

# DRAFT Minutes of the North Carolina Home Inspector Licensure Board

## April 8, 2022

The regular meeting of the North Carolina Home Inspector Licensure Board (“Board”) was held at 9:00 am on Friday, April 8, 2022, as a hybrid meeting in person at the Board office, 325 N. Salisbury St., Raleigh, NC, and by video teleconference via Cisco WebEx.

The following members of the Board were present in person or remotely:

Derick Johnson	William Morris	Chad Collins	Connie Corey
	Arthur Hall	David Dye	Joseph Ramsey

N.C. Department of Insurance, Engineering Division staff members Mike Hejduk, Rodney Daughtry, Beth Williams, Sam Whittington, Christopher Mc Lamb, and Rich Hall were in attendance. Board Attorney Denise Stanford, N.C. Department of Justice (“NCDOJ”), Pam Melton (N.C. Realtors), Ken Brittain, Eric Coates, and legal counsel Katie Green (Forrest Firm, P.C.) attended. Other visitors in attendance were Bill Boan, Justin Ferraro, Peter Cowley and Steve Dance.

### Agenda

Chairwoman Connie M. Corey called meeting to order, gave opening remarks and welcomed guests.

Vice-Chairman Chad Collins read the Ethics Awareness and Conflict of Interest reminder.

Chairwoman Corey reminded members to submit their annual Statement of Economic Interest (SEI) that is due by April 15<sup>th</sup> every year.

### 1. Approval of January 14, 2022, Regular Meeting Minutes

Joe Ramsey made a motion to approve the minutes. William Morris seconded; the motion passed unanimously.

### Staff Reports

#### Executive Director

Mike Hejduk explained a staff reorganization chart and announced Beth Williams has been promoted to Assistant Director and Jennifer Hollyfield’s duties will now include education for Code Officials Qualification Board. Hejduk discussed possible strategic planning and potential key performance indicators for the Board. An NCDOI dashboard is currently in development and Hejduk demonstrated what the dashboard might look like for the Board’s information using Tableau showing graphs and “stats.” In the future, staff hopes to have this available to the public. Chairwoman Corey asked if there was a directory of home inspectors available throughout North Carolina. Hejduk stated this is available on the website. Chairwoman Corey noted there are

complaints involving home inspectors on the NC Real Estate Commission website that have not been reported as complaints to the Home Inspector Licensure Board.

Hejduk stated that the update course contract has been awarded. The contracts for report reviews and the audit have not been issued. Member terms expiring 2022 are Chad Collins and Arthur Hall and both serve until their replacements are qualified. Hejduk reminded members to take the online 93B training and to take the NC Ethics Commission online course which has been shortened and improved. Hejduk noted the YouTube® Video counts are rising, but not at the rate one might expect given the large number of inspections being performed.

### **License Administrator**

Rodney Daughtry stated that for the current fiscal year third quarter, January 1, 2022, through May 30, 2022, 164 applications were approved, and 107 new licenses were issued. Daughtry reported 7 people have renewed licenses. 10 people applied under equivalent experience as home inspectors from other states. Daughtry reported that we are at 75% of licensees have a current general liability policy.

### **Education Coordinator**

Hejduk and Daughtry reported in Jennifer Hollyfield's absence that there were 302 pre-licensing students, 56 licensees have met their annual CE, and 56 have completed the Board update course.

### **Exams**

Rich Hall reported that 79 people took the exam and gave the percentage of pass / fail on each test. All the Board members have the new book for Principles of Home Inspection now as well as the people on the exam committees. Group 1 and 2 met and are turning in questions for the next test and the other groups need to meet. Hall stated that staff will have a good test bank to get our questions from for future exams.

