

Meeting Minutes
South Dakota Real Estate Commission
Telephonic Meeting

January 10, 2019 8:30 a.m. CDT

Chairman Mark Wahlstrom called the meeting to order at 8:30 a.m. A quorum was participating.

Members Participating: Mark Wahlstrom
Ryan Wordeman
Ken Cotton
Dave Bonde
Carol Lawhun

Others Participating: Melissa Miller, Executive Director, SDREC
Cindy Nickels, Licensing Administrator, SDREC
Graham Oey, Staff Attorney, South Dakota Department of Labor
and Regulation
Tim Bond, Compliance Officer, SDREC

Bonde made a motion to approve the agenda. Wordeman seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

Public Comment – None.

Bonde made motion to approve the meeting minutes. Lawhun seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

Summary of the financials for November and October was presented by Director Miller. Wordeman made a motion to acknowledge receipt of financials and to file. Cotton seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

The commission entered executive session at 8:38 a.m.

Nickels left the meeting at 8:38 a.m.

The commission came out of executive session at 9:37 a.m.

Nickels rejoined the meeting at 9:37 a.m.

Complaint 2019-001

Bonde made a motion to dismiss complaint 2019-001. Lawhun seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

Complaint 20119-002 / Neil Schmid

Wordeman made a motion to approve consent agreement. Cotton seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

Request for Waiver of Experience

Cotton made a motion to table till next meeting. Lawhun seconded the motion. Wahlstrom called for a roll call vote **MOTION PASSED** by unanimous vote.

ARELLO Mid-Year Meeting – April 10-13, (Salt Lake City)

Bonde made a motion to approve travel/expense for Melissa and two other staff or commissioner members to attend ARELLO conference. Cotton seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

Other Business – Unlicensed activity was discussed. Discussion was held regarding RASE in Sioux Falls working on a new purchase agreement.

The next meeting will be scheduled for March 13, 2019 10:30 a.m. Central time

Bonde made a motion to adjourn the meeting at 9:48 a.m. Cotton seconded the motion. Wahlstrom called for a roll call vote. **MOTION PASSED** by unanimous vote.

AGENCY: 10 LABOR & REGULATION
 BUDGET UNIT: 1037 REAL ESTATE COMMISSION

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103700069901	1140000	395,165.10	DR	REAL ESTATE COMMISSION
6503	103700069902	1140000	101,204.84	DR	REAL ESTATE COMM RECOVERY FUND
COMPANY/SOURCE TOTAL 6503 699			496,369.94	DR *	
COMP/BUDG UNIT TOTAL 6503 1037			496,369.94	DR **	
BUDGET UNIT TOTAL 1037			496,369.94	DR ***	

BUDGET UNIT 1037 AS OF: 01/31/2019
FY YEAR REMAINING: 41.4% DATE 02/02/2019
PAY DAYS REMAINING: 10

CENTER NAME REAL ESTATE COMMISSION

COMP	ORIGINAL APPROPRIATION	APPROPRIATION TRANSFERS	YEAR-TO-DATE COMMITMENTS	YEAR-TO-DATE ENCUMBRANCES	YEAR-TO-DATE EXPENDITURES	AVAILABLE APPROPRIATIONS	CASH BALANCE
6503-I	596,084.00	0.00	0.00	21,248.05	242,753.64	332,082.31	496,369.94
BUDGETED TOT	596,084.00	0.00	0.00	21,248.05	242,753.64	332,082.31	
ALL COMP TOT	596,084.00	0.00	0.00	21,248.05	242,753.64	332,082.31	

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE	BUDGET AVAILABLE	PCT AVL
5101 EMPLOYEE SALARIES	282,475.00	0.00	0.00	19,497.82	141,288.74	141,186.26	50.0
5102 EMPLOYEE BENEFITS	82,173.00	0.00	0.00	6,268.54	45,239.50	36,933.50	44.9
5203 TRAVEL	37,350.00	0.00	0.00	2,131.31	8,697.23	28,652.77	76.7
5204 CONTRACTUAL SVCS	160,471.00	0.00	21,248.05	10,899.01	35,468.49	103,754.46	64.7
5205 SUPPLIES & MATERIALS	31,300.00	0.00	0.00	893.07	8,057.18	23,242.82	74.3
5207 CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	4,002.50	1,687.50-	0.0
TOTALS	596,084.00	0.00	21,248.05	39,689.75	242,753.64	332,082.31	55.7

