



Suite 210  
505 Huntmar Park Drive  
Herndon, Virginia 20170  
(703) 481-2022  
(703) 481-3596 FAX  
[www.interstateibc.org](http://www.interstateibc.org)

## MINUTES

**Industrialized Buildings Commission**  
**Wednesday, July 16, 2003**  
**Herndon, Virginia**

Richard Osworth called the annual meeting of the Industrialized Buildings Commission to order on Wednesday, July 16, 2003, at 1:15 p.m. at the Days Hotel Conference Center in Herndon, Virginia. Attendance was taken as noted below:

**Members Present:** Bob Blatchford, Dynamic Homes  
Dan DeDentro, State of Rhode Island  
Stephen Hernick, State of Minnesota  
Richard Osworth, State of New Jersey

**Others Present:** Kathryn Arner, NTA  
Debbie Becker, NCSBCS  
Pete Blaser, NCSBCS  
Ujjval K. Dave, State of Maryland  
N. Kevin Egilmez, NCSBCS  
Bob Gorleski, PFS  
Rich Gray, State of North Dakota  
Jim Rothman, PFS Corporation,  
Bob Tanger, T. R. Arnold & Associates  
Robert Wible, NCSBCS

### **Approval of Minutes**

On a motion by Steve Hernick, seconded by Dan DeDentro, the minutes of the July 17, 2002, meeting were unanimously approved as submitted.

### **Correspondence**

The secretariat noted that a list of correspondence received since the last meeting was available.

**Old Business**

Chairman Rothman reported on RDC recommendations to the Commission:

1. Reappoint James Hanna, Jack Proctor, Neal Moss, James Rothman, and William Bryant to the RDC for three-year terms.
2. Revise MRR data plate requirements to specify wind speed and exposure category.
3. Amend UAP, Part IV, to add a new Section 7 to require each manufacturing facility to register with the Commission.
4. Support the signing of the interim reciprocal agreement with North Dakota.
5. Update MRR list of construction standards to include International Codes.

Dan DeDentro reported on the difficulty Rhode Island was having with manufacturers' compliance with International Residential Codes' wind provisions. He also reported that Rhode Island was in the process of updating their fire code which would require hardwired carbon monoxide detectors.

Steve Hernick reported on Minnesota's concerns with the alternate construction provision of HUD manufactured housing program that now allows more onsite construction such as installing water heaters and furnaces. As a result, manufactured homes are encroaching on the definition of a modular home, making enforcement difficult. Minnesota has sent letters to HUD refusing to accept the units and suggested that the Commissioners draft a resolution to be sent to HUD expressing concerns regarding the direction alternate construction provision has taken. The secretariat was given the assignment to draft the language and forward it to the Commissioners for a vote by letter ballot.

In last year's meeting, the Commissioners were requested to research their states' requirements for amending their adopted MRR. Richard Osworth briefly discussed the process for New Jersey and advised the Committee that it would take a minimum of six months to adopt a rule. Steve Hernick said that Minnesota's process was similar to New Jersey's but lengthier, probably closer to 18 months. Dan DeDentro was not sure about the details of the Rhode Island process but agreed to look into it and get back to the Commission.

The IBC 2002 Annual Report was reviewed. Richard Osworth reminded the Commission that it was a requirement of the Commission to provide copies of the annual report to the governors. A motion to approve the report as written was made by Dan DeDentro, seconded by Bob Blatchford, and approved unanimously. The secretariat was directed to send copies to each Commissioner to provide to their governor and to make the annual report available on the IBC's Web site.

**New Business**

“As-built” floor plans are currently maintained by manufacturers and some designated agencies. The IBC would like to maintain copies as well for states in case of consumer complaints and to perform some reviews that cannot be done during in-plant audits. Jim Rothman reported that most RDC members felt that it would not be a problem but others complained that it would create more work. Bob Blatchford indicated that, as a manufacturer, he would not have a problem providing the third party with this information on a monthly basis. Richard Osworth felt it was the consensus of the RDC to do this by policy. The secretariat was directed to request additional input from manufacturers through designated agencies.

A motion was made by Bob Blatchford, seconded by Steve Hernick, and unanimously approved to provide basic wind speeds and exposure categories on data plates. The change would not become mandatory until each state revised its adopted MRR. The Commission agreed that a notice be sent out requesting manufacturers to comply voluntarily with the new data plate requirements.

Richard Osworth commented that, before adopting language requiring manufacturers to pay a registration fee, the legislation and bylaws would have to be researched regarding imposing new fees. Several alternatives to registration were discussed such as removing a manufacturer from the approved list after a certain period of inactivity or for failing to update manuals following a code update. Jim Rothman commented that most states require manufacturers to register. Richard Osworth pointed out that the current label and audit fees were approved during the initial adoption process after public hearings. The Commission agreed to vote on the recommended language at a later date by letter ballot after Richard Osworth had an opportunity to research the issue further.

A motion made by Steve Hernick, seconded by Bob Blatchford, to keep label fees the same was approved unanimously.

During RDC discussions, it was apparent that each designated agency used a different system to judge whether a design was still valid following a new code adoption by a member state. Therefore, as recommended by the RDC, the Commission directed the secretariat to obtain each designated agency’s criteria and methods for maintaining building systems designs.

