

Industrialized Buildings Commission

◆ An Interstate Compact ◆

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MINUTES

Industrialized Buildings Commission Wednesday, July 20, 2005 Herndon, Virginia

Richard Osworth called the annual meeting of the Industrialized Buildings Commission to order on Wednesday, July 20, 2005, 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: Debbie Becker, NCSBCS
Pete Blaser, NCSBCS
Ken Brower, NTA
William Bryant, Anne Arundel County, Maryland
N. Kevin Egilmez, NCSBCS
Rich Gray, State of North Dakota
Bob Tanger, T. R. Arnold & Associates
Robert Wible, NCSBCS

Approval of Minutes

On a motion by Bob Blatchford, seconded by Steve Hernick, the minutes of the July 21, 2004, meeting were unanimously approved as submitted.

Correspondence

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

Old Business

Kevin Egilmez reported on RDC recommendations to the Commission:

1. Reappoint Neal Moss, James A. Rothman, William R. Bryant, James C. Hanna, and Emory Rodgers to the RDC for three-year terms.
2. Approve Amendment recognizing ICC certifications (Attachment A).
3. Change “manufacturer” to “inspection agency” in Amendment 02-03 (Attachment B).
4. Continue mandatory seminars and provide videotape and/or other means for those who cannot attend.
5. Start with item number one today in Standard Adoption Procedures (Attachment C) to begin public notice process to adopt revised MRR/UAP. Revisit timetable at item number 6 to determine if additional RDC meeting needed.
6. Vote by letter ballot on increasing the label fee within 30 days after back-up financials and/or other documentation provided to the RDC within 10 days.
7. No action was taken regarding dealer responsibilities.

Dan DeDentro reported Rhode Island adopted the 2003 edition of the International Codes effective July 1, 2004, which references the International Fire Code but the Fire Safety Code Board adopted 2003 editions of NFPA’s Uniform Fire Code and Life Safety Code. This has created some confusion that primarily affects commercial buildings.

Steve Hernick reported that Minnesota was experiencing problems with the manufactured home regulations under HUD. An increasing amount of work is being done on site under the manufactured home program such as furnaces and water heaters being shipped separately for installation on site. HUD is contemplating viewing the site as an extension of the factory. If accepted, states will not have any right to regulate on-site construction. Minnesota’s concern is that the definition between a manufactured home and modular building is being blurred to the detriment of the modular. Richard Osworth reported that in New Jersey, alternate construction does not exist and New Jersey controls the local jurisdictions. Steve Hernick feels that Minnesota is fighting a losing battle.

Richard Osworth reported there was a lack of coordination between modular builders and site specific issues in New Jersey. There was no design professional looking at the whole building. New Jersey is working on making the design professional responsible for the whole building.

Bob Blatchford commented that South Dakota was coming up with another fee and he now has to have a South Dakota plumber on staff. He would like to see an outreach effort with South Dakota and asked for any contacts. Rich Gray suggested he contact the South Dakota state fire marshal since that was the only statewide program at this time. Kevin Egilmez thought that maybe MBI would be able to provide some additional contacts.

New Business

On a motion made by Steve Hernick, seconded by Bob Blatchford, the Commissioners unanimously reappointed Neal Moss, James A. Rothman, William R. Bryant, James C. Hanna, and Emory Rodgers to the RDC for additional three-year terms.

Richard Osworth noted there was one vacancy in the residential-industry representative position. The Secretariat contacted DeLuxe Homes but the appointment was declined. Richard Osworth suggested the Secretariat contact NAHB and MBI again and request nominees. Bob Tanger suggested Jim Jones, President of Indiana Building Systems in Middlebury, IN, as a possible candidate. Richard Osworth requested the Committee members to submit nominations in writing to the Secretariat.

A motion to accept draft Amendment (Attachment A) recognizing tests offered by the International Code Council (ICC) was made by Bob Blatchford and seconded by Dan DeDentro. The Commission reiterated that applicants will now have to pass three ICC tests instead of two for their Unlimited Plans Examiner (Level II) fire protection discipline. The motion was approved unanimously.

A motion to change “manufacturer” to “inspection agency” in Amendment 02-03 (Attachment B) was made by Steve Hernick and seconded by Bob Blatchford. The motion was approved unanimously.

The RDC supported continuing mandatory IBC seminars. Dan DeDentro thought it would be a good idea to include manufacturers and that maybe more seminars would be needed. Steve Hernick voiced a concern that manufacturers may be too large of a group and consequently, the seminars would be harder to implement. Bob Blatchford recommended that only the plant QC manager be included. A question was posed with regard to making the seminars mandatory. If seminars were mandatory, an amendment to the UAP would be required. Bob Tanger didn't think it would be necessary as the manufacturers would show up as long as the location was convenient. Richard Osworth stated that in addition to the training already being done, a manufacturer training program would be developed by the Secretariat and a course outline provided to the Commission for any feedback.