BREAKOUT BY COMPANY:

COMPANY	PROFESSIONAL & LICENSING BOARDS	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE	BUDGET AVAILABLE	PCT AVL
5101000	EMPLOYEE SALARIES	282,475.00	0.00	0.00	19,497.82	141,288.74	141,186.26	50.0
5102000	EMPLOYEE BENEFITS	82,173.00	0.00	0.00	6,268.54	45,239.50	36,933.50	44.9
5203000	TRAVEL	37,350.00	0.00	0.00	2,131.31	8,697.23	28,652.77	76.7
5204000	CONTRACTUAL SVCS	160,471.00	0.00	21,248.05	10,899.01	35,468.49	103,754.46	64.7
5205000	SUPPLIES & MATERIALS	31,300.00	0.00	0.00	893.07	8,057.18	23,242.82	74.3
5207000	CAPITAL OUTLAY	2,315.00	0.00	0.00	0.00	4,002.50	1,687.50-	0.0
PS SUBTOTALS		364,648.00	0.00	0.00	25,766.36	186,528.24	178,119.76	48.8
OE SUBTOTALS		231,436.00	0.00	21,248.05	13,923.39	56,225.40	153,962.55	66.5
COMPANY 6503-I	TOT	596,084.00	0.00	21,248.05	39,689.75	242,753.64	332,082.31	55.7

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 01/31/2019

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION						
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE			
COMPANY NO	6503	PROFESSIONAL & LICENSING BOARDS						
COMPANY NAME								
103700069901	6503	4293700	RESIDENT RENTAL AGENTS	300.00	4,080.00			
103700069901	6503	4293701	AUCTIONEER	.00	450.00			
103700069901	6503	4293702	BROKER	6,525.00	27,450.00			
103700069901	6503	4293703	HOME INSPECTORS	400.00	2,678.10			
103700069901	6503	4293704	PROPERTY MANAGER	450.00	4,475.00			
103700069901	6503	4293705	SALES AGENTS	225.00	4,050.00			
103700069901	6503	4293706	TIMESHARE AGENTS	.00	375.00			
103700069901	6503	4293707	FIRMS	1,000.00	4,200.00			
103700069901	6503	4293708	CONDOMINIUMS	.00	8,865.90			
103700069901	6503	4293710	TIMESHARE PROJECTS	.00	2,000.00			
103700069901	6503	4293711	EDUCATIONAL COURSES	1,945.00	8,480.00			
103700069901	6503	4293712	ADDITIONAL LICENSES	270.00	2,610.00			
103700069901	6503	4293713	CHANGE OF ADDRESS	960.00	7,065.00			
103700069901	6503	4293714	CERTIFICATES OF LICENSURE	105.00	1,530.00			
103700069901	6503	4293715	LATE RENEWAL FEES	5,800.00	8,460.00			
103700069901	6503	4293717	RENEWAL RES RENTAL AGENTS	200.00	3,050.00			
103700069901	6503	4293718	RENEWAL AUCTIONEER	250.00	2,375.00			
103700069901	6503	4293719	RENEWAL BROKER	20,250.00	158,565.00			
103700069901	6503	4293720	HOME INSPECTION RENEWAL	500.00	4,200.00			
103700069901	6503	4293721	RENEWAL PROPERTY MANAGER	625.00	9,780.00			
103700069901	6503	4293722	RENEWAL SALES AGENTS	375.00	9,625.00			
103700069901	6503	4293723	RENEWAL TIMESHARE AGENTS	250.00	1,500.00			
103700069901	6503	4293724	RENEWAL FIRMS	5,375.00	30,900.00			
103700069901	6503	4293725	RENEWAL TIMESHARE PROJECT	500.00	6,875.00			

