



**Matthew G. Bevin**  
Governor

**K. Gail Russell, Secretary**  
Public Protection Cabinet

**H.E. Corder II, Director**  
Kentucky Real Estate Authority

**Kentucky Board of Home Inspectors**  
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**VOTING MEMBERS**  
Welford "Bud" Wenk, Chair  
Mitch Buchanan, Vice Chair  
Steven Cunningham  
Larry Joe Walden  
Paul Ogden

**STAFF**  
Nathan L. Burton, Board Administrator  
Heather L. Becker, General Counsel

**June 18, 2019**  
**10:00**

## **BOARD MEETING MINUTES**

A regular meeting of the Board of Home Inspectors was held at 656 Chamberlin Avenue, Suite B in Frankfort, Kentucky on June 18th, 2019.

### **MEMBERS PRESENT**

Welford "Bud" Wenk, Chair,  
Mitch Buchanan, Vice Chair  
Larry Joe Walden  
Paul Ogden

### **KENTUCKY REAL ESTATE AUTHORITY**

Heather L. Becker, General Counsel  
Nathan L. Burton, Board Administrator

### **MEMBERS ABSENT**

Steve Cunningham

### **GUESTS**

Brad Easley- Easley Home Inspections  
Hannah Carlin- Kentucky Real Estate Commission Education Coordinator

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## **CALL TO ORDER AND GUEST WELCOME**

Board Chair Wenk called a regular meeting of the Kentucky Board of Home Inspectors to order at 10:06 a.m. Board Member Cunningham was absent, but the remaining four (4) members were present and a quorum was established. Introductions were made, and guests in attendance were welcomed.

### **Review and Approval of Meeting Minutes**

In review of the previous meeting minutes, member Ogden had a concern about the portal administration fee discussed for online applicants at the regular May board meeting. Board Administrator Burton advised that the fee is not collected by the Board, but is a service charge by the third party provider of the online financial transaction service and webhost. Seeking to avoid charging licensees an "extra fee" for convenience of the online renewal process, Chair Wenk asked the legal staff to advise if the Board could be billed the service charge instead of the licensee. Counsel Becker advised that while she sees no legal reason that the Board could not assume the fee, she would need to confirm with the cabinet fiscal staff to make sure. As such, she will report to the Board her findings. Chair Wenk stated he feels very strongly the



licensee should not have to pay the “convenience” fee, and if we (the Board) can be charged the portal fee it would be best.

After discussion over the concern of the portal administration fee, a motion was made by Member Ogden and seconded by member Buchanan to approve the regular May 21<sup>st</sup>, 2019 meeting minutes. All in favor, the motion carried.

### **Review Financial Report**

The board reviewed the financial report on the current status of the fiscal claims for the board. There was no action necessary to approve.

### **Licensure Report**

Board Administrator Nathan Burton gave the licensure report. As of June 18, 2019 there are 513 Active Licensees, nine (9) active pending renewal. In addition, there are nine (9) inactive licensees, and seven (7) pending initial applications. One (1) licensee is Inactive for Non-Renewal. The total licensure report being 532 licensees.

### **Applications Committee Report**

Chair Wenk, of the Applications Committee, reported the following committee recommendations:

Six (6) Initial License applications were reviewed. Three (3) of the six (6) were recommended for approval, with the others deferred for administrative approval after necessary documentation was supplied.

Chair Wenk made a motion to accept the recommendations of the Applications Committee, and Member Buchanan seconded. All in favor, the motion carried.

### **Education Committee Report**

Member Walden, of the Education Committee, reported the following committee recommendations

There was an application by the American Society of Home Inspectors to renew their approval of a Continuing Education provider. A motion was made by member Walden to approve the renewal of the provider. The motion was seconded by chair Wenk, and with all in favor, the motion carried.

The continuing education course “Safe Practices for the Home Inspector” by the *Bluegrass Inspection Institute* was submitted for renewal approval. A motion was made by member Walden to approve the renewal of the course for two (2) hours of accreditation. The motion was seconded by member Buchanan, and with all in favor, the motion carried.

