

Electronic Real Estate Recording Task Force
Minutes: 13 June 2002
As recorded by Bob Horton

Present: (Members) Jeanine Barker, Julie Bergh, Carmen Bramante, Angela Burrs, Jeff Carlson, David Claypool, Michael Cunniff, Marty Henschel, Bob Horton, Chuck Hoyum, Secretary of State Mary Kiffmeyer, Denny Kron, Gail Miller, Mark Monacelli, Bill Mori (via telephone), Chuck Parsons, John Richards (via telephone), Eileen Roberts, Dennis Unger. (Guests) Molly Terry[InGeo], Paul Backus, Bert Black, Luci Botzek, Greg Hubinger, Beth McInerny.

1. Call to order

Secretary Kiffmeyer called the meeting to order at 9.40.

2. Approval of 2 May 2002 minutes

The minutes were approved as distributed.

3. Report of the Executive Committee

Secretary Kiffmeyer discussed the standards developed by BenNevis. There are three documents: the Electronic Recording Standards Summary, the Cost/Benefit Analysis and the Legal Consideration Summary. Secretary Kiffmeyer moved to accept these, in the versions dated 30 May 2002. Mark Monacelli noted that the standards are a work in progress and so they should have a version number. These would be version 1.0. Chuck Parsons said that the executive committee had asked Beth McInerny to develop a mechanism to track the versions. The motion was amended by Monacelli and seconded by Parsons.

Mike Cunniff had some concerns about accepting these as the standards for implementation. He said that Hennepin could not now implement the indexing standards described in the summary (e.g., p. 20). Monacelli reiterated that the standards are a work in progress and could be changed. Phase 1 of the pilots will certainly lead to some new developments. These documents are to be used as a starting point and will be modified in as necessary with information gathered through the testing and evaluation process of pilots. Accordingly, there will be a need to have some mechanism in place for refining the standards. Counties hosting pilots will have different concerns and these need to be identified in their contracts. The task force has to understand any variations in the pilots from site to cite.

Carmen Bramante said that in the summary (p. 10) the reference to a MISMO e-mortgage standard needs clarification. There is no MISMO e-mortgage standard that addresses electronic recording. PRIJTF will submit a DTD soon to MISMO for review and approval. That process will probably lead to a result by October or the end of the year.

Secretary Kiffmeyer repeated the motion to approve the standards as version 1.0, with the understanding that they are a work in progress and will be evaluated and refined in the course of the project. The motion was approved unanimously.

4. Project Plan for Phase 1 and Phase 2

Beth McInerny distributed the revised work plan and reviewed the tasks and schedule for Phase 1. Cunniff said the task force should not to make a commitment to test all six documents in Phase 2. We have to allow for some flexibility as we learn from Phase 1. Dennis Unger asked about the possibility of the pilots continuing after the evaluation is complete. This is entirely up to the counties; the task force's work plan only indicates when its data collection and analysis stops. Parsons said this option should be noted in the contracts with the counties. As well, McInerny will note this in the work plan. Monacelli moved that we approve the amended work plan and Chuck Hoyum seconded. This was approved unanimously.

Secretary Kiffmeyer explained that working with the counties to develop work plans and IT assessments would involve some additional skills. McInerny has developed a list of the skills and knowledge needed and distributed a description of resource needs for Phase 1 and Phase 2.

BenNevis made a proposal based on the resource needs. As an organization, it already knows the standards and can supply a wide array of skills. Paul Backus would stay on the project, along with Pam Trombo and an information architect, with other staff available as needed. BenNevis would take 8 weeks to do assessment and work plans and would then provide ongoing support through Phase 2. The estimate is for 732 hours of work, with a fixed price offer of \$98,820, with an additional \$1000 for travel expenses.

McInerny said the primary needs now are to translate the standards into a technical implementation. Strong technology skills are necessary for that. BenNevis has these skills, plus extensive experience with the process and the standards; anyone else would take some time to come up to speed on these. Parsons said the technological skills are essential to develop reasonable and defensible assessments of the information technology needs in the pilot counties. The task force has to be able to justify its spending to the legislature. Eileen Roberts asked if this should be open to public bidding. McInerny said we can ask BenNevis to do other work, but it can't be involved in building pilot systems. Greg Hubinger says the LCC works under a different system with contracting than executive branch agencies, but this seems workable. Bert Black said there are a number of options to extending the contract with BenNevis, which will need some additional analysis.

