

Electronic Real Estate Recording Task Force
Minutes: 8 August 2002
As recorded by Bob Horton

Present: (Members) Jeanine Barker, Julie Bergh, Carmen Bramante (via telephone), Jeff Carlson, David Claypool, Michael Cunniff, Susan Dioury, Don Goedken, Marty Hentschel, Bob Horton, John Jones (via telephone), Secretary of State Mary Kiffmeyer, Denny Kron, Rick Kvien (via telephone), Patty Lee (via telephone) Scott Loomer, Gail Miller, Bill Mori, Eileen Roberts, Dennis Unger, Angela Burrs. (Guests) Chris Akers, , Paul Backes, Joel Beckman, Bert Black, Gerald Blanck, Luci Botzek, Rebecca Dornette (via telephone), Sherry Gustafson (via telephone), Fritz Knaak, Greg Hubinger, Beth McNerny, Leslie Meyer, David Pumphrey, Molly Terry, Pam Trombo.

1. Call to order

Secretary Kiffmeyer called the meeting to order at 9.37.

2. Approval of 11 July 2002 minutes

The minutes were approved as distributed.

3. Report on project status

Beth McNerny reported on project activities over the past month. The technology subcommittee, BenNevis and others have met three times during July. In the process, vendors had an opportunity to look over the standards and all think schemas will work for them. There has also been work in the counties to prepare for the pilots. Renville County staff met with InGeo and Trimin. Fidlar and BenNevis met with Lyon County.

McNerny is working with LCC staff to develop contract language and standard contracts for the counties and the ERERTF; counties and vendors; and counties and submitters. Michael Cunniff questioned the need for a contract with submitters. McNerny said this would be less of a contract than a memorandum of understanding, with the purpose to establish and document a basic level of agreement. Secretary Kiffmeyer added the need to achieve some clarity about expectations; it would be not a contract as much as a means to avoid making unstated assumptions about the parameters of the pilots and participation from Trusted Submitters.

The pilot planning and assessments have made slow progress since BenNevis has been working on the comparison of state and national standards. Efforts are underway to get the project back on schedule.

Trusted Submitters currently in communication with the Pilot Subcommittee are: US Recording, Peelle Corporation, Wells Fargo, Knaak and Kantrud, Edina, Old Republic, Home Town Bank of Renville, Boarder State Bank of Roseau and Dakota county Abstract. A meeting between Trusted Submitters and pilot counties is scheduled for August 16th.

The distributed Task Force budget is not official. McInerny will meet with Merrill King soon to confirm the details. Not all the accounting for FY2002 is completed yet. The projected budget shows the expenses of the Task Force will be about \$40,000 over expected income for the duration of the project. There is some reason to expect that revenues will exceed the admittedly conservative projection for FY2003, but that has yet to be demonstrated.

Greg Hubinger discussed how the \$500,000 for the pilots could be budgeted and spent. The LCC is the Task Force's fiscal agent, with responsibility to make sure all monies are spent according to standard procedures and laws. The budgets for pilots in counties have to be determined by need. Beth McInerny said that counties would have to estimate their costs and tie them to the pilot work plans. The more details that is included, the more the needs will be substantiated. Need will be defined based on the assessment of the status quo and what needs to be done to enter into the electronic recording process.

4. Report of the executive committee

Secretary Kiffmeyer said the executive committee met last week and discussed the provisions for contracts between pilot counties and the Task Force. It also decided to contact by letter other possible submitters (such as TCF, MERS, Burnett Title, etc.) which have not so far been involved in the work of the Task Force. Beth McInerny is drafting the letter.

5. Reports from Subcommittees

Pilot framework and scope subcommittee

Bob Horton reported on the committee's meeting on 6 August. The main topic was how to document the needs of the counties in the pilots for Task Force funds. The necessary documents are a work plan, budget, contracts with vendors and memoranda of understanding with trusted submitters, all with as much detail as possible. The work plan and budget should flow out of the technology assessments currently underway with BenNevis. The committee recommended that the Task Force create an evaluation committee to review the submissions from the pilot counties due on 26 August. After its analysis, the evaluation committee would make recommendations to the Task Force as a whole, ideally at the September meeting. Denny Kron, Beth McInerny and BenNevis offered to serve on the evaluation committee. Other Task Force members are welcome to volunteer.

Technology subcommittee

Bill Mori said the committee met several times in the past month, with various groups and individuals. He thanked everyone for their work, especially noting the contributions of John Jones, Gabe Minton and Carmen Bramante. The committee had four recommendations for the Task Force.

First, the committee recommends that Minnesota support the use of either DTDs or schemas to create XML transactions for the pilots, and to use either DTDs or schemas to receive or validate

submissions in the pilots. When creating or receiving transactions, the parties need to include the validation rules for the data as defined in the standards.