### **Complaint Committee Report**

As stated in the May 21, 2019 meeting, the Board desires to publish “a tip of the month” for all licensees regarding possible issues that frequently happen in the field of Home Inspections. Counsel Becker suggested to, in the monthly Board meetings, create a handful of tips to Home Inspectors to keep the licensees aware of current issues. These are tips that can easily be pulled from the complaints committee

for common issues, and after the newsletter is published we can have a section concerning the tips of the quarter, to reiterate the ideas behind them. She also suggested it would be best to have one (1) tip regarding licensing laws, one (1) tip as to the license itself, and one (1) tip as to the practicality of the license.

Member Ogden, of the Complaint Review Committee, gave the Committee's recommendation to the Board as to one (1) pending complaint.

- 19 KBHI 001- Member Ogden stated that the complaint will be sent out for response for more information to investigate the complaint further. When in receipt of the response, the complaint committee will give the full recommendation.

Due to growing concern over language being used in Home Inspection Reports regarding biological growths, wood boring insects, or any other environmental hazards not covered in the scope of a Home Inspection, Counsel Becker suggested the Board draft language of what specifically would need to be stated in the report, regarding the specific issue, and the Board staff can issue a release to the licensees regarding the language. Member Ogden raised the point that this could be information provided to the public during the course of the contract that says "A home inspector does not check for X, but they are responsible for Y". Counsel Becker suggested to the board that this would be something worth adding to a course currently being developed by the board, as well as possibly having it in a Business Marketing Class.

### **Legal Report**

- Docket Review- Counsel Becker has asked Board Administrator Burton to prepare a docket for the Board's legal cases to ensure that the Board remains up-to-date on cases. As such, the board in 2018 had ten (10) cases that were filed. One (1) is still open, one (1) is held in abeyance, and the rest were dismissed or a final order of discipline was agreed. In 2019, we currently just have one (1) case, which is open that was previously discussed in the complaint committee's report. The Board still has the InterNACHI lawsuit open, and Counsel Becker contacts the opposing attorney often to ensure we are on the same page regarding resolution. The opposing counsel just wants to ensure they are not waiving future rights to claims against the Board.
- Distance Education Regulations- A packet of Distance Education Requirements for the Kentucky Real Estate Commission was given to each of the Board members to review. As the Board wants better control over the courses available through the Online Process, these distance education requirements will help the Board possibly determine language in future regulation reform regarding education. These will be discussed at a later meeting.
- Licensee Notification- The Board Staff drafted two (2) notices to go out to all licensees, one about the online licensing and one about the regulation reform. Counsel Becker advised that when the Newsletter is first published, we reiterate what was released to the licensees.

### **Board Administrator Report**

Board Administrator Nathan Burton gave the Board Administrator report:

- Timothy Fifield Request- The Board was contacted by Timothy Fifield, a Home Inspector in Madison County. He requests that a member of the Board be present and present a topical speech at his local board of realtors' meeting that he is hosting in Richmond on July 18. Chair Wenk stated he will go, and if unable to he will have another Board member replace him.
- Reciprocity- The Board members have been given specific packets to review based on other states' requirements for licensure. As such, the Board has deemed that they wish to possibly pursue a *recognition* licensure agreement instead of a *reciprocal* licensure agreement. The difference being is that a *recognition* agreement states that we recognize you have an *Active* license in other states, but to become a licensee here you must complete specific requirements. A *reciprocal* licensing language, as it currently concerns the Kentucky Board of Home Inspectors, requires that to be licensed from another state you must be moving to Kentucky, and the previous state must offer the same agreement and protection to our licensees as we are to theirs. This language is restricting, and the Board decided they would rather pursue a *recognition* program.
- Online Questions/ Comments- The board had previously reviewed how the online renewal process was going to be implemented, and at this time Board Administrator Burton asked if there were any questions/ and or comments on the process he will then report to the technical department. Member Ogden's main concern was to not create more of a burden on the Board administrator's position in regards to approving the renewals. This concern was taken into consideration, and Burton stated he is still working with the I.T department to make the process as automated as possible. Counsel Becker stated that really the only item in the renewal that can be completely automated, without some verification of the board member, is the education. The Board can automate this by eventually having the providers upload the education classes through an online portal they create, which then ties the class directly to the licensee.

