



North Carolina Home Inspector Licensure Board (NCHILB)

TAB B

Regular Meeting Agenda April 8, 2016

Chairman Fred Herndon:

Opening remarks, introduce Board members, welcome guests, call meeting to order.
Changes to the Agenda.

Vice-Chairman Tony Jarrett:

Read the Ethics Awareness and Conflict of Interest reminder.

1. Review and approval of minutes:
 - a. Regular Meeting: February 26, 2015
2. Director Report
3. Committee Reports:
 - a. Application EvaluationMr. Sawyer
 - b. ExaminationMr. Noles
 - c. FinanceMr. Ramsey
 - d. LegislativeMr. Jarrett
 - e. EducationMr. Peeples
 - f. Investigation ReviewMr. Peeples
 - g. Standards of Practice / Rules & InterpretationsMr. Upton
 - h. PersonnelMr. Herndon
 - i. *Advisory Committee: New Licensee Report Reviews*Mr. Herndon
4. Public Comment
5. Unfinished Business:
 - a. Annual Update Course 2016-2017: IFB Bid Opening
 - b. Computer Based Testing (CBT)
6. New Business:
Adjournment



North Carolina Home Inspector Licensure Board (NCHILB)

NORTH CAROLINA STATE ETHICS COMMISSION ETHICS AWARENESS & CONFLICT OF INTEREST REMINDER

TAB C

(to be read by the Chair or his or her designee at the beginning of each meeting)

In accordance with the State Government Ethics Act*, it is the duty of every NC Home Inspector Licensure Board member to avoid both conflicts of interest and appearances of conflict.

*NCGS 138A-15(e) "At the beginning of any meeting of a board, the chair shall remind all members of their duty to avoid conflicts of interest and appearances of conflict..."

Do any NC Home Inspector Licensure Board members have any known conflict of interest or potential of conflict with respect to any matters coming before the NC Home Inspector Licensure Board today?

If so, please identify the conflict or potential of conflict and refrain from any undue participation* in the particular matter involved.

Let the minutes show that members of the Board who are licensed home inspectors are reminded that the State Ethics Commission has cited the potential for a conflict of interest because they serve on the Board that licenses them. Board members should exercise appropriate caution in the performance of their public duties should issues involving their licenses or that of any of their employees come before the Board. This would include recusing themselves to the extent that their interests would influence or could reasonably appear to influence their actions.

*"A public servant shall take appropriate steps, under the particular circumstances and considering the type of proceeding involved, to remove himself or herself to the extent necessary, to protect the public interest and comply with this Chapter, from any proceeding in which the public servant's impartiality might reasonably be questioned due to the public servant's familial, personal, or financial relationship with a participant in the proceeding."

The Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. G.S. 138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. G.S. 138A-36(a) prohibits public servants from participating in certain official actions in which they have an economic interest or if the public servant, a member of the public servant's extended family, or a business with which the public servant is associated would otherwise benefit from that action.

In addition to the conflicts standards noted above, G.S. 138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gift rule are set out in G.S. 138A-32(e).



North Carolina Home Inspector Licensure Board (NCHILB)

North Carolina Home Inspector Licensure Board Administrative Code Title 11 - Department of Insurance Chapter 8 – Engineering and Building Codes Section - .1116 CODE OF ETHICS

- a) Licensees shall discharge their duties with fidelity to the public and to their clients, with fairness and impartiality to all.
- b) Opinions expressed by licensees shall only be based on their education, experience, and honest convictions.
- c) A licensee shall not disclose any information about the results of an inspection without the approval of the client for whom the inspection was performed, or the client's designated representative.
- d) No licensee shall accept compensation or any other consideration from more than one interested party for the same service without the consent of all interested parties.
- e) No licensee shall compensate, either financially or through other services or benefits, realty agents or other parties with a financial interest in closing of settlement or real estate transactions for the following:
 - a. Referral of inspections; or
 - b. Inclusion on a list of recommended inspectors or preferred providers.
- f) No licensee shall express, within the context of an inspection, an appraisal or opinion of the market value of the inspected property.
- g) Before the execution of a contract to perform a home inspection, a licensee shall disclose to the client any interest in a business that may affect the client. No licensee shall allow his or her interest in any business to affect the quality or results of the inspection work that the licensee may be called upon to perform.
- h) A licensee shall not solicit for repairs of systems or components found defective in the course of a home inspection performed by the licensee or that licensee's company.
- i) Licensees shall not engage in false or misleading advertising or otherwise misrepresent any matters to the public.
- j) Licensees shall not inspect properties under contingent arrangements whereby any compensation or future referrals are dependent on reported findings or on the sale of a property.



North Carolina Home Inspector Licensure Board (NCHILB)

Staff Report: Executive Director

TAB E

1. 2015/2016 Priorities: *Licensing, Education, Investigations*
 - i. Board-developed Update Course 2016/2017
 - ii. Exam Development – Computer Based Testing
 - iii. Board Rules Review (July 2017)

2. Performance Management
 - i. Licensee Retention / Recruitment
 - ii. Action Item List
 - iii. Feedback:

3. Budget Execution / Preparation – [Finance Committee]

4. Contracts
 - i. Audit RFP LB&A
 - ii. Inspector: Ray Cox (Charlotte)
 - iii. Update Course: IFB



North Carolina Home Inspector Licensure Board (NCHILB)

Staff Reports: Board Matters

TAB I

1. Calendar:
 - i. Next Board Regular meeting: July 15, 2016
 - ii. 2016 Quarterly meetings:
 - iii. Hearing: July 13, 2016
2. Disciplinary Actions: Overview for Board
3. Member Terms: NCGS 143-151.46(b)

“...The appointees shall hold office until July 1 of the year in which their respective terms expire and until their successors are appointed and qualified.”

