

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

June 15, 2017

The Louisiana Real Estate Commission held its regular meeting on Thursday, June 15, 2017, at 10:00 a.m., at 9071 Interline Ave, Baton Rouge, Louisiana, according to regular call, of which all members of the Commission were duly notified, at which meeting the following members were present:

COMMITTEE

Evelyn Wolford, Chairman
Steven Hebert, Vice Chairman
Lacy Baaheth
Jeff Donnes
Jeff Free
Steven Hebert
Deanna Norman
Patrick Roberts, Jr.
Lynda Nugent Smith

STAFF

Bruce Unangst, Executive Director
Arlene C. Edwards, Legal Counsel
Summer Mire
Ryan Shaw
Mark Gremillion
Robert Maynor
Chad Mayo
Telly Hollis
Debbie DeFrates
Dusty Evans
Jenny Yu

GUESTS

Norman Morris – Louisiana REALTORS
Karina Solis – Louisiana REALTORS
Tim Tullos – Keller Williams
Lisa Baker – Burk Baker School of Real Estate and Appraisal
Chris Donaldson – Donaldson Educational Services

Commissioners Gauthier, Reinauer, and Ducote were unable to attend the meeting.

Commissioner Roberts led the Invocation and the Pledge of Allegiance.

MINUTES

Commissioner Hebert made motion, seconded by Commissioner Nugent Smith, to approve the minutes of the meeting of May 25, 2017. Motion passed without opposition.

(Attachment A)

COMMITTEE REPORTS:

1. Budget – Ms. Yu reviewed the budget with the Commissioners. She stated that the expenses are up slightly due to upgrades of workstations. She stated that personnel services are down and the commission will finish the fiscal year in the black.

(Attachment B)

2. Education/Research/Publication – Commissioner Norman stated that Commissioner Gauthier had passed out the draft of the 2018 mandatory course, Ten Ways to Lose Your License. She stated that the Commission had requested time to review the draft. Commissioner Norman made motion, seconded by Commissioner Donnes to approve the course and get it out for RFP.

Mr. Unangst stated that he would like for the Education Committee to meet with the successful bidder after the RFP process to discuss the outline prior to the vendor beginning to develop the course.

Chairman Welford asked if vendors were going to be allowed to develop online courses. Mr. Unangst stated that the Commission can choose to have the vendor develop only a live course or to develop both live and online courses.

After discussion, motion passed without opposition.

Chairman Welford stated that the outline is very thorough and should be easily adapted to an online course. She stated that she does not believe that it should matter if the online courses match the live exactly. Mr. Unangst stated that there would be no way for the courses to match exactly.

Mr. Gremillion stated that his impression is that the Commission wants the courses to be similar in both live and online format. He stated that it should not be difficult for the vendors to develop online courses that closely match the live courses.

Chairman Welford stated that she believes that there will be a lot of interest in this class because of the case studies. She stated that the ability for vendors to tailor the case studies to issues from the area where the course is being held will be helpful. Mr. Gremillion stated that he is fine with that as long as the Commission makes it clear that staff can allow vendors to swap out case studies as long as the course is the right length. Chairman Welford stated that she believes that the Commission should allow for the subbing of case studies to keep the courses interesting.

Mr. Unangst stated that there should be a requirement that ensures that vendors present relevant case studies to ensure that licensees learn what the course is intended to teach.

Chairman Wolford agreed that there should be some structure, but that the vendors should have some freedom. Mr. Unangst stated that the Commission has voted in the past to allow vendors to do whatever they wanted to within the parameters of the outline, which has resulted in issues. Mr. Unangst stated that this is why he wants to get the RFP out now to give the Commission time to make sure that the successful bidder creates the course the Commission wants.

Mr. Gremillion stated that Commission can clarify how the Education Division approves courses after the RFP has gone out and the course has been developed.

Commissioner Hebert stated that he recently attended the Broker Mandatory and enjoyed his experience and felt that it was an effective course.