Cunniff said it is a good idea to build on the skills and knowledge BenNevis has instead of re-inventing the wheel. He moved to negotiate with BenNevis on the basis of its proposal. Parsons seconded. The motion passed unanimously.

Secretary Kiffmeyer said the task has also to extend McInerny's contract now that the project has been extended. Horton moved and Carlson seconded a motion to start negotiations based on McInerny's proposal. The motion passed unanimously.

Secretary Kiffmeyer identified several work plan items that were not in the scope of the BenNevis contract. These are numbers 3, 5, 6, 9, 10 and 24. Three and five have been completed; six is underway with the pilots. Nine is addressed and documented in the revised project work plan. Ten is satisfied by the timeline McInerny submitted at the meeting. Number 24 is the simplified platting process, which has

been on the agenda of earlier meetings, through the CSM proposal, but it has not been resolved. Parsons said resolving # 24 should be left to the initiative of the surveyors.

There was discussion of establishing a new subcommittee to do some gap analysis of the original project work plan and the plan. Monacelli moved to create this subcommittee and Horton seconded the motion. Parsons said that working through the pilots would uncover gaps and deficiencies. Based on the subsequent discussion, Monacelli withdrew the motion. The task force will wait to see what happens in the pilots.

5. Legal Subcommittee

Chuck Parsons reported that the task force has already approved the subcommittee's report. There is a list of things to do yet for the next legislative session, based on the recommendations from BenNevis. The subcommittee will begin work on this list later in the summer. It is still waiting for advice on the patent question relative to the notaries' digital signatures. Charlie Carpenter has indicated he might have some other resources. John Richards said that Fannie Mae has looked at this and will work with the subcommittee to do more. Bramante said the risk is on the private side. Parsons said that possibly someone other than a notary could do the final signing and wrapping of the submission. There is also a question here about the potential costs of the options.

6. Pilot Framework and Scope Subcommittee

Bob Horton reported on this morning's meeting of the subcommittee. The subcommittee agreed that the pilots had to:

- address the needs of all 87 counties;
- test and evaluate the task force's standards;
- build a foundation for expansion electronic recording to more documents and more counties;
- foster ownership and responsibility at the county level to demonstrate what is sustainable; and
- deliver a proof of concept by testing in "real life" conditions as much as possible.

The criteria for selecting hosts for pilots were: a geographic mix; the volume of filings; a variety of back office systems; the ability to attract private partners; the need to work within the task force's budget; and the willingness of a county to sign a contract with the task force.

Based on those criteria, the subcommittee recommended these five counties as hosts of pilots: Hennepin, Roseau, Renville, Lyon and Dakota, with Carver as an alternate. Horton moved approval of the recommendation and Monacelli seconded. The motion was approved unanimously.

Jeff Carlson asked about the AMC portal concept. He did not favor the idea of validation of submissions by the AMC program and had a question about who would pay any transaction fees. He suggested that this should all be handled by the counties; there should be no private control of fees and processes. Jeanine Barker said that any county that opts into this cooperative should expect to pay for this. Savings from the improved business process could offset the costs. Task force members generally expressed concerns about the role of a private party in the recording workflow. There was no interest in adding extra costs to an electronic submission. As the options here need to be explored, the task force will

examine the various fees and transactional costs that could be involved in an electronic recording process. This will be on the agenda for the July meeting.

7. Recording Content and Workflow Subcommittee

Jeff Carlson reported that this was an advisory board and it has worked with BenNevis. It had nothing new to report.

8. Task Force Project Funding Subcommittee

Mark Monacelli said that the task force has authorized him to work with and identify trusted submitters for pilot testing. He suggested working with Beth McNerny and BenNevis to meet with these private partners and to negotiate with them. Everyone on the task force should identify the contacts they have with possible private partners and send them to Monacelli to start the process. The task force must get this started immediately in order to get the pilots moving. Chuck Hoyum, Marty Henschel and Jeff Carlson said they are ready to participate.

9. GIS subcommittee

David Claypool said he would work with CSM on the simplified platting issue and report back at the next meeting.

10. Other business

Bert Black said that available monies for the task force are described in a handout. Secretary Kiffmeyer said, given the state's budget outlook, here is no guarantee that additional funds will be forthcoming. The task force has to stay in budget and spend frugally.

11. Adjournment

The meeting adjourned at 12.05.