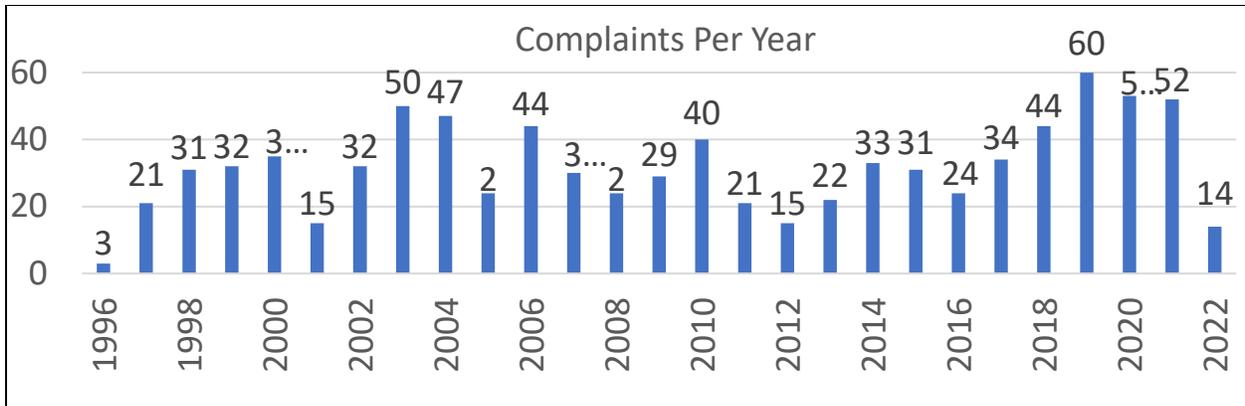
### **Investigator**

Sam Whittington reported 14 complaints were received in calendar year 2021. Whittington reported several statistics regarding processing times for complaints by staff and disposition by the Board. The average total complaint time is 95.7 days. David Dye discussed an issue noted by the NC Real Estate Commission regarding an unlicensed person performing a home inspection for compensation to the Investigation Review Committee. Whittington stated that staff has sent a letter to the individual stating that individuals must be licensed to perform home inspections for compensation.

	FISCAL YEAR 2020-2021	CALENDAR YEAR 2021
Complaints received	34	14
Investigations completed	26	7

Oldest case under active investigation was received 1/6/22

Average time to investigate complaints 44.7 days



## Committee Reports

### Application Committee

Joseph Ramsey reported that the committee met on January 10, 2022, and reviewed 10 applications. Ramsey stated that the committee recommends Board approval for thirteen (13) applications, requested additional information on two (2), and recommends six (6) applications be denied.

#### Recommended for Approval:

1. Aaron Lewis
2. David Moros
3. Matthew Kiefer
4. James Black
5. Phillip Parker
6. Justin McVerry
7. Darrin Phillips
8. Phillip Mosher
9. Jedidiah Bonner
10. Michael Schar
11. Rafel Martinez
12. Dustin Moore
13. Michael Roberts\*

\*Conditional

Joe Ramsey made a motion to approve the applications. Chad Collins seconded the motion. The motion passed unanimously.

The following applications are recommended for denial by the committee.

1. Pete Joyal
2. Matthew Brodeur
3. David Keil
4. Paul Robinson
5. David Lambright
6. Robert Bruno

Joe Ramsey made a motion to deny the applications. Chad Collins seconded the motion. The motion passed unanimously

Requested additional information:

1. Edward Jones
2. Carlos Brown

Noted for record to place on hold pending additional information.

### **Examination Committee**

Rich Hall stated that the Examination Committee did not meet. Rich Hall asked to add two more members and David Dye and Derrick Johnson will join the committee.

### **Finance Committee**

Treasurer, David Dye, asked Mike Hejduk to present. Hejduk stated that expenditures at the end of March were about \$250,000 and revenue was about \$500,000. Board revenues exceed expenditures. Hejduk stated the fund balance is about \$2 million. David Dye suggested that funds should be invested in measures to protect the public. Chad Collins suggested a planning retreat for Board and staff. Chairwoman Corey agreed to a strategic planning session. Denise Stanford noted the need to comply with open meetings law and to provide public access. Hejduk noted that this is a state agency licensing board and recommended the establishment of a special committee. Chad Collins made a motion to form a special committee made up of Connie Corey and Chad Collins to discuss the strategic plan and possible retreat. Second by Joe Ramsey. Discussion by David Dye expressed that this was not a good idea. The vote resulted in one nay by David Dye and all others approved so the motion passed.

<b>Type</b>	<b>Unit</b>	<b>Count</b>	<b>Total</b>
<b>Application</b>	\$35	419	\$14,665
<b>Exam</b>	\$80	440	\$35,200
<b>License issue</b>	\$160	305	\$48,800
<b>Renewal</b>	\$160	1,758	\$281,280
<b>Late</b>	<u>\$30</u>	<u>170</u>	<u>\$5,100</u>
<b><u>Licensing Sub-Total</u></b>			<b>\$385,045</b>
<b>Course Approval</b>	\$150	34	\$5,100
<b>Course Renewal</b>	\$75	195	\$14,625
<b>Per Student Fee</b>	\$5	22,242	\$111,210
<b><u>Education Sub-Total</u></b>			<b><u>\$130,935</u></b>
<b>Grand Total</b>			<b>\$515,980</b>

<b>Month</b>	<b>Expenditures</b>	<b>Revenues</b>	<b>Fund Balance</b>
Jul	\$ 24,563.92	\$ 41,990.00	\$ 1,683,215.37
Aug	\$ 49,826.34	\$ 142,285.00	\$ 1,758,247.95
Sep	\$ 67,183.84	\$ 370,630.00	\$ 1,969,235.45
Oct	\$ 121,706.13	\$ 434,135.00	\$ 1,978,218.16
Nov	\$ 143,382.14	\$ 454,085.00	\$ 1,976,492.15
Dec	\$ 168,213.98	\$ 467,840.00	\$ 1,965,415.31
Jan	\$ 205,754.88	\$ 484,065.00	\$ 1,944,099.41
Feb	\$ 227,130.27	\$ 507,527.71	\$ 1,946,186.73
Mar	\$ 254,183.49	\$ 529,277.71	\$ 1,941,160.16
Apr			
May			
Jun			

### **Legislative Committee**

The committee did not meet. David Dye asked Hejduk, in Rob Roegner's absence, if there were any Legislative issues. None were noted.

