

**Bureau of Household Goods and Services (Bureau or BHGS)
Advisory Council Meeting Minutes
In-Person and Teleconference Meeting
June 15, 2022**

Meeting Location:
Department of Consumer Affairs – HQ 1 Hearing Room
1625 North Market Blvd, Room 102
Sacramento, CA 95834

Attendees:

Advisory Council Members: Pascal Benyamini, Public
Burt Grimes, Industry
Donald Lucas, Public
Dan Rhodes, Industry
Toby Taylor, Industry
Steve Weitekamp, Industry

Bureau Staff: Justin Paddock, Bureau Chief
Nichole Bowles, Supervising Special Investigator
Jacqueline Castro, Licensing Manager
Diana Godines, Policy Manager
Yeaphana La Marr, Policy Manager
Ashleigh Reitter, Administrative Support Analyst
Kelli Williams, Administrative Manager

Other Individuals Present: David Bouilly, DCA SOLID Planning Solutions
Ann Fisher, DCA SOLID Planning Solutions
Michael Kanotz, DCA Division of Legal Affairs
Karen Munoz, DCA Budget Office
Heather Robinson, DCA Budget Office
Mike Sanchez, DCA Office of Public Affairs

1. Bureau Chief Introduction, Call to Order, and Roll Call

Bureau Chief Justin Paddock started the meeting at 10:00 am with an introduction. Administrative Support Analyst Ashleigh Reitter conducted roll call of Advisory Council (Council) members. All members were in attendance except Toby Taylor. Council members Pascal Benyamini and Burt Grimes were absent in their official capacity but participating as a member of the public.

Chief Paddock opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

2. Public Comment on Items Not on the Agenda

Chief Paddock opened the floor to Council members to make comments or ask questions about topics not on the agenda. There were none.

The WebEx moderator opened the floor for public attendees to make comments or ask questions. There were none.

3. Review January 20, 2022, Advisory Council Minutes

Chief Paddock opened discussion to Council members regarding questions or edits to the meeting minutes of the January 20, 2022, Advisory Council meeting. There were no comments or edits from the Council. Discussion was opened to public attendees for comment or to ask questions. There were none.

4. Review Strategic Plan

Chief Paddock directed Council members to pages 23-29 of the materials packet and opened discussion regarding questions or edits for the introduction of the strategic plan. The only change to this section was to show the membership of the Council was as of January 20, 2022, because the membership has since changed. There were no comments or edits from the Council. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock directed Council members to Goal 1 on page 30 of the materials packet. A minor revision to the wording of Goal 1.2 was discussed. Council member Pascal Benyamini agreed with the edit. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock directed Council members to Goal 2 on page 31 of the materials packet. Revisions to the wording of Goal 2 that were made to better capture the discussion of these goals were discussed. Council Member Lucas asked if the term “sting operation” is a well-established term. Chief Paddock responded that it is a widely used term in DCA, but discussed expanding the explanation more for accessibility for members of the public. Council Member Dan Rhodes asked for clarification on unpermitted interstate movers. Chief Paddock explained that the Bureau’s relationship with FMCSA relates to interstate movers as opposed to intrastate movers so the extra detail was needed. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock directed Council members to Goal 3 on page 32 of the materials packet. Revisions to the wording of Goal 3.3 to clarify the goal were discussed. Additionally, superfluous language was removed from Goal 3.5. Council member Steve Weitekamp commented that Goal 3.3 could be interpreted in many ways, such as informing the public of statistics or giving names of companies that are bad actors. Chief Paddock stated it would be both. Chief Paddock replied that the public would not be aware of a citation until the entire process, including appeals is finalized, then the citation would be publicized. Council member Weitekamp expressed support for that goal.

Discussion was opened to public attendees for comment or to ask questions. Council member Pascal Benyamini, attending as a member of the public, suggested that “when citations are final” be added the end of Goal 3.3. Chief Paddock agreed and will work with Bureau council to revise that goal. Another question from Council member Burt Grimes, attending as a member of the public, was about how the Bureau’s website will keep updated with industry violations. Chief Paddock explained there is a new procedure to update the website 30 days after each quarter. Council member Rhodes asked if there is a count of open cases against companies that was publicized. Chief Paddock explained that cases will only be made public after the entire investigation process was completed to allow for due process.