Richard Osworth announced that Phase I of the new IBC software was now being tested and will be implemented this Fall. Both Jim Rothman and Bob Tanger stated that they had not heard any complaints but that they would check with their staff. Kevin Egilmez informed the Commission that the release of Phase II was delayed because of problems with accepting payments over the Internet: Credit card fees were too high and only a few companies provided standalone electronic check capabilities.

Dan DeDentro moved that the Commission enter into an interim reciprocal agreement with North Dakota. The motion, seconded by Steve Hernick, was approved unanimously.

Richard Osworth indicated the Commission needed to decide whether to continue the relationship with Kentucky. Steve Hernick felt that the proposed agreement (Attachment C) was contrary to the IBC's policy. The agreement would set a difficult precedent by encouraging other states to demand their own "special provisions." The Commissioners acknowledged that the agreement did have benefits but recognized that it could not continue as-is. It was agreed, rather than terminating the current agreement, to invite Kentucky to sign a standard interim reciprocity agreement without any special provisions. A motion was made by Steve Hernick, seconded by Bob Blatchford, to draft a letter to Kentucky explaining the Commission's position.

Steve Hernick then made a motion to amend stipulating that the current agreement be terminated if the Commission did not receive a positive response from Kentucky. The motion was seconded by Dan DeDentro. Both motions passed unanimously.

On a motion made by Bob Blatchford, seconded by Dan DeDentro, the Commissioners approved the appointment of Peter Eberle and reappointed James Hanna, Jack Proctor, Neal Moss, Jim Rothman, and William Bryant to the RDC for additional three-year terms. The Commission was informed that New York will nominate Mark Blanke to replace Gary Higbee and agreed to vote by letter ballot once his nomination was received.

Richard Osworth indicated that the MRR list of model building codes and referenced standards generally accepted and in use throughout the United States would be updated to include the International codes.

### **Financial Report and Approval of FY '04 Budget**

Richard Osworth mentioned that there were no findings in the IBC's audited financial statements for FY 2002 but pointed out the auditor's a comment regarding bank statements. For the second year in a row, the auditor commented that these statements were not being reconciled on a timely basis. Richard Osworth said that he intends to work with Bob Wible to resolve this issue.

The auditors also commented on the internal accounting control structure. They observed the NCBCS's Finance Director preparing, cutting, signing all outgoing checks, posting disbursements and receipts to the IBC's accounting records, and reconciling the monthly bank statements. To segregate some of these duties, they recommended that the Project Manager sign and send the checks and review bank reconciliations for unusual items. A motion to accept the segregation of duties as proposed by the auditor was made by Dan DeDentro, seconded by Bob Blatchford, and approved unanimously.

A motion to accept the 2002 Financial Report was made by Steve Hernick, seconded by Dan DeDentro, and approved unanimously.

The IBC discussed the draft fiscal year 2004 budget. Richard Osworth indicated that this is the first budget where a deficit is projected partly due to the hiring of a part-time consulting engineer.

Bob Wible presented the secretariat's current outreach proposal for fiscal 2004 (Attachment D) broken down into two phases, \$25,000 projected for each phase. Richard Osworth suggested focusing energy around New York and Pennsylvania in partnership with the Modular Building Institute and also felt a Midwest regional meeting would be worthwhile with the IBC possibly incurring some of the costs for states that have limited resources. He noted that the proposed budget contained \$24,944 of expenditures for marketing and outreach efforts.

On a motion by Steve Hernick, seconded by Bob Blatchford, the draft FY '04 budget for the IBC was unanimously approved. Because of the projected deficit and decreased revenues, Richard Osworth said that the budget will have to be monitored very closely. He requested that the monthly financials include an executive summary describing tasks with cost overruns.

**Secretariat's Work Assignments**

Richard Osworth reviewed the secretariat's work assignments:

1. Obtain designated agency procedures for maintaining documents.
2. Draft letter to Kentucky regarding reciprocity agreement within two weeks.
3. Send notice to include wind speed and exposure information on data plates.
4. Research the Commission's ability to impose a manufacturer registration fee.
5. Update MRR list to include International codes

**Date and Location of Next Meeting**

The next IBC annual meeting is tentatively scheduled for July 21, 2004. The secretariat reported that notice would be sent regarding the location.

Bob Blatchford made a motion to enter an executive session to discuss designated agency performances and to review requests for waivers. The motion, seconded by Steve Hernick, carried and the IBC entered an executive session. The motion to reconvene into an open session made by Bob Blatchford and seconded by Steve Hernick, carried unanimously.

Bob Blatchford made a motion, seconded by Steve Hernick, to redesignate all current designated agencies with the standard conditions. The motion carried.

Steve Hernick made a motion, seconded by Bob Blatchford, to approve Jeffery Walton's, John Pabian's, and Felix Castillo's requests for waiver and grant certification. The motion carried. The Commission agreed to review the waiver process and include it on next year's agenda as a discussion topic.

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Bob Blatchford, seconded by Steve Hernick, moved to adjourn the meeting and the motion carried. The meeting adjourned at 3:45 p.m.

Respectfully submitted,

N. Kevin Egilmez  
Secretariat Staff

Attachments