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 01/31/2019

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION						
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE			
103700069901	6503	4293726	RENEWAL ADDITIONAL LICENS	180.00	1,470.00			
ACCT: 4293			BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL)	46,485.00	315,109.00	*		
ACCT: 42			LICENSES, PERMITS & FEES	46,485.00	315,109.00	**		
103700069901	6503	4393003	MISC FINES & PENALTIES	5,300.00	8,071.87			
ACCT: 4393			PENALTIES (NON-GOVERNMENTAL)	5,300.00	8,071.87	*		
ACCT: 43			FINES, FORFEITS & PENALTIES	5,300.00	8,071.87	**		
103700069901	6503	4596002	LICENSE LAW BOOKS SOLD	.00	120.00			
103700069901	6503	4596003	DIRECTORIES/HOME BUYER GU	1,770.00	6,510.00			
ACCT: 4596				1,770.00	6,630.00	*		
ACCT: 45			CHARGES FOR SALES & SERVICES	1,770.00	6,630.00	**		
103700069901	6503	4920045	NONOPERATING REVENUES	.00	3,519.91			
ACCT: 4920			NONOPERATING REVENUE	.00	3,519.91	*		
ACCT: 49			OTHER REVENUE	.00	3,519.91	**		
CNTR: 103700069901				53,555.00	333,330.78	***		
103700069902	6503	4920045	NONOPERATING REVENUES	.00	1,204.84			
ACCT: 4920			NONOPERATING REVENUE	.00	1,204.84	*		
ACCT: 49			OTHER REVENUE	.00	1,204.84	**		
CNTR: 103700069902				.00	1,204.84	***		
COMP: 6503				53,555.00	334,535.62	****		
B UNIT: 1037				53,555.00	334,535.62	*****		

Revenue Report Ending 1/31/19

(Additional Report)

Description	Budgeted	Current	Rev. to be Rec	YTD	PCT Rec.
Residential Rental Agents	3,000	300	(1,080)	4,080	136
Auctioneer	450	0	0	450	100
Broker	60,000	6,525	32,550	27,450	46
Home Inspectors	4,000	400	1,350	2,650	66
Property Manager	6,000	450	1,525	4,475	75
Sales Agents	2,000	225	(2,050)	4,050	203
Timeshare Agents	1,500	0	1,125	375	25
Firms	7,500	1,000	3,300	4,200	56
Condominiums	7,000	0	(1,865.90)	8,865.90	127
Timeshare Projects	3,000	0	1,000	2,000	67
Educational Courses	15,000	1,945	6,520	8,480	57
Additional Licenses	2,000	270	(610)	2,610	131
Change of Address	7,000	960	(65)	7,065	101
Certificate of Licensure	2,500	105	970	1,530	61
Late Renewal Fees	9,000	5,800	540	8,460	94
Renewal Res Rental Agents	4,000	200	950	3,050	76
Renewal Auctioneer	6,000	250	3,625	2,375	40
Renewal Broker	176,550	20,250	17,985	158,565	90
Home Inspection Renewal	6,000	500	1,800	4,200	70
Renewal Property Manager	9,000	625	(780)	9,780	109
Renewal Sales Agents	11,000	375	1,375	9,625	88
Renewal Timeshare Agents	1,000	250	(500)	1,500	150
Renewal Firms	35,000	5,375	4,100	30,900	88
Renewal Timeshare Project	6,000	500	(875)	6,875	115
Renewal Additional Licenses	4,000	180	2,530	1,470	37
Misc. Fines, Penalties and NO Rev					
Interest Earned	22,000	5,300	9,175.28	12,824.72	58
License Law Books Sold	500	0	380	120	24
Directories/Lists Sold	9,000	1,770	2,490	6,510	72
	420,000	53,555	93,290.28 (7,825.90)	334,535.62	80

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 02/28/2019

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1037 REAL ESTATE COMMISSION

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103700069901	1140000	375,228.09	DR	REAL ESTATE COMMISSION
6503	103700069902	1140000	101,204.84	DR	REAL ESTATE COMM RECOVERY FUND
COMPANY/SOURCE TOTAL 6503 699			476,432.93	DR *	
COMP/BUDG UNIT TOTAL 6503 1037			476,432.93	DR **	
BUDGET UNIT TOTAL 1037			476,432.93	DR ***	

BUDGET UNIT 1037

AVAILABLE FUNDS
AS OF: 02/28/2019
FY YEAR REMAINING: 33.7%
PAY DAYS REMAINING: 8

DATE 03/02/2019

BUDGET UNIT NAME REAL ESTATE COMMISSION

COMP	ORIGINAL APPROPRIATION	APPROPRIATION TRANSFERS	YEAR-TO-DATE COMMITMENTS	YEAR-TO-DATE ENCUMBRANCES	YEAR-TO-DATE EXPENDITURES	AVAILABLE APPROPRIATIONS	CASH BALANCE
6503-I	596,084.00	0.00	0.00	20,538.33	276,565.89	298,979.78	476,432.93
BUDGETED TOT	596,084.00	0.00	0.00	20,538.33	276,565.89	298,979.78	
ALL COMP TOT	596,084.00	0.00	0.00	20,538.33	276,565.89	298,979.78	

