

Electronic Real Estate Recording Task Force
Minutes: 10 July 2003
As recorded by Beth McNerny

Present: (Members) Julie Bergh, Angela Burrs, Secretary Mary Kiffmeyer, Denny Kron, Carol Leonard, Gail Miller, Eileen Roberts, , Larry Dalien (phone), Cindy Koosmann (phone), Joe Witt (phone).
(Guests) Bert Black, Luci Botzek, Lowell Haagenson (phone), Greg Hubinger, Erin Hultgren, John Engerholm, Scott Loomer, Beth McNerny, Pam Trombo (phone).

1. Call to Order

Gail Miller called the meeting to order at 10:40.

2. Approval of Minutes

The meeting minutes of 12 June 2003 were approved with changes.

3. Project Coordinator Update

Pam Trombo introduced the CRV schema changes as identified at the review meeting with the Department of Revenue on 1 July 2003 and a copy of identified changes was distributed to the task force. Pam reported that changes were minor and included such changes as the addition of a few fields and changes to field attribute from Optional to Require.

The next Phase II documents to be reviewed are the Deed and Assignment. That review will take place on July 23rd at the MCIT building beginning at 1:00.

Gail Miller was asked by Jeff Carlson to find a co-chair for the Phase II Planning Subcommittee. Carlson is currently the chair of that committee and asked Gail to propose Larry Dalien as co-chair of that planning committee. Julie Bergh moved and Denny Kron seconded the approval of this appointment. The motion passed unanimously. Julie Bergh asked that Mark Harrison from Old Republic be added to this subcommittee.

McInerny discussed the recorder's meeting in Winona on June 19th. She attended and presented ERERTF status and Mark Ladd was also there to present national information. Joel Beckman of Dakota presented a view of their electronic process to the recorders. This presentation was well received. All other pilot counties gave brief overviews at this meeting of the pilot work at their counties.

Following the ERERTF segment of this meeting Erin Hultgren and McNerny met with the pilot counties to review the base line measurements, and all agreed upon a set of baseline measurements. Erin Hultgren presented the results of this meeting to the task force and discussed the measurement standards. Issues around these measurements were regarding the reporting of costs and hourly salaries of county employees involved in real estate document processing. Changes were made to reflect more of the time and process involved in processing documents rather than costs.

McInerny presented a budget update for the close of FY03. Surcharge revenue for FY03 equaled \$1,051,385.25 and the combined revenue from FY02 and FY03 equaled \$1,536,408.50. The task force budget has \$7,721.47 dollars uncommitted and the pilot budget has \$69,935 in its contingency fund. \$419,665 dollars are committed in the pilot fund, which includes funding for all five pilot counties.

A template for managing pilot invoices was presented (and later approved – moved by Gail Miller / seconded by Julie Bergh). This template outlines the required deliverables for payment of pilot phases. All pilot contracts include the same breakdown of pilot payment phases.

In the Implementation Phase of the invoice a requirement for counties to assess and verify vendor's compliance with the ERERTF standards is noted. This was seen as necessary for several reasons. One, this validates for counties that their vendor's code is in compliance with ERERTF standards and counties received what they asked for. Two, this gives assurance to the legislature that the ERERTF did due diligence in validating that the standards are effective and were being used properly and puts the task force on solid footing to begin Phase II work. The Executive Committee discussed the need to perform a technical code review at counties. In order to assist counties in this assessment the recommendation was to have the Task Force pay for this code review. McInerny looked into the option of having Navis Group perform this service. They have a skilled XML developer on staff who was one of the original assets of Navis in the eyes of the task force. Greg Hubinger was asked to look into Navis' contract to see if they could be asked to do this work. He felt that the contract and the RFP under which the contract was awarded provide the Task Force the ability to widen the scope of their contract for this work. McInerny and Navis estimate the work would cost \$6,000 per unique vendor county. If a vendor is at multiple counties they would only be assessed once. Julie Bergh asked how this would affect Trusted Submitters, since their compliance is measured already by the acceptance of their e-filings to the county. McInerny agreed that Trusted Submitters were already measured and that county code reviews would cover those needs. Secretary Kiffmeyer suggested that the task force approve up to \$24,000 during FY04 for services related to the verification and validation of code written for pilot counties against the standards adopted by the task force, at the direction of the task force's executive committee and in consultation with the LCC. Carol Leonard moved and Denny Kron seconded this motion. The motion passed unanimously. Gail Miller moved and Julie Bergh seconded the use of this template for all pilot counties, motion passed unanimously.

