

Meeting Minutes
South Dakota Real Estate Commission

September 6, 2018 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
Michelle Metzinger, Compliance Officer, SDREC
Tim Bond, Compliance Officer, SDREC
Cindy Nickels, Licensing Program Administrator, SDREC
Graham Oey, Staff Attorney, South Dakota Department of Labor
and Regulation(Telephonically)

Cotton made a motion to approve the agenda. Lawhun seconded the motion. Wahlstrom called the roll. **MOTION PASSED**

Public Comment – Gerry Kaufman spoke to the commission suggesting that they review terminology in consumer guides and forms.

Rules Hearing. See other minutes.

Michelle Metzinger, Compliance Officer with the SDREC, entered the meeting at 8:43 a.m.

Bonde made motion (Corrections – consent agreement where stated Cotton second motion to Wordeman second. Paragraph listing officers inserted as after Mark Wahlstrom name.) Wordeman seconded the motion. Wahlstrom called the roll. **MOTION PASSED.**

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

Discussion was on consent agreement 2018-064. Wordeman made a motion to approve the consent. Cotton seconded the motion. **MOTION PASSED.**

Wahlstrom made a motion to enter Executive Session to consult with legal counsel per SDCL 1-25-2 (3). Seconded by Lawhun. Wahlstrom called the roll. **MOTION PASSED.** The commission entered executive session at 8:53 a.m.

Metzinger, Nickels, and Bond left the meeting at 8:53 a.m.

Wahlstrom called the commission out of executive session at 9:03 a.m.

Metzinger, Nickels, and Bond rejoined the meeting at 9:03 a.m.

Complaint 2018-084

Wordeman made a motion to table complaint until next meeting. Cotton seconded the motion. Wahlstrom called the roll. **MOTION PASSED.**

Complaint 2018-089

Cotton made a motion to approve the complaint. Lawhun seconded the motion. Wahlstrom called the roll. **MOTION PASSED.**

ARELLO Annual Meeting — September 26-30 (St. Louis, MO). No staff attending this year.

Obligation Recovery Center – Oey spoke to the commission explaining how the Obligation Recovery Center functions.

Other Business – Melissa discussed a letter that she received. She is going to put it on the agenda for the November meeting.

The next meeting will be scheduled for November 8th.

Wordeman made a motion to adjourn the meeting at 9:27 a.m. Cotton seconded the motion. Wahlstrom called the roll. **MOTION PASSED.**

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

| COMPANY | CENTER | ACCOUNT | BALANCE | DR/CR | CENTER DESCRIPTION |
|--------------------------------|--------------|---------|------------|--------|--------------------------------|
| 6503 | 103700069901 | 1140000 | 254,008.40 | DR | REAL ESTATE COMMISSION |
| 6503 | 103700069902 | 1140000 | 101,204.84 | DR | REAL ESTATE COMM RECOVERY FUND |
| COMPANY/SOURCE TOTAL 6503 699 | | | 355,213.24 | DR * | |
| COMP/BUDG UNIT TOTAL 6503 1037 | | | 355,213.24 | DR ** | |
| BUDGET UNIT TOTAL 1037 | | | 355,213.24 | DR *** | |

BUDGET UNIT 1037

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 | 28,099.43 | 100,394.71 | 467,589.86 | 355,213.24 |
| BUDGETED TOT | 596,084.00 | 0.00 | 0.00 | 28,099.43 | 100,394.71 | 467,589.86 | |
| ALL COMP TOT | 596,084.00 | 0.00 | 0.00 | 28,099.43 | 100,394.71 | 467,589.86 | |

TOTAL BUDGETED:

| OBJECT OF EXPENDITURE | AMOUNT BUDGETED | COMMITMENTS YEAR-TO-DATE | ENCUMBRANCES YEAR-TO-DATE | EXPENDITURES MONTHLY | EXPENDITURES YEAR-TO-DATE | BUDGET AVAILABLE | PCT AVL |
|------------------------|-----------------|--------------------------|---------------------------|----------------------|---------------------------|------------------|---------|
| 5101 EMPLOYEE SALARIES | 282,475.00 | 0.00 | 0.00 | 11,958.92 | 61,524.99 | 220,950.01 | 78.2 |
| 5102 EMPLOYEE BENEFITS | 82,173.00 | 0.00 | 0.00 | 3,805.95 | 19,441.29 | 62,731.71 | 76.3 |
| 5203 TRAVEL | 37,350.00 | 0.00 | 0.00 | 148.95 | 1,896.81 | 35,453.19 | 94.9 |
| 5204 CONTRACTUAL SVCS | 160,471.00 | 0.00 | 28,099.43 | 3,305.71 | 11,451.51 | 120,920.06 | 75.4 |
| 5205 SUPPLIES & MATRLS | 31,300.00 | 0.00 | 0.00 | 341.28 | 4,590.61 | 26,709.39 | 85.3 |
| 5207 CAPITAL OUTLAY | 2,315.00 | 0.00 | 0.00 | 1,339.50 | 1,489.50 | 825.50 | 35.7 |
| TOTALS | 596,084.00 | 0.00 | 28,099.43 | 20,900.31 | 100,394.71 | 467,589.86 | 78.4 |

