

MINUTES OF MEETING

Kansas Real Estate Commission

March 12, 2015

The Kansas Real Estate Commission held its regular meeting on Thursday March 12, 2015 at 9:00 a.m. at Three Townsite Plaza, Suite 200, 120 6th Avenue, Topeka, Kansas.

Commissioners Present:

Ms. Wenger, Chairperson
Mr. Vaught, Vice Chairperson
Mr. Wuertz, Member
Shirley Cook, Member
Mr. Schlosser, Member

Staff Present:

Erik Wisner, Executive Director
Kelly White, Director of Licensing and Education
David Pierce, Director of Enforcement
Wendy Alkire, Compliance Supervisor
Sam Blasi, Law Clerk
Aubrie Pryer, Administrative Assistant
Stacey Serra, Legal Assistant

Kansas Real Estate Commission Legal Counsel Present:

Sarah Fertig, Assistant Attorney General
Lisa Mendoza, Assistant Attorney General

Members of the Public Present:

Julie Niehaus
Beverly Keffer
Cad Griffin
Tony Matalone
John Jones
Jack Ottensoser

Call to Order

Ms. Wenger called the KOMA meeting to order at 9:02 a.m.

Approval of the Minutes of the February 12, 2015 Meeting

Motion was made by Mr. Vaught, seconded by Mr. Wuertz, to approve the minutes from the February 12, 2015 Meeting. Motion carried unanimously.

Comments by Mr. Wisner introducing Ms. Serra to the Commission.

Ms. Mendoza joined the meeting at 9:04 a.m.

Ms. Wenger recessed the KOMA meeting at 9:09 am for KAPA Proceedings.

Conference Hearing in the Matter of *Richard Chaplin*, Docket No. 15-5363

Mr. Schlosser joined the meeting at 9:13 a.m.

Ms. Wenger reconvened the KOMA meeting at 9:29 a.m.

Presentation of myLicense Software

Presentation by Mr. Ottensoser of System Administration, demonstrating the myLicense e-Government software. Questions by Commission members. Mr. Ottensoser will work with staff to develop an estimate on implementation costs for the commission to review.

Ms. Wenger declared a 10 minute break at 10:38 a.m.

Ms. Wenger reconvened the meeting at 10:48 a.m.

Sue Wenger recessed the KOMA meeting at 10:50 a.m. for KAPA Proceedings.

Ms. Wenger reconvened the KOMA meeting at 11:11 a.m.

Discussion regarding amending K.A.R. 86-3-15 and K.A.R. 86-1-19

The Commission reviewed proposals to amend K.A.R. 86-3-15 to require reporting of all misdemeanor arrests and litigation against the applicant only. Also, to amend K.A.R. 86-1-19 to require only the settlement agreement or judgment that was entered and to require only those that are new since the last renewal period. It was the consensus of the Commission to continue consideration at a future meeting.

Legislative Update

Mr. Wisner gave a report on current legislative actions concerning the Commission. SB108, the Fee Increase bill had a hearing yesterday. There were no questions, and it will go to vote today. SB106, the Technical Clean-Up bill, was discovered to have an error in the drafting. The commission has requested an amendment to the bill to fix the error. If the bill passes the House with the amendment it will need to go back to the Senate for approval and that most likely will not occur until May.

Ms. Cook left the meeting at 11:45 a.m.

Budget Report

The Commission reviewed the FY 2015 Year-to-Date Expenditures and Receipts Reports and the testimony to be given for the upcoming budget hearings. Mr. Wisner indicated the commission is currently on track for the budgeted revenues this year. The revenue received from application and original license fees for brokers and salespersons was about 7% higher than FY14 and 30% above FY13. Renewals for salespersons were 1% lower than FY14 and 11% lower than FY13 but anticipated to come closer to the projected number over the next few months. Renewals for brokers were 14% lower in FY14. Mr. Wisner said the continued drop in numbers of brokers appears to be a pattern. The Commission has spent 53.4%

of our allotted appropriations two-thirds of the way through the year. There are several capital outlay and professional services expenditures so he indicated about 60% of estimated expenditures would be more accurate projection through two thirds of the fiscal year.