McInerny discussed the Uniform Real Property Electronic Recording Act document as distributed. It was discussed that a response to this act should be crafted with task force input. All members are encouraged to provide input for inclusion in a response to this draft. Julie Bergh mentioned that she is an observer to the drafting committee for this act. Julie represents American Land Title Association (ALTA) in these meetings. She suggested a summary / overview of the task force work and objectives be crafted for this drafting committee to review at their early - August meeting in DC. She thought that mention of our non-compliance with PRIA standards should be noted as PRIA has a strong presence at these meetings. The following volunteered to draft a response to this draft: Gail Miller, Bob Horton, Chuck Parsons, Bert Black, Eileen Roberts, Julie Bergh, Denny Kron. A meeting of this group will be coordinated soon to provide time to draft a response before the August meeting. Denny Kron moved and Angela Burrs seconded the motion to have this group draft a response to this act.

Travel was also mentioned for this meeting. Both Julie Bergh and Eileen Roberts felt this was not the meeting to attend but better to attend drafting meetings that will take place later in the year. Secretary Kiffmeyer also mentioned a meeting of the American Bar Association and their discussion of electronic notary signatures. That meeting is also in August and Bert suggested that this could best be attended via conference call. McInerny will look into that possibility.

Secretary Kiffmeyer offered up a resolution that approved \$5,000 to future travel needs to e-recording meetings. The need to move quickly to capture affordable travel rates was the primary drive for this request. Julie Bergh moved but there was no second.

4. Pilot Testing Activity – Status

Erin Hultgren reviewed the pilot county status reports for the task force. Dakota has 80% of their baseline measurements complete, have not begun pilot test measurements and will be discussing with their trusted submitter US Recording on the need for them to complete sections of the pilot measurements. Jeanine Barker from Lyon County had technical difficulties in sending in her status and is on vacation this week. Lyon's status is expected in the next week. Renville has 50% of their baseline measurements complete, has not begun pilot test measurements and is working to increase communication with Trusted Submitters and vendors. Roseau just signed a Trusted Submitter agreement with Citizen State Bank of Roseau and has 50% of baseline measurements complete.

5. Pilot County Updates

Carol Leonard spoke for Dakota's status. She reports that all hardware facilitating e-recording is now in-house at Dakota. 584 satisfactions have been recorded to-date. Joel Beckmann is working to get Wells Fargo as their next Trusted Submitter. Wells' technology is not Fidlar and this will be the first multi-vendor process in the country, so work is going slow but Dakota is excited to be the first to reach this point. Carol also asked about the ability to take ACH payments. Luci Botzek responded that the legislation is out there for e-payments and also added that pilot legislation language covered Dakota's use of alternative payment methods. This will need to be written into final language for the legislature in 2004.

Gail Miller reported that she had signed an agreement with Hometown Bank and US Recording. Hometown bank is very excited to get working on this. All of the Renville vendors will have a kick-off meeting later in July.

Jeanine Barker was on vacation and not at the meeting. Rick Kvien was also on vacation and Lowell Haagenson reported that he had nothing to add to Erin's report.

6. Adjournment

Julie Bergh moved and Denny Kron seconded the adjournment of this meeting. The meeting adjourned at noon. The next meeting of the task force is scheduled for 14 August at the MCIT Building at 9.30.