Second, the committee recommends that Minnesota adopt PRIA tag names and structures. If a needed tag is not available in the PRIA data dictionary, the MISMO tag will be used. If it is found in neither, Minnesota will submit its own tag name and structure to the appropriate organization for registration. If the element relates to a recording application, the new tag will be registered with PRIA. If it relates to a closing application, the tag will be registered with MISMO.

Third, the committee recommends that the Task Force develop an implementation guide in addition to the standards adopted on 13 June 2002, as they may be amended. The I-Guide will be a technical document that provides specific instructions for software developers and other users on the standards and on how to structure their data submissions so that those submissions will be acceptable in Minnesota. The I-Guide will be developed as a result of the pilots.

Fourth, the committee recommends that the Task Force maintain a repository of specific information practices from each of the pilot counties. This repository should be readily accessible to software developers and other users of the standards so that they may be best informed about the specific county operations and implementations of the Minnesota standards in general. Also included will be lessons learned and conclusions drawn from pilot projects and later implementations that will be commonly available to all real estate recording offices. The repository should include captured data about specific results, costs and benefits, measured against the 37 questions noted in the original work plan and against the status quo of paper recording practices.

Bill Mori also reported that Gabe Minton would provide the committee with information about a version control application that the Task Force can use. This application is in the public domain and free to use. Beth McNerny and the committee will review the program and make a recommendation to the Task Force about its possible use value.

Bert Black discussed the intellectual property questions relating to the work products of the Task Force and the national standards. He has spoken about these with Greg Hovey of the Attorney General's Office. Hovey will need additional information and time for analysis. Black will report back when Hovey's work is completed. He also noted clause 10.2 in the contract with BenNevis that indicates that the state owns whatever the contractor develops. This is standard language in all state contracts.

BenNevis has mapped the data elements in Minnesota's standard to MISMO's and PRIJTF's standards and is now working with John Jones on compiling answers to the 24 questions identified in the analysis. Paul Backes said BenNevis will probably identify some alternatives at the end of this, so a review would be very helpful. Further work will be coordinated by the technology subcommittee, with the help of any additional people who are interested.

Dennis Unger asked about the registration process for any MN specific name tags and whether that meant the Task Force would be waiting for formal approval or simply communicating its

work to MISMO and PRIA. Carmen Bramante asked what the Task Force would support, as Minnesota would be the first state to establish a standard and so the first to deal with registration. Secretary Kiffmeyer said the Task Force is not yet ready to say what would work; while cooperation is the goal, we don't want a lengthy and time consuming process. Bill Mori said an ongoing standards maintenance committee will have continuing communication with MISMO and PRIA as one of its responsibilities and that Minnesota will have good relations with the national organizations. As well, our tags can provide good models for other states and localities that have the same needs. Bramante said PRIA and MISMO are simultaneously going through this sort of reconciliation process and are adopting the same tool for version control. Good communications and the use of the same tool in Minnesota should minimize the potential for problems.

Bill Mori distributed a list of process and pilot related questions that have come up as Trimin worked with Renville. These will ideally be addressed by the Task Force as the pilots move forward. They should also be addressed in the implementation plans that the counties will draft for their pilot applications. Paul Backes asked, when more of these questions come up, where can BenNevis take them for resolution? Beth McNerny said the pilot subcommittee should be the first point of contact as reflected in their extended responsibilities, although it may well have to forward questions to other committees. Bob Horton said that email would be the best medium we can use to start the analysis, since it will not be practical to meet in person every time a question arises. The email should go to Beth McNerny, who will maintain an issues list that documents issues, actions and resolutions. This information will feed into the implementation guide and best practices document.

6. Other business

Jeff Carlson suggested the Task Force should start the discussion about the responsibilities and membership of the standards maintenance committee, so that it could be included on next month's agenda for resolution. Julie Bergh asked if the Uniform Conveyancing Committee could be a model. Eileen Roberts said that we could start with representatives from each of the active subcommittees. Michael Cunniff said this was important, but we don't need to make a decision now, as the options will be more apparent as we get into the pilots. Carlson said the Task Force should continue to think about this. Beth McNerny will keep it on the agenda.

Secretary Kiffmeyer said she has received a note from Mark Monacelli saying that he had to resign from the Task Force, effective immediately. The official letter is not yet in hand. She recommended electing another recorder as vice-chair. Bob Horton moved and Julie Bergh seconded that Gail Miller should become vice-chair. The motion was approved unanimously.

Mike Cunniff proposed a resolution thanking Mark Monacelli for all his help and all his contributions to the Task Force. Beth McNerny will draft the text. Marty Hentschel seconded the motion. The Task Force approved it unanimously. McNerny will draft a letter of thanks to Mark.

Both Beth McNerny and Paul Backes will be out of the office next week. If any questions arise that BenNevis needs to address, people could call Pam Trombo. Her number is 612 752 1619.

7. Adjournment

The meeting adjourned at 11.16.