BREAKOUT BY COMPANY:

COMPANY 6503-I PROFESSIONAL & LICENSING BOARDS

| OBJECT OF EXPENDITURE | AMOUNT BUDGETED | COMMITMENTS YEAR-TO-DATE | ENCUMBRANCES YEAR-TO-DATE | EXPENDITURES MONTHLY | EXPENDITURES YEAR-TO-DATE | BUDGET AVAILABLE | PCT AVL |
|---------------------------|-----------------|--------------------------|---------------------------|----------------------|---------------------------|------------------|---------|
| 5101000 EMPLOYEE SALARIES | 282,475.00 | 0.00 | 0.00 | 11,958.92 | 61,524.99 | 220,950.01 | 78.2 |
| 5102000 EMPLOYEE BENEFITS | 82,173.00 | 0.00 | 0.00 | 3,805.95 | 19,441.29 | 62,731.71 | 76.3 |
| 5203000 TRAVEL | 37,350.00 | 0.00 | 0.00 | 148.95 | 1,896.81 | 35,453.19 | 94.9 |
| 5204000 CONTRACTUAL SVCS | 160,471.00 | 0.00 | 28,099.43 | 3,305.71 | 11,451.51 | 120,920.06 | 75.4 |
| 5205000 SUPPLIES & MATRLS | 31,300.00 | 0.00 | 0.00 | 341.28 | 4,590.61 | 26,709.39 | 85.3 |
| 5207000 CAPITAL OUTLAY | 2,315.00 | 0.00 | 0.00 | 1,339.50 | 1,489.50 | 825.50 | 35.7 |
| PS SUBTOTALS | 364,648.00 | 0.00 | 0.00 | 15,764.87 | 80,966.28 | 283,681.72 | 77.8 |
| OE SUBTOTALS | 231,436.00 | 0.00 | 28,099.43 | 5,135.44 | 19,428.43 | 183,908.14 | 79.5 |
| COMPANY 6503-I TOT | 596,084.00 | 0.00 | 28,099.43 | 20,900.31 | 100,394.71 | 467,589.86 | 78.4 |

STATE OF SOUTH DAKOTA
REVENUE SUMMARY BY BUDGET UNIT
FOR PERIOD ENDING: 09/30/2018

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1037 REAL ESTATE COMMISSION

| CENTER | COMP | ACCOUNT | DESCRIPTION | CURRENT MONTH | YEAR-TO-DATE |
|--|------|---------|---|---------------|--------------|
| COMPANY NO 6503 | | | | | |
| COMPANY NAME PROFESSIONAL & LICENSING BOARDS | | | | | |
| 103700069901 | 6503 | 4293700 | RESIDENT RENTAL AGENTS | 600.00 | 1,440.00 |
| 103700069901 | 6503 | 4293701 | AUCTIONEER | 225.00 | 450.00 |
| 103700069901 | 6503 | 4293702 | BROKER | 3,150.00 | 12,150.00 |
| 103700069901 | 6503 | 4293703 | HOME INSPECTORS | 400.00 | 1,628.10 |
| 103700069901 | 6503 | 4293704 | PROPERTY MANAGER | 675.00 | 1,575.00 |
| 103700069901 | 6503 | 4293705 | SALES AGENTS | 450.00 | 2,025.00 |
| 103700069901 | 6503 | 4293707 | FIRMS | 500.00 | 1,400.00 |
| 103700069901 | 6503 | 4293708 | CONDOMINIUMS | 1,521.90 | 4,429.90 |
| 103700069901 | 6503 | 4293710 | TIMESHARE PROJECTS | .00 | 1,000.00 |
| 103700069901 | 6503 | 4293711 | EDUCATIONAL COURSES | 2,375.00 | 4,250.00 |
| 103700069901 | 6503 | 4293712 | ADDITIONAL LICENSES | 165.00 | 345.00 |
| 103700069901 | 6503 | 4293713 | CHANGE OF ADDRESS | 300.00 | 4,755.00 |
| 103700069901 | 6503 | 4293714 | CERTIFICATES OF LICENSURE | 195.00 | 525.00 |
| 103700069901 | 6503 | 4293715 | LATE RENEWAL FEES | 20.00 | 300.00 |
| 103700069901 | 6503 | 4293719 | RENEWAL BROKER | 125.00 | 375.00 |
| ACCT: 4293 | | | BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL) | 10,701.90 | 36,648.00 * |
| ACCT: 42 | | | LICENSES, PERMITS & FEES | 10,701.90 | 36,648.00 ** |
| 103700069901 | 6503 | 4393003 | MISC FINES & PENALTIES | 500.00 | 1,750.00 |
| ACCT: 4393 | | | PENALTIES (NON-GOVERNMENTAL) | 500.00 | 1,750.00 * |
| ACCT: 43 | | | FINES, FORFEITS & PENALTIES | 500.00 | 1,750.00 ** |
| 103700069901 | 6503 | 4596002 | LICENSE LAW BOOKS SOLD | 24.00 | 24.00 |
| 103700069901 | 6503 | 4596003 | DIRECTORIES/HOME BUYER GU | 610.00 | 2,980.00 |
| ACCT: 4596 | | | | 634.00 | 3,004.00 * |
| ACCT: 45 | | | CHARGES FOR SALES & SERVICES | 634.00 | 3,004.00 ** |

