Minutes of the  
North Carolina Home Inspector Licensure Board  
April 12, 2019  

The regular meeting of the North Carolina Home Inspector Licensure Board (“Board”) was held at 9:00 am on Friday, April 12, 2019, in the Board office at 325 N. Salisbury Street, Raleigh, North Carolina.

The following members of the Board were present:

   H. John Gainey    Robert Roegner    Harold Upton
   Joseph Ramsey    Fred Herndon     Chad Collins

Vice-Chairman Arthur Hall and Board member Connie Corey were absent. N.C. Department of Insurance, Engineering Division staff members Mike Hejduk, Terri Tart, Jennifer Hollyfield, Sam Whittington and Thomas Cooney were in attendance. Board Attorney Heather Freeman, N.C. Department of Justice (“NCDOJ’’), was in attendance. Staff member Linzy Cook was absent.

Chairman John Gainey called the meeting to order and welcomed former Board member Waverly Sawyer and visitors Robert Wilson and Ken Brittain (N.C. Licensed Home Inspector Association), Wilson Fausel, Eric Coates and Floyd Gibbs (N.C. Home Inspectors), Bonnie Gregory (Inspector Nation), Brian Taylor (Chief State Fire Marshal, Assistant Commissioner) and legal counsel Keith Richardson (Forrest Firm, P.C.).

Recognize service of Waverly Sawyer
Chairman Gainey asked Waverly Sawyer to approach the Board. Gainey asked Director Mike Hejduk to join them in the recognition. Gainey thanked Sawyer and presented a plaque for his service to the Board and to the citizens of North Carolina. Hejduk thanked Sawyer for his years of dedicated service.

Agenda  
Board Attorney Heather Freeman reminded all Board members of the State Government Ethics Act provisions to avoid conflicts of interest, the appearance of conflicts of interest, and the potential for conflicts of interest. Freeman reminded members of the Board who are licensed home inspectors that they have the potential for a conflict of interest because they serve on the Board that licenses them. Freeman asked the members if anyone needed to recuse themselves for any listed agenda items. None were noted.

Approval of January 11, 2019 Regular Meeting Minutes:
Fred Herndon made a motion to approve the minutes. Butch Upton seconded, the motion passed unanimously.

Approval of February 11, 2019 Special Meeting Minutes:
Joseph Ramsey made a motion to approve the minutes. Butch Upton seconded, the motion passed unanimously.
Approval of March 18, 2019 Special Meeting Minutes:
Joseph Ramsey made a motion to approve the minutes. Butch Upton seconded, the motion passed unanimously.

Approval of March 27, 2019 Special Meeting Minutes:
Joseph Ramsey made a motion to approve the minutes. Butch Upton seconded, the motion passed unanimously.

Staff Report
Director
Mike Hejduk stated the N.C. General Assembly Joint Legislative Administrative Procedure Oversight (APO) Committee submitted draft legislation to reform financial reporting of occupational licensing boards, but did not include the Board in the list of 56 affected boards. Hejduk speculated that this was because the Board is staffed by the N.C. Department of Insurance (“NCDOI”), a state agency that already provides financial reports in the uniform format of the N.C. Accounting System (“NCAS”) and operates based on a fiscal year beginning on July 1 and ending on June 30. Hejduk stated that the 93B-2(a) [Annual] & (b) [Financial] APO Standardized financial reports had been completed and that he submitted the report prior to the deadline of October 31, 2018. Hejduk displayed the report in his presentation.

Hejduk stated that staff now has the potential for six stations of computer-based testing. Hejduk invited the Board members to look at the testing pods on the fifth floor of the Albemarle Building after the Board meeting. Hejduk stated that Bonnie Gregory will give an update on the Board-developed Update Course FY 2019-2020 during Jennifer Hollyfield’s staff report on education.

Hejduk reported that he was interviewed by the auditor Anderson Smith & Wike, PLLC prior to the Board meeting and that the audit remained in process.