TOTAL BUDGETED:

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE	BUDGET AVAILABLE	PCT AVL
5101 EMPLOYEE SALARIES	282,475.00	0.00	0.00	20,323.46	161,612.20	120,862.80	42.8
5102 EMPLOYEE BENEFITS	82,173.00	0.00	0.00	6,364.22	51,603.72	30,569.28	37.2
5203 TRAVEL	37,350.00	0.00	0.00	108.26	8,805.49	28,544.51	76.4
5204 CONTRACTUAL SVCS	160,471.00	0.00	20,538.33	5,238.57	40,707.06	99,225.61	61.8
5205 SUPPLIES & MATRLS	31,300.00	0.00	0.00	1,088.45	9,145.63	22,154.37	70.8
5207 CAPITAL OUTLAY	2,315.00	0.00	0.00	689.29	4,691.79	2,376.79-	0.0
TOTALS	596,084.00	0.00	20,538.33	33,812.25	276,565.89	298,979.78	50.2

BREAKOUT BY COMPANY:

COMPANY	PROFESSIONAL & LICENSING BOARDS	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	YEAR-TO-DATE	BUDGET AVAILABLE	PCT AVL
5101000	EMPLOYEE SALARIES	282,475.00	0.00	0.00	20,323.46	161,612.20	120,862.80	42.8
5102000	EMPLOYEE BENEFITS	82,173.00	0.00	0.00	6,364.22	51,603.72	30,569.28	37.2
5203000	TRAVEL	37,350.00	0.00	0.00	108.26	8,805.49	28,544.51	76.4
5204000	CONTRACTUAL SVCS	160,471.00	0.00	20,538.33	5,238.57	40,707.06	99,225.61	61.8
5205000	SUPPLIES & MATRLS	31,300.00	0.00	0.00	1,088.45	9,145.63	22,154.37	70.8
5207000	CAPITAL OUTLAY	2,315.00	0.00	0.00	689.29	4,691.79	2,376.79-	0.0
PS SUBTOTALS		364,648.00	0.00	0.00	26,687.68	213,215.92	151,432.08	41.5
OE SUBTOTALS		231,436.00	0.00	20,538.33	7,124.57	63,349.97	147,547.70	63.8
COMPANY 6503-I TOT		596,084.00	0.00	20,538.33	33,812.25	276,565.89	298,979.78	50.2

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION						
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE			
COMPANY NO	6503		PROFESSIONAL & LICENSING BOARDS					
COMPANY NAME								
103700069901	6503	4293700	RESIDENT RENTAL AGENTS	180.00	4,260.00			
103700069901	6503	4293701	AUCTIONEER	.00	450.00			
103700069901	6503	4293702	BROKER	3,825.00	31,275.00			
103700069901	6503	4293703	HOME INSPECTORS	400.00	3,078.10			
103700069901	6503	4293704	PROPERTY MANAGER	900.00	5,375.00			
103700069901	6503	4293705	SALES AGENTS	675.00	4,725.00			
103700069901	6503	4293706	TIMESHARE AGENTS	.00	375.00			
103700069901	6503	4293707	FIRMS	400.00	4,600.00			
103700069901	6503	4293708	CONDOMINIUMS	165.33	9,031.23			
103700069901	6503	4293710	TIMESHARE PROJECTS	.00	2,000.00			
103700069901	6503	4293711	EDUCATIONAL COURSES	790.00	9,270.00			
103700069901	6503	4293712	ADDITIONAL LICENSES	30.00	2,640.00			
103700069901	6503	4293713	CHANGE OF ADDRESS	90.00	7,155.00			
103700069901	6503	4293714	CERTIFICATES OF LICENSURE	150.00	1,680.00			
103700069901	6503	4293715	LATE RENEWAL FEES	1,400.00	9,860.00			
103700069901	6503	4293717	RENEWAL RES RENTAL AGENTS	50.00	3,100.00			
103700069901	6503	4293718	RENEWAL AUCTIONEER	250.00	2,625.00			
103700069901	6503	4293719	RENEWAL BROKER	3,000.00	161,565.00			
103700069901	6503	4293720	HOME INSPECTION RENEWAL	200.00	4,400.00			
103700069901	6503	4293721	RENEWAL PROPERTY MANAGER	125.00	9,905.00			
103700069901	6503	4293722	RENEWAL SALES AGENTS	125.00	9,750.00			
103700069901	6503	4293723	RENEWAL TIMESHARE AGENTS	.00	1,500.00			
103700069901	6503	4293724	RENEWAL FIRMS	125.00	31,025.00			
103700069901	6503	4293725	RENEWAL TIMESHARE PROJECT	.00	6,875.00			