Richard Osworth discussed the actions and timetable for adopting the reorganized MRR and UAP (Attachment C). The documents will first be sent to RDC members and the Commissioners who will have 30 days to review and comment. After the initial RDC comments, notices will be sent out and the documents will be made available for public comment including posting them on the IBC Web site. All public comments would then be provided to the RDC for review and discussion. The extent of the public comments will determine whether it will be necessary for RDC to hold an additional meeting or to act on the comments by letter ballot.

Richard Osworth noted that the Secretariat will provide back-up documentation (financial report and budget) for the label fee adjustment to the RDC within 10 days and include a letter ballot to be returned within 30 days.

Dan DeDentro commented that in Rhode Island, most dealers leasing commercial modulars have little knowledge of code compliance or the IBC and their first priority is in making a sale. He suggested that maybe addressing dealer responsibilities should become a long-term issue. Richard Osworth noted that when the regulations were first being developed the consensus was that modular industry didn't have dealers but builders. As a result, dealer responsibilities may not have gotten enough attention.

Kevin Egilmez asked if the Commissioners were familiar with electronic signatures as a way to expedite correspondence. Steve Hernick indicated he was aware of it and used it. Dan DeDentro indicated he never used it. The Commission agreed to study the issue further.

Richard Osworth initiated a discussion regarding the acceptance of plans electronically. Kevin Egilmez reported the initial cost would be approximately \$7,000 to \$10,000. Dan DeDentro recommended the Secretariat start a new budget line item for the purchase of hardware and software to begin the process. Electronic submittals would make the information easier to store, share, and submit by third parties.

Financial Report and Approval of FY '06 Budget

The auditors commented that supporting documentation for detailed monthly charges for NCSBCS' fringe and G and A expenses were not being provided to the Commission. Kevin Egilmez reported that, through an informal agreement, these rates are capped at 42 and 44 percent. The auditors recommended that the agreement be in writing and updated annually. Bob Wible, with NCSBCS, concurred.

The auditors noted that the existing accounting manual has not been updated in several years. Kevin Egilmez reported that the accounting consultant agreed to put together a manual. The auditors also expressed concern that the appropriate payment approval was not evident. Kevin Egilmez reported that after June 30, 2004, invoices were being signed, dated, and the appropriate account code indicated. Also, consultant agreements are being kept in one file as recommended by the auditors.

Richard Osworth reported on the \$1 per label fee set aside to reimburse states and the goal to establish a full year's expenses in reserves. The auditor's recommendation to better reflect the financial position of the IBC is to discontinue collection of \$1 per label and set aside the full amount as board designated assets. A motion was made by Steve Hernick and seconded by Bob Blatchford to reclassify \$365,547 representing the total amount of the start-up funds contributed by the three member states as board designated net assets as recommended by the auditors instead of as a long-term liability. The motion was approved unanimously.

A motion to accept the 2004 Financial Report was made by Dan DeDentro, seconded by Steve Hernick, and approved unanimously.

Richard Osworth noted that on page ten, note three, \$5,450 is owed the Commission by NCSBCS for prepaid capital improvements. This figure represents the money spent by the Commission to reconfigure the office space when NCSBCS was being reorganized. The loan was to be repaid when NCSBCS' offices were being refurbished as part of its lease agreement. The auditor stated that since the offices were refurbished, IBC needed to invoice NCSBCS or make other arrangements for the repayment of the loan. The Commission directed the Secretariat to invoice NCSBCS.

The IBC discussed the draft budget for fiscal year 2006. Richard Osworth indicated that a \$24,000 deficit was projected in last year's budget but that there was actually a \$46,000 surplus. The expenditures to date are \$40,000 higher than budgeted which was offset by the fact that the income was \$120,000 higher than projected. Total budget for 2006 is \$629,000 and Richard Osworth felt it may be too conservative and will probably be exceeded. Projected revenues, which are based on a five-year weighted average, may not be met if the industry experiences a downturn.

Kevin Egilmez reported that the current budget provides for the same level of service. A full-time engineer is not budgeted due to lack of funds. Steve Hernick commented that the manufacturer seminars would be another shortfall. Richard Osworth indicated computers would be another deficit as the Commissioners felt a new line item should be included for the hardware/software upgrade to allow for electronic submittals.

The Commissioners recommended adding \$10,000 for software and hardware under Task 11 and moving the \$5,000 computer related expenses under Task 1 to Task 11. Steve Hernick recommended renaming Task 11 to better describe the task such as IT services. Richard Osworth supported amending the budget to reduce task 1 by \$5,000 and increase task 11 by \$15,000. The Commission also recommended increasing the Task 1 budget by \$20,000 to allow for two manufacturer seminars over the next year and to increase the Task 10 budget by \$40,000 to accommodate a full-time engineer. Dan DeDentro and Steve Hernick recommended providing the RDC with the revised budget to support the label fee increase.