Hejduk stated that Wilson Fausel will give a report on the New Licensee Report Reviews. Hejduk reminded the members of their respective term’s expirations. Hejduk reported that Fred Herndon’s and Joseph Ramsey’s terms end July 1, 2019. Hejduk stated that Chairman Gainey had asked Hejduk and Heather Freeman to contact the Structural Pest Control committee about licensed home inspectors and their interface with Pest Control inspectors. Freeman gave a brief report of the meeting stating that there was some overlap between both boards. Freeman stated that there would need to be clarification of the requirements of both boards. Freeman stated that home inspectors may need some suggested language for their reports. Hejduk stated that there would be more discussion in the committee meetings and possible participation by some Board members.

Hejduk stated that a licensee sent him information about dangers related to removing electrical panel covers. Hejduk reported that the standards of practice were last revised in October 2018. Hejduk reported that the new standards do include explicit direction to remove the electrical panel cover for inspection. Hejduk stated that he has spoken to Tim Norman, Director of the North Carolina State Board of Examiners of Electrical Contractors, and Joseph Starling, the Chief Electrical Engineer of the State. Hejduk stated that the definition of electrical work that requires
an electrical contractor does not include removal of the panel cover. Hejduk stated that home inspectors who do remove the electrical panel covers are not performing electrical work.

Hejduk also reported that the licensee asserts there are still real estate firms steering home inspection work to certain home inspectors and asked if the Board could poll inspectors on this issue. Hejduk stated that he could do a survey to find out from licensees whether they think that this issue is still happening. Hejduk stated that he would work with the Board’s attorney on some questions for such a survey. Fred Herndon asked Hejduk to put some language in the next newsletter about removing the electrical panel covers.
License Administrator
Terri Tart shared with the Board that member Connie Corey reported she was doing well following knee surgery. Tart stated for the quarter January 1, 2019, through March 31, 2019, 85 applications were approved, 68 new licenses were issued, and 7 computer-based exams were administered. Tart reported 74 applicants registered for the February paper exam and 63 exams were administered, 41 applicants passed the exam and 22 applicants failed. Tart reported 7 attendees attended the exam review on March 4, 2019. Tart reported that she had 38 applicants registered for the April paper exam and 30 exams were administered, 26 applicants passed, and 4 applicants failed. Tart reported that in the past she had more applicants signed up to take the exam. Tart stated that the numbers were down for the April exam. Tart reported that she anticipated the numbers would be back up in June.

Tart reported that there are currently 1,575 active inspectors. Tart predicted 1,600 active licensees by the end of this fiscal year ending June 30. Tart stated that she was training temporary employee Linzy Cook to process license applications and administer exams due to the increased workload.

Education Coordinator
Jennifer Hollyfield reported that from January 9, 2019, through April 10, 2019, staff received 9 new Continuing Education (CE) course approvals, 107 course renewals, and 2,664 course student evaluations.

Hollyfield stated that she had two Pre-licensing Field Trainer applicants for approval. Hollyfield reported that the two applicants were discussed in the Education Committee meeting held the day prior. Hollyfield stated that Butch Upton would be reporting on the two applicants during the committee reports.

Pre-Licensing Field Trainers

Floyd Gibbs
Licensed 12/16/13
No Complaints
Fred Herndon made a motion to approve. Butch Upton seconded the motion. The motion passed unanimously.

**Pre-licensing-120 Hours Program**
Inspection Certification Associates-Chicago, IL
Fred Herndon made a motion to approve. Butch Upton seconded the motion. The motion passed unanimously.

Hollyfield turned the meeting over to Bonnie Gregory to report on the status of the Board-developed update course materials for “How to Report Safety Concerns.” Gregory reported that she was reviewing the standards of practice to organize the course regarding what the inspector must report verses items that the inspector does not have to report on. Gregory reported that she sent out a survey asking for photos showing some safety items and received over 500 photos. Gregory said the course addresses items as that are safety hazards, concerns and desirable upgrades for Building, Electrical and Mechanical components and systems to mitigate life, safety, wildlife, and environmental issues. Hejduk stated that he felt that the course organization and scenarios presented to the Board today is a great format for the update course. John Gainey thanked Gregory for her presentation.

**Investigator**
Sam Whittington reported that staff received 40 complaints for the fiscal year and has completed 31 investigations. Whittington stated that he had received 20 complaints this calendar year and completed 14 investigations this calendar year. Whittington reported that the oldest complaint was received January 23, 2019.