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 02/28/2019

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION					
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE		
103700069901	6503	4293726	RENEWAL ADDITIONAL LICENS	.00	1,470.00		
ACCT:	4293	BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL)		12,880.33	327,989.33	*	
ACCT:	42	LICENSES, PERMITS & FEES		12,980.33	327,989.33	**	
103700069901	6503	4393003	MISC FINES & PENALTIES	2,100.00	10,171.87		
ACCT:	4393	PENALTIES (NON-GOVERNMENTAL)		2,100.00	10,171.87	*	
ACCT:	43	FINES, FORFEITS & PENALTIES		2,100.00	10,171.87	**	
103700069901	6503	4596002	LICENSE LAW BOOKS SOLD	.00	120.00		
103700069901	6503	4596003	DIRECTORIES/HOME BUYER GU	250.00	6,760.00		
ACCT:	4596			250.00	6,880.00	*	
ACCT:	45	CHARGES FOR SALES & SERVICES		250.00	6,880.00	**	
103700069901	6503	4920045	NONOPERATING REVENUES	.00	3,519.91		
ACCT:	4920	NONOPERATING REVENUE		.00	3,519.91	*	
ACCT:	49	OTHER REVENUE		.00	3,519.91	**	
CNTR:	103700069901			15,230.33	348,561.11	***	
103700069902	6503	4920045	NONOPERATING REVENUES	.00	1,204.84		
ACCT:	4920	NONOPERATING REVENUE		.00	1,204.84	*	
ACCT:	49	OTHER REVENUE		.00	1,204.84	**	
CNTR:	103700069902			.00	1,204.84	***	
COMP:	6503			15,230.33	349,765.95	****	
B UNIT:	1037			15,230.33	349,765.95	*****	

Revenue Report Ending 2/28/19

(Additional Report)

Description	Budgeted	Current	Rev. to be Rec	YTD	PCT Rec.
Residential Rental Agents	3,000	180	(1,260)	4,260	142
Auctioneer	450	0	0	450	100
Broker	60,000	3,825	28,725	31,275	52
Home Inspectors	4,000	400	950	3,050	76
Property Manager	6,000	900	625	5,375	90
Sales Agents	2,000	675	(2,725)	4,725	236
Timeshare Agents	1,500	0	1,125	375	25
Firms	7,500	400	2,900	4,600	61
Condominiums	7,000	165.33	(2,031.23)	9,031.23	129
Timeshare Projects	3,000	0	1,000	2,000	67
Educational Courses	15,000	790	5,730	9,270	62
Additional Licenses	2,000	30	(640)	2,640	132
Change of Address	7,000	90	(155)	7,155	102
Certificate of Licensure	2,500	150	820	1,680	67
Late Renewal Fees	9,000	1,400	(860)	9,860	110
Renewal Res Rental Agents	4,000	50	900	3,100	78
Renewal Auctioneer	6,000	250	3,375	2,625	44
Renewal Broker	176,550	3,000	14,985	161,565	92
Home Inspection Renewal	6,000	200	1,600	4,400	73
Renewal Property Manager	9,000	125	(905)	9,905	110
Renewal Sales Agents	11,000	375	1,250	9,750	89
Renewal Timeshare Agents	1,000	0	(500)	1,500	150
Renewal Firms	35,000	125	3,975	31,025	89
Renewal Timeshare Project	6,000	0	(875)	6,875	115
Renewal Additional Licenses	4,000	0	2,530	1,470	37
Misc. Fines, Penalties and NO Rev					
Interest Earned	22,000	2,100	7,075.28	14,924.72	68
License Law Books Sold	500	0	380	120	24
Directories/Lists Sold	9,000	250	2,240	6,760	75
	420,000	15,230.33	80,185.28 (9,951.23)	349,765.95	83