IT Report

Mr. Wisner updated the Commission on several IT issues. We do not yet have a quote from OITS on cost but we need to purchase three new servers. There will be more information at the April meeting. Mr. Wisner and Ms. White met with INK regarding the KanPay system and a solution for over the counter credit card processing. At this time, we can only accept Discover cards. With KanPay, we can accept all four major cards. The contract was reviewed by Ms. Fertig. If the contract is signed before INK's April board meeting, we could begin accepting cards by early May. Integration with the OITS Network Environment has no update at this time. Mr. Wisner will have costs at the April meeting for review.

Mr. Vaught made a motion to allow Mr. Wisner authority to sign the INK contract on the behalf of KREC. Mr. Schlosser seconded the motion. Motion carried unanimously.

Mr. Wisner informed the commission of the requirement to complete an OITS security audit. OITS has indicated they can provide the audit. If we complete a pre-questionnaire, provided by OITS we can significantly reduce the rate OITS would have charged or a third party vendor had quoted the commission previously.

Director's Report

Mr. Wisner gave a report regarding several administrative issues at the Commission. The state requires a record retention schedule be maintained for physical and electronic records. Once the schedule is in place, we can proceed with an Electronic Records Plan. Ms. Serra is working to update the schedule with the State Historical Society.

The Commission's microfiche will be reviewed and those past the retention schedule will be destroyed.

Mr. Wisner is meeting with a vendor to discuss converting Accorde into a new system. OITS recommends Sharepoint.

Janet Pierce is organizing an office wide cleanout and surplus pickup.

The Commission's contract with PearsonVue to do our prelicensing exams is up in September 2015. The contract has been previously extended 2 years. We have used them as a vendor for approximately 25 years. Procurement has said we can't extend the contract again, and it will have to be put out for bid. We are hoping for a small extension to formulate a quality RFP and review the subsequent bids.

I-Team and Auditing Report

David Pierce provided a summary of complaints for the preceding fiscal year. The I-Team is back to addressing complaints on a first-come, first-serve basis and this appears to have improved response time. Ms. Mendoza addressed a change in policy approach to disciplinary actions, moving towards education

versus punishment. For example, pursuing censure instead of fines. Ms. Wenger proposed changes to the I-Team make up. Ms. Wenger would like to see it made up of the executive director, compliance supervisor, director of enforcement, legal assistant, legal counsel, one commissioner and one alternate commissioner. I-Team would no longer include At-Large members. Ms. Wenger would also like to create a list of expert contacts on issues where the I-Team does not have the depth of knowledge. The I-Team would be able to contact these individuals for additional information on cases, but not disclose details of those cases.

Motion by Mr. Vaught to change the I-Team make up, add Mr. Schlosser as alternate and approve the reference database, seconded by Mr. Schlosser. Motion carries unanimously.

Licensee, Education and Exam Report

Ms. White reported the licensee count is holding steady at 13,764. A Residential Property Management course was denied Continuing Education credit because residential property management does not require a Kansas real estate license. Ms. White reviewed the PearsonVue report showing a 78% pass rate for the month of February and a 76% pass rate for the year. Ms. White revisited approval for a round table format course on finance provided by the Wichita Area Association of Realtors. Tim Holt attended the course in February 2015 and gave a very favorable report.

Mr. Wuertz moves to apply continuing education credit retroactively to participants of the course. Motion is seconded by Mr. Schlosser. Motion carries unanimously.

Executive Session to Discuss Personnel Matter

It was moved and passed to enter into an executive session for 10 minutes to discuss non-elected personnel in order to protect the privacy of those involved. Those in attendance include the Commissioners, Mr. Wisner and Ms. Fertig. The KOMA meeting was recessed at 1:15 p.m.

Ms. Wenger reconvened the KOMA meeting at 1:26 p.m.

Ms. Wenger recessed the KOMA meeting at 1:26 p.m. for KAPA proceedings.

Adjournment

Ms. Wenger adjourned the meeting at 1:40 p.m.

Upcoming Commission Meeting Dates:

April 9, 2015 in-person

May 14, 2015