Richard Osworth mentioned that the current draft budget now projects a deficit of \$75,587. A \$7 increase on all fees would provide an additional \$84,000 in income. A motion was made by Dan DeDentro and seconded by Steve Hernick to adopt the budget as amended and pursue the label fee increase with the condition that if the label fee increase is not approved, the Commission forego hiring a full-time engineer. The motion was approved unanimously.

Bob Blatchford made a motion, seconded by Steve Hernick, to redesignate Underwriters Laboratories and PEI without conditions; redesignate A. N. Vendola, Minnesota and Pyramid1 with the standard conditions; and redesignate HWC, NTA, PFS, TRA, and RADCO with conditions. The motion was approved unanimously with Steve Hernick abstaining.

Richard Osworth recommended that the manufacturer training seminars focus on compliance assurance issues including the importance of the data plate.

The Commissioners each requested the Secretariat to forward 12 copies of the IBC 2004 Annual Report.

Bob Wible suggested distributing the annual report or issuing a news release to the states as an outreach initiative. Dan DeDentro thought a news release might be worthwhile. It was noted that the last press release, issued when North Dakota joined in 2003, was published in two magazines. Richard Osworth approved issuing a press release and including a copy of the annual report.

A motion to accept the 2004 Annual Report was made by Dan DeDentro, seconded by Steve Hernick, and approved unanimously. Kevin Egilmez advised that the annual report will also be available on the IBC's Web site.

Secretariat's Work Assignments

Richard Osworth reviewed the Secretariat's work assignments:

1. Issue press release.
2. Provide RDC with letter ballot and back-up information for label fee adjustment.
3. Manage MRR/UAP adoption process.
4. Change "manufacturer" to "inspection agency" in Amendment 02-03.
5. Investigate cost of computer hardware/software to enable electronic submittals.
6. Develop and implement manufacturer training seminars. Send out an announcement with a questionnaire and solicit sites.
7. Revise 2006 budget.
8. Research videotaping IBC training seminars.
9. Hire PE if proposed budget and label increase approved.

Date and Location of Next Meeting

The Commission agreed to continue the executive sessions at 5:00 p.m. the evening before the annual meeting. Richard Osworth recommended dinner be included.

The next IBC annual meeting is tentatively scheduled for July 19, 2006. The Secretariat reported that notice would be sent regarding the location.

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Steve Hernick, seconded by Dan DeDentro, 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

DRAFT

Effective Date:

Subject: Recognition of ICC Certifications

Reference: UAP, Part VI, Section 4(C)(1), (D)(1) and (E)(1)

Background: To the extent possible, the Commission relies on tests offered by nationally recognized model code groups for part of its certification requirements for inspectors and plans examiners. Accordingly, UAP, Part IV, Section 4 has been amended to recognize the latest tests offered by the International Code Council (ICC).

Revision:

PART IV: DESIGNATION OF EVALUATION AND INSPECTION AGENCIES

Section 4: Qualifications of Technical Personnel

(C) Industrialized Buildings Inspector and Trainees

(1) The *Commission* shall certify an applicant as an Industrialized Buildings Inspector if the applicant has met the education and experience requirements of ASTM E-541, Section 14 and has successfully completed one of the following series of tests:

ICC Residential Inspector tests including building, electrical, mechanical and plumbing,
or;

NCPCCI One & Two Family Dwelling tests including building, electrical, mechanical and plumbing, or;

SBCCI One and Two Family Dwelling Inspector examination, or;

ICBO Combination Dwelling Inspector examination.

Exceptions:

1. An applicant may substitute the SBCCI Residential Electrical Inspector examination for the NCPCCI Electrical test.

2. An applicant who has successfully completed ICBO inspector examinations in the building, electrical, plumbing and mechanical disciplines.

AMENDMENT

(D) One and Two Family Dwelling (Level I) Plans Examiner

(1) The *Commission* shall certify an applicant as a One and Two Family Dwelling (Level I) Plans Examiner if the applicant has met the education and experience requirements of ASTM E-541, Section 14, and has successfully completed one of the series of tests listed below.

ICC Residential Inspector tests including Building, Electrical, Mechanical and Plumbing, or;
NCPCCI One & Two Family Dwelling Building, Electrical, Mechanical and Plumbing tests,
or;
SBCCI One and Two Family Dwelling Inspector examination, or;
ICBO Combination Dwelling Inspector examination.

