



North Dakota Real Estate Commission Meeting Minutes – FINAL
8:30 a.m., Wednesday, June 20, 2018
Sakakawea Room, Ground Floor, State Capitol, Bismarck
For more information, call 701.328.9749
ndrealestatecom@midconetwork.com www.realestatend.org

Present: Diane Louser, chair; Roger Cymbaluk, vice chair; members: Scott Breidenbach, Sandra Meyer, Jerry Schlosser; incoming member: Steve Bitz; Constance Hofland, special assistant attorney general; staff: Jeanne Prom, executive director; Kristi Hass, administrative assistant. Members of the public also present.

- I. Call meeting to order. Chair Ms. Diane Louser called the meeting to order at 8:30 a.m.
- II. Roll call and determination of quorum. Executive Director Ms. Jeanne Prom called the roll, with a quorum of all members present. Chair Louser welcomed the public.
- III. Recognition of Commissioners. 1. Chair Louser recognized and thanked Commissioner Mr. Jerry Schlosser, who will retire on June 30, 2018 after 15 years serving on the commission. Chair Louser presented Commissioner Schlosser with a certificate from Governor Burgum. 2. Chair Louser welcomed Mr. Steven Bitz, was appointed by Governor Burgum to a five-year term on the commission, beginning July 1, 2018.
- IV. Approval of agenda. Mr. Roger Cymbaluk moved to approve the agenda. Mr. Scott Breidenbach seconded. Motion carried unanimously.
- V. New business
 - A. Review of license applications. See attachment for actions on each applicant.
 - B. Review of license application and request for waiver of two-year experience for broker's license. See attachment for action on this applicant and request.
 - C. Request for waiver of national portion of salesperson examination. See attachment for action on this applicant and request.
 - D. Update on complaints. Special Assistant Attorney General Ms. Constance Hofland reviewed the memos and her recommendations for current complaints.
 1. Case 2018-09 Brian Bubach v Marc Bushee -- memorandum. Mr. Schlosser moved to accept the recommendation by Ms. Hofland to allow the complainant to withdraw this complaint. Mr. Cymbaluk seconded. Motion carried unanimously.
 2. Case 2018-02 NDREC v. Husky -- Stipulation. Mr. Cymbaluk moved to accept the stipulation and settlement agreement. Ms. Sandy Meyer seconded. Motion carried unanimously.
 - E. Update from Special Assistant Attorney General
 1. Voting, calling the roll, AG opinion on recusals and 2. Scheduling of meetings. Ms. Hofland reported that recent AG opinions on open meetings law clarified that roll should be called for votes on nonprocedural agenda items and that meetings should be scheduled at the beginning of the year or be noticed as special meetings. Ms. Hofland explained the criteria for recusals, including the statutory provision of conflict of interest when you have a direct and substantial personal or pecuniary interest in a matter before the commission as well as the disqualification criteria for hearing officers.

Members of the North Dakota Real Estate Commission are: Diane Louser, chair; Roger Cymbaluk, vice chair; members: Scott Breidenbach, Sandra Meyer, Jerry Schlosser. Special Assistant Attorney General: Constance Hofland. Staff: Jeanne Prom, executive director, Kristi Hass, administrative assistant.

Chair Louser recessed the meeting at 9:45 a.m. and reconvened the meeting at 10:00 a.m.

F. 2018-2019 budget. The commission discussed the fiscal year 2019 income and budget proposal. Projected income is estimated to be similar to the current fiscal year, and the proposed budget is less than the current budget. The proposed budget recommended a budget neutral item to conduct trust fund audits by hiring a certified public accountant (CPA) rather than contracting with an accounting firm. The new fulltime staff CPA position would replace both the contract for trust account audits and the part-time administrative assistant position, which would be eliminated. The budget included recommendations for salaries. Having successfully completed nearly a year on the job, the fulltime administrative assistant would receive a 5% salary increase. After completing four months as executive director, the executive director would receive a 3% salary increase. The increases would be effective July 1, 2018. Mr. Cymbaluk moved to approve the 2019 fiscal year budget of \$481,225 and income estimated at \$481,225 as presented. Mr. Breidenbach seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.

G. Update from management.

1. Risk management insurance. Through consensus discussion, the commission agreed to continue property insurance and employee fidelity (employee theft of money and property) insurance through a private insurance provider, HUB International. The commission has secured insurance through a private provider because it is not eligible for coverage under the state's blanket employee fidelity coverage. However, the Insurance Department is reviewing if the commission may be eligible for property insurance through the State Fire and Tornado Fund. Through annual contributions to the state Risk Management Fund and Workers' Compensation Fund, the commission board and staff receive liability (NDCC 32-12.2) and workers' compensation coverage. Contributions are based on number of board and staff. The commission is covered by cybersecurity insurance purchased for all state government entities (except the Bank of North Dakota, which has its own policy). (NDCC 32-12.2-19)
2. Contracts – testing, audit. Mr. Cymbaluk moved to approve the contract with Haga Kommer for the fiscal year 2018 audit of the commission. Mr. Breidenbach seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried. Mr. Breidenbach moved to approve the 2018-2021 amendment to the contract for license testing with PSI. Mr. Cymbaluk seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.
3. Errors and omissions insurance. Mr. Cymbaluk moved to issue a call for proposals for errors and omissions insurance coverage for 2019-2024. Mr. Breidenbach seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.
4. Fees and credit card use. The commission reviewed a list of current license fees, and the percentage of total licensees using a credit card to renew in 2017. The commission reviewed the fees and by consensus decided to leave fees at the current amounts, but to review fees again before fiscal year 2020. By consensus,