### **Education Committee**

Chad Collins told the Board the committee met on April 7, 2022 and awarded Bonnie Gregory the next Board-developed Update Course called **Defensive Writing: Reporting Limitations to Avoid Complaints**. Bonnie Gregory gave a quick review, and the committee was happy with what she had so far.

### **Investigation Review Committee**

Arthur Hall attempted to provide the report but was unable to do so due to technical issues. Derrick Johnson stated that the committee met twice on February 24, 2022 and April 5., 2022. The following cases were submitted for consideration.

### **Hearing**

**755** Obergon #1645 (Cruz)

**836** Porter #2281 (Tippey)

Johnson made a motion to remove these cases from hearing status and stated if either of these apply for a license in the future they would be directed back to the committee. Ramsey seconded and the motion passed.

### **Consent Agreement**

**879** Allen #3954 (Garry)

Derrick Johnson made a motion to approve the Consent Agreement, seconded by Collins. The motion passed.

**884** Dixon #3997 (Revelle)

Derrick Johnson made a motion to approve the Consent Agreement, seconded by Collins. The motion passed.

**913 Rhinehart #4427 (Leguern)**

Derrick Johnson made a motion to approve the Consent Agreement, seconded by Collins. The motion passed.

**Dismiss with Letter of Caution**

**896 Cine #4077 (Dreyer)**

Derrick Johnson made a motion to Dismiss with a letter of caution, seconded by Collins. The motion passed.

**908 Cooper #3541 (Gibbs)**

Derrick Johnson made a motion to Dismiss with a letter of caution, seconded by Collins. The motion passed.

**Dismiss**

**907 Stephenson #4074 (Turnage)**

Derrick Johnson made a motion to dismiss, seconded by Collins. The motion passed.

**909 Dean #4547 (Smith)**

Derrick Johnson made a motion to dismiss, seconded by Collins. The motion passed.

**915 Pope #567 (Luongo)**

Derrick Johnson made a motion to dismiss, seconded by Collins. The motion passed.

**Standards of Practice Committee**

David Dye stated the committee did not meet.

Hejduk reviewed the proposed changes to the Standards of Practice, in sections .1110 Electrical and .1116 Code of Ethics. Hejduk reported on the proposed changes proposed to .1110 Electrical and .1116 Code of Ethics. Hejduk said a public hearing would need to be during the comment period of May 17 to July 1. Stanford stated that the public hearing could be after the July 1 comment period and could be at the July 8, 2022 Board meeting.

Hejduk gave an update on “Walk-Through Home inspection” stating the advisory letter had not yet been received. Stanford stated it was near completion.

**New License Report Review Committee**

Collins made a motion to dissolve this committee, seconded by Morris and the motion passed.

**Public Comment**

None

**Unfinished Business**

None

### **New Business**

Ramsey and Collins asked the Board to send out a letter to education sponsors to have applicants with criminal history request predetermination prior to enrolling and paying for prelicensing courses.

Ramsey made a motion to send a letter out to education sponsors on behalf of the Board asking to get prospective students with criminal history to contact staff for help. Collins seconded and the motion passed.

Code of Ethics versus promotional activities such as free inspections and raffles. Hejduk explained that he and Sam Whittington considered the possibility that such promotional activities might be construed as compensation for referrals. David Dye opined that this activity might be the entire county membership of a real estate association industry "large group type event" that did not refer to any individual agent. Hejduk stated that the "thing of value" (the home inspection) was referred to a single inspector. Chairwoman Corey noted that raffles are typically used to raise money for a cause. Chairwoman Corey explained her understanding of a referral as calling a home inspector and the home inspector giving back a \$50 gift card. David Dye explained that some avenues of business promotion are needed and that the randomness is a factor. Dye asked if discounts were also considered referrals. Hejduk noted military, low income and non-profits were like coupons with no expected specific return. Several attendees on the video teleconference provided comments to the Board. Stanford suggested that providing a specific set of facts to the attorney general could be beneficial.

### **Adjournment**

William Morris made a motion to adjourn seconded by Derrick Johnson and the motion passed.

Respectfully submitted,



Rob Roegner  
Secretary, N.C. Home Inspector Licensure Board