



## North Carolina Home Inspector Licensure Board (NCHILB)

### Regular Meeting Agenda October 13, 2017

#### Chairman Butch Upton:

Call meeting to order, opening remarks and welcome guests  
Welcome new member Connie M. Corey, Real Estate Industry Representation  
Changes to the agenda

#### Vice-Chairman Joe Ramsey:

Read the Ethics Awareness and Conflict of Interest reminder.

1. Review and approval of minutes:
  - a. Regular Meeting: July 14, 2017
  - b. Regular Meeting: April 7, 2017
2. Staff Report
3. Committee Reports:
  - a. Application Evaluation ..... W. Sawyer
  - b. Examination ..... R. Roegner
  - c. Finance ..... D.A. Hall
  - d. Legislative ..... TDB
  - e. Education ..... F. Herndon
  - f. Investigation Review ..... F. Herndon
  - g. Standards of Practice / Rules & Interpretations ..... H.G. Gainey
  - h. Personnel ..... B. Upton
  - i. *Advisory Committee: New Licensee Report Reviews* ..... B. Upton
  - j. *Advisory Committee: Budget 1 – 3 Year Plan* ..... D.A. Hall
4. Public Comment
5. Unfinished Business:
  - a. Periodic Rules Review
  - b. Nominating Committee & Election of Officers 2017-2018
6. New Business:
7. Adjournment

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

(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 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.

**Staff Report  
Executive Director**

1. 2017/2018 Priorities: *Licensing, Education, Investigations*
  - i. Action Item List
  - ii. Examination: Computer Based Testing – *iPads, laptops*
  - iii. Education: Board-developed Update Course 2017/2018
  - iv. Agency Rules Review – *Board action required*
  
2. Performance Management
  - i. Licensing (Recruitment / Retention)
  - ii. Education (Feedback)
  - iii. Complaint Investigation
  
3. Budget Execution / Preparation – [Finance Committee]
  
4. Contracts
  - i. Auditor: *IFB 12-2017011 Issued 6/12; NO BIDS*
  - ii. Inspector:
  - iii. Update Course: Bonnie Gregory
  - iv. Report Reviews: *IFB drafted*
  
5. Calendar:
  - i. Next Board Regular meeting: Jan. 12, 2018
  - ii. 2018 Quarterly meetings: Jan 12; Apr 13; Jul 13; Oct 12
  - iii. Hearing:
  
6. Disciplinary Actions: Overview for Board
  
7. 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         | <b>06/30/18</b> |
| Corey       | Governor       | RE          | 07/01/17         | 06/30/21        |
| Gainey      | Governor       | HI          | 08/09/16         | 06/30/20        |
| Herndon     | Pres Pro Tem   | HI          | 07/01/11         | 07/01/19        |
| Hall        | Pres Pro Tem   | HI          | 07/01/14         | <b>06/30/18</b> |
| Upton       | Speaker        | HI          | 06/01/13         | 06/30/21        |
| Ramsey      | Speaker        | PU          | 07/01/11         | 07/01/19        |
| Roegner     | Comm. of Ins.  | DOI         | Designee         | Designee        |

**Staff Report  
Licensing**

| <u>Licensing Activities</u>                                  | <u>FY 2017 - 2018</u><br><u>7/1/16 thru 9/30/17</u> |
|--|---|
| Applications Approved  |   |
| New Licenses Issued  |   |
| Paper Exams Administered<br>April & June<br>Passed<br>Failed |   |
| Active Licenses  |   |
| Exam Registrations for _____                                 |   |

**Continuing Education (CE)**

| <b>CE Activities</b>  | <b>FY 2017 - 2018<br/>7/1/16 thru 9/30/17</b> |
|-----------------------|---|
| Course Approvals      |   |
| Course Renewals       |   |
| Course Roster Uploads |   |

**Pre-Licensing**

**Staff Report  
Investigations**

**FISCAL YEAR**

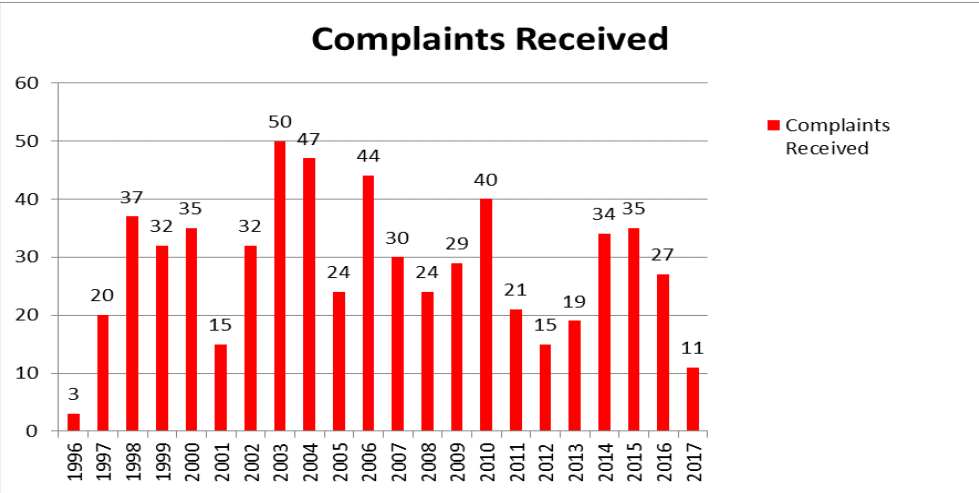
Complaints Received 7/1/16 – 6/30/17 = \_\_