- the commission decided to accept credit card payments for all fees, not just annual renewal fees.
5. Trust fund waivers. The commission reviewed trust fund waivers issued since the previous meeting.
 6. Testing before completed review. Mr. Breidenbach moved that licensee applicants be allowed to take the real estate exam before being approved for a real estate license. Mr. Schlosser seconded. Discussion: Applicants must submit a complete application and pass state and national exams, background and credit checks before being issued a license (NDCC 43-23-08, 43-23-08.4, 43-23-09, NDAC 70-02-01-02 and 03). Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.
 7. The commission reviewed the 2018 priorities.
- H. Review of minutes from May 9, 2018 meeting. Mr. Cymbaluk moved to approve minutes from the May 9, 2018 meeting as presented. Mr. Schlosser seconded. Motion carried unanimously.
 - I. Financial reports – April & May 2018. Mr. Breidenbach moved to approve financial reports from April and May 2018 as presented. Mr. Cymbaluk seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.
 - J. Election of new officers. Ms. Meyer nominated Mr. Roger Cymbaluk as commission chair and Mr. Scott Breidenbach as commission vice chair for the next year. Mr. Schlosser seconded. Roll call vote: ayes – Chair Louser, Mr. Cymbaluk, Mr. Breidenbach, Ms. Meyer, Mr. Schlosser; nays – none. Motion carried.
 - K. Other. The commission did not discuss any other business.
- VI. Old business. The commission did not identify any old business to discuss.
 - VII. Next meeting. The commission set the next meeting for 8:30 a.m., Wednesday, August 8 in Bismarck. The meeting will be noticed once a suitable room is reserved.
 - VIII. Adjourn. Chair Louser adjourned the meeting at 11:41 a.m.
- attachment



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NAME	LICENSE/OTHER APPLYING/REQUESTING:	ACTION BY COMMISSION:
V.A.1. Nathan Bazey – present on phone	salesperson	Mr. Schlosser moved that Mr. Nathan Bazey provide staff with letters of reference from his banker, employer and another individual of Mr. Bazey’s choice, and the commission will review his application at its next meeting. Ms. Meyer seconded. Motion carried unanimously.
2. Quentin Bradley Jr. – present on phone	salesperson	Mr. Breidenbach moved that Mr. Quentin Bradley Jr. provide a statement to staff showing the delinquencies are corrected and then be allowed to take the salesperson examination. Mr. Schlosser seconded. Motion carried unanimously.
3. Tori Desotel – present on phone	salesperson	Mr. Schlosser moved to allow Ms. Tori Desotel to take the salesperson examination. Mr. Breidenbach seconded. Motion carried unanimously.
4. Laura Duppong – present in person	salesperson	Mr. Cymbaluk moved to allow Ms. Laura Duppong to take the salesperson examination. Ms. Meyer seconded. Motion carried unanimously.
5. Timothy Grenz – present on phone	salesperson	Mr. Cymbaluk moved to allow Mr. Timothy Grenz to take the salesperson examination. Ms. Meyer seconded. Motion carried unanimously.
6. Melissa Jasperson – present on phone	salesperson – reciprocal -- MN	Mr. Cymbaluk moved to allow Ms. Melissa Jasperson to take the salesperson examination after she provides the staff with documents from the 2012 settlement. Mr. Breidenbach seconded. Motion carried unanimously.
7. Amy Richter – not present due to family emergency, but provided a written statement	salesperson	Ms. Kristi Hass, administrative assistant, read a written statement provided by Ms. Amy Richter. Mr. Cymbaluk moved to table the application for Ms. Amy Richter for a future meeting, after staff receive updated credit information. Mr. Schlosser seconded. Motion carried unanimously.
8. Timothy Sanderson – present on phone	salesperson	Mr. Breidenbach moved to allow Mr. Timothy Sanderson to take the salesperson examination after he provides staff with documentation that he has paid delinquencies. Mr. Cymbaluk seconded. Motion carried unanimously.

NDREC Meeting -- June 20, 2018

NAME	LICENSE/OTHER APPLYING/REQUESTING:	ACTION BY COMMISSION:
V.B.1. William Rothman – present in person	broker license, waive 2-years' experience & 60 hours broker education requirements	Mr. Cymbaluk moved to waive the requirements for 60 hours of education and two years' experience and allow Mr. William Rothman to take the broker license examination. Mr. Breidenbach seconded. Motion carried unanimously.
V.C.1. Rachel Berger – present on phone	salesperson license, waive national portion of exam	Mr. Cymbaluk moved to waive the national portion of the salesperson examination for Ms. Rachel Berger and allow her to take the state portion of the salesperson license examination. Mr. Schlosser seconded. Motion carried unanimously.