Whittington presented the graph below showing the historical number of complaints received each calendar year since the start of licensing in 1996.

<table>
<thead>
<tr>
<th></th>
<th>FISCAL YEAR</th>
<th>CALENDAR YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints Received</td>
<td>7/1/18 – 6/30/19: 40</td>
<td>2019: 20</td>
</tr>
<tr>
<td>Investigations Completed</td>
<td>7/1/18 – 6/30/19: 31</td>
<td>2019: 14</td>
</tr>
</tbody>
</table>

Oldest case under investigation was received 1/23/19
Committee Reports

Application Committee:
Joseph Ramsey reported that the committee met and reviewed six (6) applications. Ramsey stated that the committee recommends Board approval for five (5) applications

1. Jeffrey Trette
   Ramsey made a motion to approve, seconded by Butch Upton. The motion passed unanimously.
2. Taylor Morse
   Ramsey made a motion to approve, seconded by Butch Upton. The motion passed unanimously.
3. Richard Leonard
   Ramsey made a motion to approve, seconded by Butch Upton. The motion passed unanimously.
4. William Dazzo
   Ramsey made a motion to approve, seconded by Butch Upton. The motion passed unanimously.
5. Michael Stoneman
   Ramsey made a motion to approve, seconded by Butch Upton. The motion passed unanimously.
6. Ty Satterwhite
   Ramsey made a motion to deny, seconded by Butch Upton. The motion passed unanimously.

Examination Committee:
Rob Roegner reported that staff did met and deferred the report to Mike Hejduk. Hejduk stated that staff member Rich Hall, who specializes in exams and test bank questions, is reviewing the
exam test bank. Hejduk stated the approved budget includes selection of subject matter experts to review existing questions and develop new test questions. Hejduk stated that a representative from Pearson, Christopher Herbst, met with staff and expressed interest in administering the Board’s exam as well as the Code Officials Qualification Board State certification exam. Hejduk stated he could develop an Invitation for Bid (IFB) if the Board chooses to contract out test administration. Butch Upton expressed concerns about resolving the testing issue in a timely manner. Roegner noted that third party administration of an examination would likely be more expensive. Fred Herndon stated the six month delay between State exam administrations for those applicants who fail must be changed and that requires a legislative change. Chairman Gainey shared a comment that some test questions are too long for a 200 question, four hour exam.

Finance Committee:
Fred Herndon reported that the committee did not meet but that the Board has an adequate fund balance. Roegner stated that the committee previously recommended to the Board at the February meeting to authorize a permanent position for the temporary position that Linzy Cook now holds. Roegner reported that a salary of $38,000.00 would require a budget of $52,000.00 a year for total compensation including benefits. Roegner reported that this position would be posted just like any other state position. Roegner stated that he would have to go to (OSBM) Office of State Budget Management for approval for the position. Butch Upton made a motion to approve, Fred Herndon seconded the motion. The motion passed unanimously. Roegner stated that he would proceed to the Office of State Budget and Management that would take about three to four months and then report back to the Board.

FEES (Revenues) – HILB System – through FY 3rd QTR

<table>
<thead>
<tr>
<th>Type</th>
<th>Unit</th>
<th>Count</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>35</td>
<td>290</td>
<td>10,150</td>
</tr>
<tr>
<td>Exam</td>
<td>80</td>
<td>292</td>
<td>23,360</td>
</tr>
<tr>
<td>License</td>
<td>160</td>
<td>183</td>
<td>29,280</td>
</tr>
<tr>
<td>Renewal</td>
<td>160</td>
<td>1,416</td>
<td>226,560</td>
</tr>
<tr>
<td>Late</td>
<td>30</td>
<td>74</td>
<td>2,220</td>
</tr>
<tr>
<td><strong>Licensing Sub-Total</strong></td>
<td></td>
<td></td>
<td><strong>291,570</strong></td>
</tr>
<tr>
<td>Course Approval</td>
<td>150</td>
<td>16</td>
<td>2,400</td>
</tr>
<tr>
<td>Course Renewal</td>
<td>75</td>
<td>148</td>
<td>11,100</td>
</tr>
<tr>
<td>Per Student Fee</td>
<td>5</td>
<td></td>
<td>87,060</td>
</tr>
<tr>
<td><strong>Education Sub-Total</strong></td>
<td></td>
<td></td>
<td><strong>100,560</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td><strong>392,130</strong></td>
</tr>
</tbody>
</table>

NC Accounting System (NCAS)
Legislative Committee:
Herndon reported that the committee had not meet. Herndon will schedule a meeting with Connie Corey.