<u>Name</u>	<u>Appt by</u>	<u>Pos.</u>	<u>Orig Appt</u>	<u>Exp Date</u>
Sawyer	Governor	CO	10/22/10	06/30/18
Jarrett	Governor	RE	06/01/09	06/30/17
Peeples	Governor	HI	08/11/08	06/30/16
Herndon	Pres Pro Tem	HI	07/01/11	07/01/19
Hall	Pres Pro Tem	HI	07/01/14	06/30/18
Upton	Speaker	HI	06/01/13	06/30/17
Ramsey	Speaker	PU	07/01/11	07/01/19
Noles	Comm. of Ins.	DOI	Designee	Designee

4. Officers/Members: Training – 93B requirements

93B-5. Compensation, employment, and training of board members.

(g) *Within six months of a board member's initial appointment to the board, and at least once within every two calendar years thereafter, a board member shall receive training, either from the board's staff, including its legal advisor, or from an outside educational institution such as the School of Government of the University of North Carolina, on the statutes governing the board and rules adopted by the board, as well as the following State laws, in order to better understand the obligations and limitations of a State agency:

 - (1) Chapter 150B, The Administrative Procedure Act.
 - (2) Chapter 132, The Public Records Law.
 - (3) Article 33C of Chapter 143, The Open Meetings Act.
 - (4) Articles 31 and 31A of Chapter 143, The State Tort Claims Act and The Defense of State Employees Law.
 - (5) **Chapter 138A, The State Government Ethics Act.**
 - (6) **Chapter 120C, Lobbying.**

Completion of the training requirements contained in Chapter 138A and Chapter 120C of the General Statutes satisfies the requirements of subdivisions (5) and (6) of this subsection.

ONLINE Courses through webpage:
http://www.ncdoi.com/OSFM/Engineering_and_Codes/Default.aspx?field1=Board_Member_Training&user=Home_Inspector_Licensure_Board_-_Contacts

5. By-Laws: Amended July 11, 2014

6. Committees: Reports



North Carolina Home Inspector Licensure Board (NCHILB)

Committee Reports FY 2016-2017

(Effective Date: February 26, 2016)

TAB K

Application Evaluation Committee:

Chair-Waverly Sawyer, Joe Ramsey, Arthur Hall, Terri Tart (staff)

- Equivalent experience

Examination Committee:

Chair-Chris Noles, Butch Upton, Fred Herndon, Jennifer Hollyfield (staff)

- Exam questions – review, challenge, letter response
- Exam question bank development/expansion

Finance Committee:

Chair-Joe Ramsey, Tony Jarrett, Chris Noles, Jennifer Hollyfield (staff)

- FY 2014 / 2015 Budget execution
- FY 2015 / 2016 Budget development

Legislative Committee:

Chair-Tony Jarrett, Marion Peeples, Joseph Ramsey, Terri Tart (staff)

- General Assembly: Long & Short Sessions - Bills / Statute Changes
- Rules Review Commission & Office of Administrative Hearings / Rule Changes
- Ethics Commission

Education Committee:

Chair-Marion Peeples, Butch Upton, Arthur Hall, Jennifer Hollyfield (staff)

- Update Course development and approval
- Pre-licensing Program Sponsor review & approvals

Standards of Practice/Rules and Interpretations Committee:

Chair-Butch Upton, Marion Peeples, Arthur Hall, Jennifer Hollyfield (staff)

- NC General Statutes (changes in law)
- NC Administrative Code (changes in agency rules)
- Interpretations
- Recommended Language
- Frequently Asked Questions (FAQs)



North Carolina Home Inspector Licensure Board (NCHILB)

Investigation Review Committee:

Chair-Marion Peeples, Butch Upton, Chris Noles, Phil Joyner (staff)

- Review Investigation Reports
- Recommend Dismissal or Dismissal with letter of caution
- Recommend Consent Agreement terms and conditions
- Recommend scheduling of Disciplinary Hearings
- Recommend action against unlicensed entities

Personnel Committee: *(meets on an as-needed basis only)*

Chair-Fred Herndon, Waverly Sawyer, Chris Noles

Advisory Committee(s):

New Licensee Report Audit Committee:

Chair-Fred Herndon, Marion Peeples, Joe Ramsey

- Review Investigation Reports and Contracts for New Licensees

NOTES:

1. Reference: NCHILB Bylaws – A quorum of any committee shall consist of a majority of all the members of the committee.
2. The Board Chairperson serves as ex-officio member of all committees.
3. Executive Director serves as advisor and attends all committee meetings with the exception of the Personnel Committee.



North Carolina Home Inspector Licensure Board (NCHILB)

Unfinished Business:

TAB U

- a. Annual Update Course
- b. Computer Based Testing (CBT)



North Carolina Home Inspector Licensure Board (NCHILB)

New Business:

TAB V

a.