3. Legal/Legislative/Timeshare – Commissioner Nugent Smith stated that the earlier committee meeting made it clear that there needs to be clarity on the issue of Chapter 18:1805. She stated that one possible solution suggested was that there be a form developed to keep the process standardized. She stated that this issue should be forwarded to the Standardized Forms Committee for further discussion. She also stated that the issue of escrow deposits needs to be sent forward to the Standardized Forms Committee for discussion during next year’s forms update. Mr. Unangst requested that Mr. Tullos send him his comments on what needs to be clarified regarding 1805 so that he can understand the perspective of the brokers.

Mr. Unangst stated that one other issue that should be addressed by the Standardized Forms Committee would be the usage of the word “immediately” in the contract. He stated that the inclusion of a date line may be a better solution.

4. Standardized Forms – Commissioner Roberts stated that he has taken notes on all of the issues forwarded to his committee for discussion in the future. Chairman Wolford stated that there was a case that went to the Supreme Court because of the accidental use of the “no” box instead of the “not known” box. She stated that the case resulted in the decision that the use of the “no” box can result in issues regarding redhibition. She stated that we are conditioned to believe that using the “not known” box means the seller is lying, but that using the “no” box comes with its own issues after this Supreme Court decision.

Commissioner Roberts stated that the language of the contract may need to be changed to prevent these issues in the future. He stated that this would be discussed during the Property Disclosure review.

5. Strategic Planning – Commissioner Baaheth brought the Commissioners attention to the 2017-2020 Strategic Plan draft. She stated that there was a lot of discussion and back and forth, she stated that there needs to be some clarification from the Commission on some issues. Mr. Unangst stated that during the last strategic planning period, the Commission at that time had more concrete ideas that they wanted to achieve. He stated that this time, there were some issues where there was not a consensus amongst the Commissioners.

Mr. Unangst reviewed the five strategic foci put together by the staff. He stated that there is still a divergence of opinion on many issues that need to be discussed by the Commissioners before the plan can be finalized.

He stated that he believes the best path forward would be for Chairman Wolford to assign these strategic foci to the appropriate committees or small workgroups to discuss and decide on how to move forward.

Commissioner Norman asked if Commissioners should vote on cases where they have prior knowledge of felons who come before the Commission. Ms. Edwards stated that Commissioners should recuse themselves if they cannot be an impartial judge. She cautioned them that anything they know about the individual is hearsay unless they witnessed it themselves and should not be shared with other Commissioners or used to influence their vote.

6. Errors & Omissions – Commissioner Norman stated that invitations to bid were received and opened on Tuesday, June 13th at 2:00 p.m. She stated that only one bid was received and that it came from our current vendor, Rice. She stated that the bid price was significantly lower this year, coming in at \$136, which is a base price of \$129 and a \$7 processing fee. Commissioner Norman made motion, seconded by Commissioner Nugent Smith, to accept Rice’s bid. Motion passed without opposition.
7. Technology – Commissioner Donnes stated that there have been some IT resumes received. Mr. Unangst stated that by reallocating the position to a Director I has increased the number of applications received and that interviews should be underway next week.

Mr. Unangst stated that the phone system will be upgraded to a Voice over Internet Protocol system soon, which should improve call quality and make renewal season smoother.

DIRECTORS REPORT:

Mr. Unangst thanked Mr. Morris and his staff for their work during the Legislative session.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Roberts stated that he is hosting an outreach event with the LREC Investigative Division on common violations. He asked Mr. Maynor for an update on how many complaints have been filed. Mr. Maynor stated that there have been no advertising violation complaints since the fine increase on June 1.

EXECUTIVE SESSION

None

There being no further business, Commissioner Roberts made motion, seconded by Commissioner Nugent Smith, to adjourn. Motion passed without opposition.

EVELYN WOLFORD, CHAIRMAN

RICHMAN REINAUER, SECRETARY