Education Committee:
Butch Upton stated that the committee did not have anything in addition to staff’s report.

Standards of Practice Committee:
Fred Herndon stated that the committee would be working on suggested language for termite reporting. Herndon reported that he would also be working on suggested language for underground storage tank reporting. Herndon asked for any input from other committee members or home inspectors. Upton stated that the committee should also look at suggested language on safety concerns. Bonnie Gregory stated that the oil tank issues verses abandon tank issues is being addressed in this year’s update course.

Investigation Review Committee:
Fred Herndon reported for Arthur Hall and stated that the committee met. The following cases were submitted for consideration.

Hearing

1. 675 Lowe #1602 (Brown) Continued, No Board Action Needed

Consent Agreement

1. 729 Stephenson #4074 (Thiebeau)
   Upton made a motion to approve, seconded by Roegner. The motion passed unanimously.

2. 734 Coleman #3365 (Guidry)
   Roegner made a motion to approve, seconded by Upton. The motion passed unanimously.
3. **744** Evans # 3573 (Spence)
   Roegner made a motion to approve, seconded by Upton. The motion passed unanimously.

**Dismiss with Letter of Caution**

1. **702** Hardesty #1620 (Bougie)
   Roegner made a motion to approve, seconded by Herndon. The motion passed unanimously.

2. **741** Canipe #237 (Shelton)
   Roegner made a motion to approve, seconded by Upton, the motion passed unanimously.

**Dismiss**

1. **736** Goforth #296 (Howell)
   Roegner made a motion to approve, seconded by Upton. The motion passed unanimously.

2. **738** Eldredge #3527 (Taylor)
   Roegner made a motion to approve, seconded by Herndon. The motion passed unanimously.

3. **746/747** Daly #3536 (Buddenbaum)
   Roegner made a motion to approve, seconded by Herndon. The motion passed unanimously.

4. **758** Harrington #1399 (Stowell)
   Roegner made a motion to approve, seconded by Upton. The motion passed unanimously.

**Unlicensed Activity**

1. **759** Gunde *Injunction no vote, notification only*

**Personnel Committee:**
John Gainey stated there was no report. The Finance Committee had already discussed the permanent position that Linzy Cook is currently training for.

**Advisory Committee(s):**
Chairman Gainey turned the Advisory Committee report over to Wilson Fausel. Fausel presented a summary of the report reviews he has completed to date, statistics and showed examples of his spreadsheet tracking tools. Fausel stated he has received 122 reports out of the total 500. 28 reports (23%) missed one or more administrative items. 73 reports (72%) missed one or more inspection-related items. There were 34 (28%) reports with no errors. Fausel stated it appears some of these errors are from “canned” reporting software package where the inspector did not update their report software to reflect the most recent 10/1/2018 Standards of Practice. One report missed 29 items (24%). This was reviewed and uploaded to ShareFile and was flagged as an anomaly, so staff can make further contact as needed. One report missed 13 items (11%).
contract stated the house was occupied but there was no kitchen section in the report and it was not excluded in the contract. This caused 6 of the 13 missed items. One report was 116 pages long. Another was 67 pages long. From the cover pictures, these were average sized houses. Gainey thanked Wilson for his presentation. Below is a sample image from the slide presentation.