Exceptions:

1. *An applicant may substitute the SBCCI Residential Electrical Inspector examination for the NCPCCI Electrical test.*
2. *An applicant who has successfully completed ICBO inspector examinations in the building, electrical, plumbing and mechanical disciplines.*

* * *

(E) Unlimited (Level II) Plans Examiner

(1) The *Commission* shall certify an applicant as an Unlimited (Level II) Plans Examiner if the applicant has met the education and experience requirements of ASTM E-541, Section 14, and has successfully completed the test(s) in the discipline(s) for which certification is sought. As a prerequisite, candidates for certification as Unlimited (Level II) Plans Examiner in any discipline shall successfully complete the tests required for certification as a One and Two Family Dwelling (Level I) Plans Examiner.

(a) Building Discipline:

ICC Building Plans Examiner and Commercial Building Inspector tests, or;
NCPCCI Building Plan Review and Building General tests or;
SBCCI Building Plan Examiner and Building Inspector examinations or;
ICBO Plans Examiner and Building Inspector examinations.

(b) Electrical Discipline:

ICC Electrical Plans Examiner and Commercial Electrical Inspector tests, or;
NCPCCI Electrical Plan Review and Electrical General tests or;
SBCCI Electrical Plan Examiner and Commercial Electrical Inspector examinations or;
ICBO Electrical Inspector examination.

(c) Fire Protection discipline:

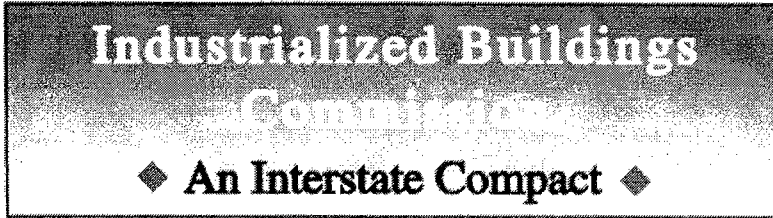
ICC Fire Inspector I, Fire Inspector II, and Fire Plans Examiner, or;
NCPCCI Fire Protection Plan Review and Fire Protection General tests or;
SBCCI Fire Inspector I and Fire Inspector II examinations or;
IFCI Uniform Fire Code Inspector examination.

(d) Mechanical Discipline:

ICC Mechanical Plans Examiner and Commercial Mechanical Inspector tests, or;
NCPCCI Mechanical Plan Review and Mechanical General tests or;
SBCCI Mechanical Plan Examiner and Mechanical Inspector examinations or;
ICBO Mechanical Inspector examination.

(e) Plumbing Discipline:

ICC Plumbing Plans Examiner and Commercial Plumbing Inspector tests, or;
NCPCCI Plumbing Plan Review and Plumbing General tests or;
SBCCI Plumbing Plan Examiner and Plumbing Inspector examinations; or
ICBO Plumbing Inspector examination.



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Number

02-03

Effective Date: August 1, 2002

Subject: Compliance Assurance Program

Reference: UAP, Part IV, Section 2 (B)

Background: The Commission has found that developing and implementing a compliance assurance program can place undue hardship on manufacturers who produce very few certified modules. The amendment gives such manufacturers the option to have their product fully inspected by a qualified organization.

PART IV: ADMINISTRATION

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Section 2: Approvals of Building Systems and Compliance Assurance Programs.

(B) Compliance Assurance Program

* * *

(8) The Commission, at its discretion, may waive specific compliance assurance program and other related requirements at the request of the manufacturer. Each industrialized building or building component manufactured under the waiver shall be completely inspected through all phases of construction by a qualified organization accepted by the Commission.

AMENDMENT

STANDARD ADOPTION PROCEDURES

The bold text signifies the procedure is established by the legislation.

1. **(Optional) RDC calls for public hearings and public comment.**
 - a. Executive Committee determines need for public hearing (?).
 - b. Secretariat collects and provides public comments to RDC.
2. **RDC develops draft documents.**
3. **RDC forwards draft documents to IBC with recommendations for action.**
4. **(Optional) IBC calls for follow-up public hearing.**
5. **IBC holds special or regular meeting for final action on draft documents.**
 - a. **Adoption requires majority vote of commissioners present and voting (?)**
 - b. IBC Chairman explains any changes in writing to RDC, and;
 - c. IBC Chairman briefs RDC at the next regularly scheduled meeting.
6. Member states publish public notification of the adoption in relevant state journals/registers at the earliest date possible.

PROPOSED PROCESS FOR ADOPTING REORGANIZED UAP

1. Day 0 - 30
 - a. RDC members review reorganized UAP, MRR.
 - b. Member states submit list of newspapers for public notice.
2. Day 30 - 40: Compile and respond to comments from RDC members.
3. Day 40 - 45: Prepare final UAP documents for public notice.
4. Day 45 - 60: Publish public notice for 30-day comment period in newspapers.
5. Day 90 - 100: Compile public comments; determine need for public hearing.
6. Day 100 - 130: RDC reviews public comments or holds public hearing.
7. Day 130 - 145: IBC takes final action on draft documents.