STATE OF SOUTH DAKOTA
 REVENUE SUMMARY BY BUDGET UNIT
 FOR PERIOD ENDING: 09/30/2018

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1037 REAL ESTATE COMMISSION

| CENTER | COMP | ACCOUNT | DESCRIPTION | CURRENT MONTH | YEAR-TO-DATE | |
|--------------|--------------|----------------------|-----------------------|---------------|--------------|-------|
| 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 | | | 11,835.90 | 44,921.91 | *** |
| 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 | | | 11,835.90 | 46,126.75 | **** |
| B UNIT: | 1037 | | | 11,835.90 | 46,126.75 | ***** |

Revenue Report Ending 9/30/18

(Additional Report)

| Description | Budgeted | Current | Rev. to be Rec | YTD | PCT Rec. |
|-----------------------------------|-----------------|----------------|-----------------------|------------|-----------------|
| Residential Rental Agents | 3,000 | 600 | 1,560 | 1,440 | 48 |
| Auctioneer | 450 | 225 | 0 | 450 | 100 |
| Broker | 60,000 | 3,150 | 47,850 | 12,150 | 20 |
| Home Inspectors | 4,000 | 400 | 2,400 | 1,600 | 40 |
| Property Manager | 6,000 | 675 | 4,425 | 1,575 | 26 |
| Sales Agents | 2,000 | 450 | (25) | 2,025 | 101 |
| Timeshare Agents | 1,500 | 0 | 1,500 | 0 | 0 |
| Firms | 7,500 | 500 | 6,100 | 1,400 | 19 |
| Condominiums | 7,000 | 1,521.90 | 2,570.10 | 4,429.90 | 63 |
| Timeshare Projects | 3,000 | 0 | 2,000 | 1,000 | 33 |
| Educational Courses | 15,000 | 2,375 | 10,750 | 4,250 | 28 |
| Additional Licenses | 2,000 | 165 | 1,655 | 345 | 17 |
| Change of Address | 7,000 | 300 | 2,245 | 4,755 | 68 |
| Certificate of Licensure | 2,500 | 195 | 1,975 | 525 | 21 |
| Late Renewal Fees | 9,000 | 20 | 8,700 | 300 | 3 |
| Renewal Res Rental Agents | 4,000 | 0 | 4,000 | 0 | 0 |
| Renewal Auctioneer | 6,000 | 0 | 6,000 | 0 | 0 |
| Renewal Broker | 176,550 | 125 | 176,175 | 375 | 0 |
| Home Inspection Renewal | 6,000 | 0 | 6,000 | 0 | 0 |
| Renewal Property Manager | 9,000 | 0 | 9,000 | 0 | 0 |
| Renewal Sales Agents | 11,000 | 0 | 11,000 | 0 | 0 |
| Renewal Timeshare Agents | 1,000 | 0 | 1,000 | 0 | 0 |
| Renewal Firms | 35,000 | 0 | 35,000 | 0 | 0 |
| Renewal Timeshare Project | 6,000 | 0 | 6,000 | 0 | 0 |
| Renewal Additional Licenses | 4,000 | 0 | 4,000 | 0 | 0 |
| Misc. Fines, Penalties and NO Rev | | | | | |
| Interest Earned | 22,000 | 500 | 15,497.15 | 6,502.85 | 30 |
| License Law Books Sold | 500 | 24 | 476 | 24 | 5 |
| Directories/Lists Sold | 9,000 | 610 | 6,020 | 2,980 | 33 |
| | 420,000 | 11,835.90 | 373,898.25 (25) | 46,126.75 | 11 |

2019 Commission Meeting Dates

January 9-10

March 13-14

May 8-9

July 10-11

September 4-5

November 13-14

Events:

ARELLO Mid-Year Meeting – April 11-13 in Salt Lake City, UT

ND/SD Convention – September 11-13 in Deadwood, SD

ARELLO Annual Meeting – September 17-21 in Denver, CO