Burton then stated he is currently in the process of uploading all course providers, as well as courses, into the licensing database. This will make it easier for the board to monitor when classes/providers expire, how many hours each course is approved of, and any other information specific to the providers. As such, he did advise the board that class approval numbers, and course provider numbers, will be changing to reflect the new system.

Member Ogden expressed concern that, as this would put more strain on the providers, he wanted to know how much time this would give the providers to change their system of reporting the classes. Counsel Becker advised she wants to write the logic for the system first, then draft the regulatory language. This way we could see if there are providers who would like to "beta test" the system to ensure it is a smooth transition. As far as timing goes, regulations filed after July 15<sup>th</sup>, 2019 at noon are under a new period of timing and review. As such, once regulations are submitted, there is a two (2) month comment period and a three (3) month referral period to the subject matter committee, which adds more time to the process than previous filings. In regards to Member Ogden's concern, if, hypothetically, we filed the new regulation in August of 2019, it would be published in September, September and October would be the comment months, and the Board will give the comment responses in November. Then the regulation would go to the regulation review committee in December, causing January-March to be the subject matter referral committee months, which would allow a regulation to go into effect in April of 2020. A time period of August-April of the

next year in this hypothetical situation. She advised that, as it is coming an even-year renewal period, it would be best to try to target a mid-Spring filing of the regulations as they will then go into effect, at earliest, the end of the year in 2020, going into an odd-number renewal cycle, which is less busy than the even year renewal cycle.

- Licensing Cards- Burton asked for clarification on the Board’s policy of providing licensing cards to all current licensees. As part of the new online system, the system establishes a card, with picture, for the licensees to be able to print and/or display on their own. As such, Burton wanted clarification on when the Board officially wanted to stop sending licensing cards out to the licensees. When the Board wants this to happen, Burton will then draft a release to all (renewal and initial) licensees to let them know that the Board will no longer be issuing license cards, and they will be available to licensees through the online services account. Chair Wenk stated that by the end of this year (2019) he feels would be best to stop the process, as we are rolling into the 2020 renewal cycle.
- Newsletter- Discussion of the first newsletter was deferred for discussion until all proposed pieces are submitted.

### **Board Chair Comments**

Chair Wenk had no further comments at this time

### **New Business**

Hannah Carlin, KREC Education Coordinator, introduced herself to the Board. The Board previously requested that Ms. Carlin review a course being developed by the Board, and offer feedback on the course itself. As such, she advised that the basis of the course was sound, but needed some additional information and material to possibly be approved by KREC as an education course for real estate licensees. This course is in effort to establish mostly equal educational standards and materials across all four boards of the Kentucky Real Estate Authority. Member Ogden asked who could provide this course to Real Estate agents once it is approved, and Ms. Carlin stated that technically the Board could do it as a governmental body, or they may want to team up with local area real estate boards to establish the class.

### **Open Forum- Public Comments**

There were no public comments at this time.

### **Executive Session Legal Matters and Case Deliberations**

At 11:50 a.m., Member Ogden moved for the Board to enter executive session, pursuant to KRS 61.810(1)(c) and (j) and (k) and KRS 61.815, to discuss proposed or pending litigation and deliberate on individual adjudications in “18-KBHI-013.” The motion was seconded by Chair Wenk.

At 12:02 p.m. Member Ogden moved to come out of Executive session, and Member Buchanan seconded. The motion carried.

Once executive session was adjourned, Member Ogden made a motion to accept the Agreed Order that was discussed in Executive Session for case 18-KBHI-013. The motion was seconded by Chair Wenk. All in favor, the motion carried.

### **Travel and Per Diem**

Member Ogden made a motion to accept the travel and the per diem of the board, and Member Buchanan seconded. The motion carried.

### **Meeting Adjournment**

As there was no further business to discuss, Member Ogden moved to adjourn at 12:05 p.m. The motion was seconded by Member Buchanan, and the motion carried.