<table>
<thead>
<tr>
<th>SOP #</th>
<th>Missed</th>
<th>Processed</th>
</tr>
</thead>
<tbody>
<tr>
<td>.1103(a)</td>
<td>Does the report provide the client with a better understanding of the property condition?</td>
<td>0</td>
</tr>
<tr>
<td>.1103(b)(1)</td>
<td>Is there a written contract?</td>
<td>0</td>
</tr>
<tr>
<td>(A)</td>
<td>Signed by the client?</td>
<td>1</td>
</tr>
<tr>
<td>(B)</td>
<td>Is in accordance with the Standards of Practice of the NCHILB” included?</td>
<td>15</td>
</tr>
<tr>
<td>(C)</td>
<td>Describe what service shall be provided &amp; cost</td>
<td>3</td>
</tr>
<tr>
<td>(D)</td>
<td>State, when an inspection is for only one or a limited number of systems or components</td>
<td>1</td>
</tr>
<tr>
<td>.1103(b)(3)</td>
<td>Submit a written report and summary</td>
<td>0</td>
</tr>
<tr>
<td>(B)</td>
<td>State which systems &amp; components present that were not inspected, and the reason for not inspecting</td>
<td>0</td>
</tr>
<tr>
<td>(C)</td>
<td>State any systems or components inspected that do not function as intended, based upon documented tangible evidence</td>
<td>0</td>
</tr>
<tr>
<td>(D)</td>
<td>State whether the condition reported requires repair or subsequent observation, or warrants further investigation by a specialist. The statements shall describe the component or system and how the condition is defective, explain the consequences of the condition, and direct the recipient to a course of action with regard to the condition or refer the recipient to a specialist</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
Public Comment:
John Gainey thanked the visitors in attendance for coming to the Board meeting. Gainey asked the public if they had any comments for the Board. None were noted.

Unfinished Business:
Chairman Gainey asked Sam Whittington to introduce Thomas Cooney, Investigator, to the Board members. Sam stated that Cooney would be helping him out with the complaints. Gainey and other members of the Board welcomed Cooney. Gainey stated that Cooney passed the home inspector exam.

New Business:
Marsha Winstead and David Roccio with WinRock Productions, LLC were awarded the contract for the Board educational videos. Winstead showed some short sample script videos to the Board members. Chad Collins asked whether these videos will be done in the Spanish and English. Winstead stated that a Spanish version was not included in the Invitation for Bid and would require a contract modification. Collins then requested a contract modification for a Spanish version. Collins also stated that there was not much diversity within the videos.

There was much discussion about what was and was not in the videos, such as that home inspectors do not inspect for termites. Floyd Gibbs recommended stating that a home inspection is not a home warranty. Bonnie Gregory cautioned against showing inspectors with technologically advanced measurement tools that are not required by the Standards of Practice. Floyd Gibbs suggested the videos note that North Carolina licensed inspectors must attend continuing education.

Heather Freeman stated that any further discussion should go to the Education and Standards of Practice committees. Freeman stated that the presentation today was just a snap shot, not the final product. Floyd Gibbs thanked the Board for all they do for the home inspection profession in North Carolina. Mike Hejduk stated that the Information for Bid was tightly written and he was not sure whether contract modifications were allowed. Hejduk stated that another Invitation for Bid might be required for Spanish audio. Hejduk told Winstead that he would be the contact for comments and or changes. Roegner stated that the committee may need to meet prior to the July meeting. Herndon stated that the Real Estate video would need to be done prior to the conference in September. Winstead stated that these videos are not geared toward home inspectors. Winstead stated that these videos are to educate the public. Roegner made a motion for WinRock Productions, LLC to continue the development of the four (4) videos. Joseph Ramsey seconded the motion, the motion passed unanimously. Hejduk stated he would send the link to the videos to members not present and advised the members to send emails with additional comments for incorporation into the script so as not to end up in July with a product no one expected.

Chad Collins challenged the Board and staff to go green. Roegner stated that he did not mind printing out front and back materials if the Board members agreed. Upton stated that we could just look at the materials on the lap tops and not print out anything. Staff will no longer print out meeting materials for Board meetings.
Roegner stated that he needed approval to spend about $1,000.00 to buy four additional cameras for the testing pods. Herndon made a motion to allot up to $1,000.00 to purchase the additional cameras. Upton second the motion. The motion passed unanimously.

**Adjournment:**
Chairman Gainey adjourned the meeting.

Respectfully submitted,

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