Chief Paddock directed Council members to Goal 4 on page 33 of the materials packet. There were no changes made to this Goal area. Council member Weitekamp wanted to make sure that the Household Movers Act continues to address brokers as needing the same level of permit as movers. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock directed Council members to Goal 5 on page 34 of the materials packet and further explained the edits made to this goal to polish the goal area to remove overlap among objectives and ideas that cannot be measured, e.g. level of comradery. Multiple Council members voiced that they agreed with the changes. Council member Rhodes suggested a quarterly or annual 360 survey to get a sense of morale level. Chief Paddock will look into that because he does see the value. Council member Lucas suggested doing a yearly staff survey like the one used for the strategic plan. Chief Paddock agreed that the environmental scan was an extremely valuable document coming in as a new Chief and will check with DCA to determine how often a scan can be conducted. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock directed Council members to page 35-36 for the conclusion of the Strategic Plan to report no changes were made. Discussion was opened to Council members regarding questions or edits. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

5. Division Updates and Statistical Overviews

a. Fiscal Update

Heather Robinson, DCA Budget Analyst, reviewed BHGS fund conditions on page 38. Ms. Robinson discussed the fund conditions, which are a five-year view of the Bureau's funds. The Electronic and Appliance Repair Fund is currently at 12.1 months in reserves. Council member Lucas asked about the reserves because there are only a couple months of reserves. Ms. Robinson explained that the projection assumes the full appropriation is spent, but the Bureau historically has not spent the full appropriation. Chief Paddock added that the fund will see a reversion because of that. Also, the Bureau is required to conduct a fee study, which will be reported in October.

The Home Furnishings and Thermal Insulation Fund is currently at 13.4 months of reserves. There were no questions or comments from the Council. Karen Munoz, DCA Budget Manager, stated when a small change to expenditures occurs or there is even a small reversion, the impact to smaller budget reserves is large.

The Household Movers (HHM) Fund is at 29.1 months. All three funds are healthy and there are currently no issues. Council member Weitekamp was appreciative of the conservative nature of spending with the HHM fund. Discussion was opened to public attendees for comment or to ask questions. There were none.

b. Administration

Administrative Manager Kelli Williams discussed lowering the vacancy rate. As of the January 20 meeting, the vacancy rate was 34 percent. It is currently 30 percent and if hiring rate remains on course, will be less than 10% by October.

Mrs. Williams discussed the open positions in each unit within the Bureau and approximate dates of when they will be filled. Council member Lucas praised the Administration Unit for lowering the vacancy rate. Discussion was opened to public attendees for comment or to ask questions. There were none.

c. Licensing

Licensing Manager Jacqueline Castro directed the Council members to the licensing statistics on page 41 of the meeting materials. Ms. Castro pointed out an increase in service contract seller licenses due to fluctuations in the number of businesses, which is common, and a decrease of furniture and bedding retailers, which is attributed to impacts of the pandemic. Ms. Castro opened the floor to Council members for questions or comments. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

d. Laboratory

Policy Manager Yeaphana La Marr discussed that in April 2022, the laboratory was granted continued accreditation for furniture and bedding. In 2023, the laboratory will undergo a three-day onsite assessment to continue that accreditation.

Ms. La Marr reported that after the onsite assessment, the Bureau's contract with NIST/NVLAP executed, granting the Bureau's thermal insulation program accreditation in April 2022. In house thermal insulation testing resumed.

Ms. La Marr informed the Council that the Thermal Insulation Directory was updated and posted to the Bureau's website.

Ms. La Marr opened the floor to Council members for questions or comments. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

Chief Paddock presented the statistics starting on page 44 of the meeting materials. Council member Lucas was curious as to what the failures were for under thermal insulation. Chief Paddock responded that the majority were E-84 violations. Discussion was opened to public attendees for comment or to ask questions. Council member Grimes commented that he would like to see more inspection of products from overseas manufactures because there seems to be a high percentage of the violations among them. Chief Paddock responded that this will be addressed in the upcoming sunset report.

e. Enforcement

Supervising Special Investigator Nichole Bowles announced Supervising Special Investigator II Rick Villucci will be retiring in 2023; he is currently in a training and consultant role until retirement. Ms. Bowles shared the current consumer outreach activities the Bureau has conducted, such as senior scam stopper events and participation in consumer protection round tables and local task force meetings.

Ms. Bowles shared the statistics starting on page 47. Ms. Bowles explained that there were 28 prematurely closed cases that skewed previously reported data. Staff are performing an audit and the information will be presented at the October Advisory Council meeting. Ms. Bowles shared that the Bureau is clarifying sting procedures and once finalized, household mover sting operations will be conducted.

Council member Weitekamp asked that the hold hostage numbers be repeated. Ms. Bowles repeated the information and commented that the Bureau can provide a hold hostage table at the October meeting. Council member Weitekamp expressed concerned that the only citations that would be publicized would be those of

permitted companies, when unpermitted are often causing the most issues. DCA Attorney Michael Kanotz stated that once a citation is issued it is a public document and that information can be posted on the Bureau's website. Council member Weitekamp confirmed that both permitted and unpermitted companies who are cited can be posted on the website and Mr. Kanotz confirmed. Discussion was opened to public attendees for comment or to ask questions. There were none.