Investigations Completed 7/1/16 – 6/30/17 = \_\_

**CALENDAR YEAR**

Complaints Received 2017 = \_\_

Investigations Completed 2017 = \_\_



**FY 2017-2018 Committee Reports**  
(Effective Date: July 12, 2016)

**Application Evaluation Committee:**

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

**Examination Committee:**

*Chair-(TBD)*, Butch Upton, Fred Herndon, Jennifer Hollyfield (staff)

**Finance Committee:**

*Chair- Arthur Hall*, Tony Jarrett, Jennifer Hollyfield (staff)

**Legislative Committee:**

*Chair-Tony Jarrett*, Joseph Ramsey, Fred Herndon, Terri Tart (staff)

**Education Committee:**

*Chair-Fred Herndon*, Arthur Hall, John Gainey, Jennifer Hollyfield (staff)

**Standards of Practice/Rules and Interpretations Committee:**

*Chair-John Gainey*, Arthur Hall, Fred Herndon, Jennifer Hollyfield (staff)

**Investigation Review Committee:**

*Chair-Fred Herndon*, John Gainey, Phil Joyner (staff)

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

*Chair-Butch Upton*, Waverly Sawyer

***Advisory Committee(s):***

**New Licensee Report Audit Committee:**

*Chair-Butch Upton*, John Gainey, Joe Ramsey

Budget Advisory 1 to 3 year

*Chair-Arthur Hall*, Butch Upton, Joe Ramsey, Rob Roegner, Eric Coates

**NOTES:**

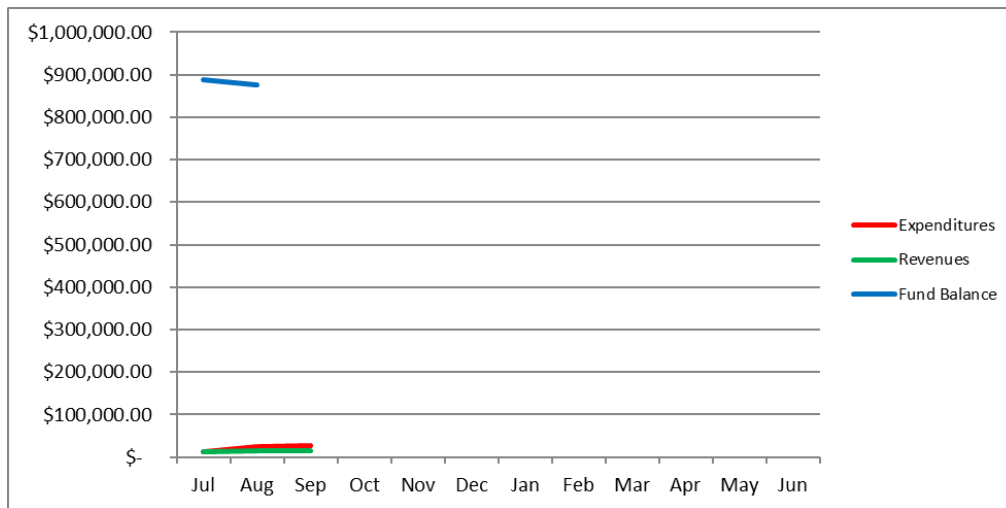
1. Reference: NCHILB Bylaws – A quorum of any committee shall consist of most all the members of the committee.
2. The Board Chairperson serves as ex-officio member of all committees.
3. Executive Director serves as advisor and attends all committee meetings except for the Personnel Committee.



**FINANCE**

**FY 2017-2018 (1<sup>st</sup> QTR 7/1 – 9/30)**

| Month | Expenditures | Revenues     | Fund Balance  |
|-------|--------------|--------------|---------------|
| Jul   | \$ 12,625.83 | \$ 11,690.00 | \$ 888,060.88 |
| Aug   | \$ 25,449.51 | \$ 13,755.00 | \$ 877,302.20 |
| Sep   | \$ 26,366.21 | \$ 13,755.00 |               |
| Oct   |              |              |               |
| Nov   |              |              |               |
| Dec   |              |              |               |
| Jan   |              |              |               |
| Feb   |              |              |               |
| Mar   |              |              |               |
| Apr   |              |              |               |
| May   |              |              |               |
| Jun   |              |              |               |



**FEES (Revenues):**

| Type            | Unit | Count | Total   |
|-----------------|------|-------|---------|
| Application     | 35   | 73    | 2,550   |
| Exam            | 80   | 66    | 5,280   |
| License         | 160  | 28    | 4,480   |
| Renewal         | 160  | 875   | 140,000 |
| Late            | 30   | 8     | 240     |
| Course Approval | 150  | 12    | 1,800   |
| Course Renewal  | 75   |       |         |
| Per Student Fee | 5    |       | 62,580  |
| <b>Total</b>    |      |       |         |

**INVESTIGATION REVIEW**

**INVESTIGATION REVIEW COMMITTEE  
COMPLAINT DETERMINATION RECOMMENDATIONS  
TO THE BOARD**

Hearing - Canceled

Consent Agreement

Dismiss with *Letter of Caution*

Dismiss

Unlicensed Activity  
N/A

## **UNFINISHED BUSINESS**

- a. **Rules Review**
- b. **Nominating Committee & Election of Officers**

## **NEW BUSINESS**