Council. Unanimously carried.

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It was moved by Mr. Nies and seconded by Mr. McNulty that the following resolution relative to the Attorney General defending State officials and State employees when such officials and employees are sued in their official capacities, be sent to the Governor. Unanimously carried.

"WHEREAS, The Attorney General of the State of California is not permitted by law to defend State Officials and State employees except where such officials

and employees are sued in their official capacities, and

"WHEREAS, State employees and officials are frequently sued as individuals on account of acts properly done in their official capacities, and

"WHEREAS, in such instances it is necessary that such officials and employees employ counsel for their own defense on account of such proper official duties, therefore

"BE IT RESOLVED, That the Contractors' State License Board, in regular session assembled this 16th day of January, 1937, does recommend to his Honor Governor Frank F. Merriam that he approve, if passed by the Legislature, a bill reading in substance as follows:

"Whenever any suit for damages is brought against any officer or employee who is paid in whole or in part from State funds, on account of his official actions in making arrests or prosecuting offenses, or swearing to complaints, such officer or employee may, with the consent of the head of the department in which he is employed, have such action referred to the Attorney General, and upon the determination of the Attorney General that such officer or employee performed his official duty in good faith and without malice, it shall then be the duty of the Attorney General to appear and defend such officer or employee in such action or authorize any attorney in such department to appear and defend such officer or employee.

"The costs and expenses involved in such action and any judgment recovered against such officer or employee shall be a lawful charge against the funds of such department by which such officer or employee was employed, and for which he was acting officially; provided, however, that such department may recover from such officer or employee the amount of any judgment, cost or expenses paid out by it under the provisions of this section."

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The Secretary submitted to each member of the Board a copy of the minutes of the meeting of the Construction Industry Council held in Fresno on January 9.

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

The meeting adjourned at 12:05 P. M.

Earl S. Anderson

EARL S. ANDERSON
EXECUTIVE SECRETARY
CALIFORNIA STATE LEGISLATURE

Reported by
Charles E. Brady
21 State Office Building
Sacramento, California