6. Legislative and Policy Updates

Ms. La Marr discussed items not on the agenda, explaining that the budget will go to the Governor for signature by June 30, 2022, and the Bureau is optimistic it will include spending authority for four new positions dedicated to HHM proactive enforcement, one position in the Compliance Unit, and one-time costs for the Business Modernization Project. Ms. La Marr also gave an update on the status of the sunset report and informed the Council that the Bureau would participate as a speaker at in-service training for the Federal Motor Carrier Safety Administration.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

a. **AB 224 (Daly) – Department of Consumer Affairs: Bureau of Household Goods and Services: household movers**

Ms. La Marr directed Council members to page 50 of the meeting materials and explained this bill would exempt companies who do not pack or load trucks from having a permit with the Bureau. The sponsors expressed they are no longer pursuing this bill; however, the bill is still technically alive so the Bureau continues to watch it.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none.

b. **AB 2956 (Committee on Transportation) – Transportation**

Ms. La Marr directed Council members to page 55 of the meeting materials and explained this bill would allow California Highway Patrol to recognize a having a Bureau-issued permit exempts household movers from obtaining a motor carrier of property registration from the Department of Motor Vehicles. This bill is scheduled to be heard by the Assembly Committee on Transportation on June 28.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none.

c. SB 983 (Eggman) – Consumer warranty protection: express warranties

Ms. La Marr directed Council members to page 89 of the meeting materials and explained this bill would have required electronic and appliance manufacturers to provide manuals, functional parts, and tools to the owner of the product and service dealers. This bill died in the Senate Committee on Appropriations.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none.

d. SB 1443 (Roth) – The Department of Consumer Affairs

Ms. La Marr directed Council members to page 95 of the meeting materials and explained this bill is a one-year extension to conform to the postponement of the Bureau's Sunset Review. This bill is scheduled to be heard by the Assembly Committee on Business and Professions on June 28.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

e. Business Modernization Project

Ms. La Marr explained that the Business Modernization project contract was made effective in April 2022. The Bureau will focus on household movers to allow them to migrate to a DCA supported system. Subject Matter Experts within the Bureau have been involved in meetings to identify the household mover permit application requirements. Ms. La Marr and Subject Matter Experts will begin testing the system over the summer with a tentative go live date of October for the household mover application and quarterly reporting before the end of the year. All other license types are scheduled to be complete by November 2023.

Ms. La Marr opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

f. CPS Fee Study

Policy Manager Diana Godines provided an update on the fee study being conducted by CPS HR Consulting (CPS). CPS has gathered data from the Bureau to recommend fee levels for licensing, renewal, delinquent, and penalty fees for the three programs. Ms. Godines explained that CPS will send a draft report followed by a final report and presentation. The findings will be presented at the October Advisory Council meeting.

Council member Weitekamp asked how this process will proceed regarding comment, modification, etc. Chief Paddock reiterated that this will all be discussed in the October meeting and the information provided by CPS will be taken into consideration when writing the Sunset Report.

Chief Paddock opened discussion to public attendees for comment or to ask questions. A representative from Moving Experience asked for whether AB 2956 has been passed or if the bill is still in process. Chief Paddock stated he expects it to pass. Ms. La Marr added it is scheduled to be heard on June 28 and it can be watched online.

g. Upholstered Furniture and Bedding Law Label Regulatory Proposal

Ms. Godines directed the Council members to the draft regulations update beginning on page 112 of the meeting materials. Ms. Godines explained that the Bureau is anticipating more changes to this document and is open to feedback from the Council. Ms. Godines explained that once the feedback is edited into the document, the Bureau will reach out to Consumer Products Safety and the International Association of Bedding and Furniture Labeling Officials for feedback. Ms. Godines encouraged Council members to forward the document to any group that may be interested, especially consumer groups.

Council member Lucas asked if the Bureau would also be reaching out to manufacturers. Chief Paddock responded that the Bureau has already reached out to some manufactures, as well as companies that manufacture labels for manufacturers and plumage companies. Council member Lucas asked if CPSC is on board with what is being proposed. Chief Paddock responded that the Bureau plans to submit the document to CPSC for feedback. Council member Lucas asked how the roll out date would affect the labels. Chief Paddock responded that the Bureau would try to prevent overlap with the CPSC label requirements. Discussion was opened to public attendees for comment or to ask questions. Doug Anderson asked where he can obtain a copy of the draft for review. Chief Paddock guided Mr. Anderson through locating the document on the Bureau website and. Council member Grimes thanked the Bureau for the work regarding law label. Council member Benyamini echoed Council member Grimes' statement.

7. Confirm Future Meeting Date of Thursday, October 13, 2022, at 10 a.m.

Chief Paddock confirmed October 13, 2022, as the next meeting date. He is requesting to set all meeting dates for 2023 at the October meeting.

Chief Paddock opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

8. Future Agenda Items

Chief Paddock listed items he would like to add to the future agenda: Strategic Plan Goal Updates, Ignition Interlock Device Update, Outreach Plan for 2023, Business Modernization Update, and an update on Stings.

Chief Paddock opened the floor to Council members to make comments or ask questions. There were none. Discussion was opened to public attendees for comment or to ask questions. There were none.

9. Adjournment

Chief Paddock thanked the Council members, DCA SOLID, and Bureau staff for their time and adjourned the meeting.