ERER Task Force Meeting
July 11, 2002

Present: (Members), Julie Bergh, Jeff Carlson, David Claypool, David Arbeit, Larry Dalien, Leonard Peterson, James Lawler, Don Goedken, Cindy Koosmann, Marty Henschel, Chuck Hoyum, Secretary of State Mary Kiffmeyer, Denny Kron, Gail Miller, Mark Monacelli, Bill Mori, Joe Witt, Chuck Parsons, (via telephone) Carmen Bramante John Jones, (Guests) Molly Terry (via telephone), Paul Backus, Pam Trombo, Bert Black, Luci Botzek, Gabe Minton (via telephone), Beth McInerny.

1. Call to Order

Secretary Kiffmeyer called the meeting to order at 9.35.

2. Approval of June 13, 2002 Minutes

The minutes were approved as distributed.

3. National Standards

Mark Monacelli expressed disapproval of the ERER Standards. He identified two issues. One concern being the term "standards". He stated that this term was misleading and that a better description in his estimate would be drafts that will become standards after pilot testing. His second concern was that the current Minnesota standards do not exactly match the national standards of electronic real estate filings. Mark gave a brief background of the national standards initiative. He began with a detail of the initiation discussion of national standards in August of 2000 in California with Roseanne Lopez from Deloitte and Touche. As a member of PRIJTF (now PRIA), Mark introduced the concept to this national committee who took it on as their objective. PRIJTF felt they should take this on. National standards were an effort to improve communications processes for counties. There are no standards in the paper world and it costs thousands of dollars because of this. Mark is the industry liaison and has visited state associations, public and private, to address the importance of adopting standards.

Specifically, Mark identified an issue with item E in the standards document:

> **Recommended Standards:**
> - **Adopt the schema for satisfaction, certificate of release, deed, assignment of mortgage, certificate of real estate value, and affidavit of purchaser for Torrens property as Minnesota standards (Appendix A).**
> - **Adopt the DTD for MISMO e-mortgage standard as the Minnesota standard.**

Mark felt that this suggestion was confusing and asked Paul Backus from BenNevis to provide detail so that issues could be cleared up. Mark specifically asked what BenNevis' investigative process was for defining standards.

Paul Backus outlined the process that BenNevis took on. First they looked at information in MISMO and PRIJTF web sites for information. They spoke with John Jones who also pointed to this information.

BenNevis started with data elements and DTD information from this. They looked at MN specific documents, State standards. The first decision that was tackled was the option of DTD vs. Schema. BenNevis was directed to go forward with schema. The MISMO mortgage information in DTD aligned with MN needs and there was a recommendation to adopt that. Schema was designed for the other real estate documents. When BenNevis looked at MISMO site, the DTD included 212 elements all together, 166 of which were consistent with the MN schema. There was also a recommendation to not use the unparsed fields on this DTD as that is a poor computing strategy.   There were also 22 fields that are not used in MN, these were not included. John Jones last week sent a revised DTD. Several fields have been added to this DTD. A glossary is needed to define these new fields so that a determination can be made whether they should be added.

For naming conventions, Minnesota standard usage was applied. Minnesota specific fields of information were also added.

The Secretary asked if a document came in with Minnesota naming, could this be mapped to a field with a different name? Paul responded yes.

Bill Mori stated that the national organizations in their wisdom understand that their standards will not be inclusive of every field for every State. They recognize there will be state specifics and allow for extensions to include MN standards. We have identified in the standards that there be a Maintenance Organization to keep building on these standards and keep them in line with national standards. There is a way to technically handle both national and state needs. Minnesota should get an extension registered and things should be fine.

Mark noted that if you create a naming convention that is specific to Minnesota that could add significant costs.

Paul Backus suggested that the Task Force consider the issue of Schema vs DTD. They consider if they would want to add elements to the MN schema that are not used by MN but are on the national DTD. Paul also identified naming conventions as an issue, do we want to use MN or national naming conventions.

Gabe Minton asked to make a clarification regarding the issue of schema vs DTD. You can have schema and DTD together – architecturally you can have both XML formats.

Bill Mori suggested that the maintenance subcommittee needs to look at this and see what this means for systems to interpret these. We need to understand the pros and cons of this.

Jeff Carlson noted that Paul Backus had told us first off that MN was going to bypass national initiatives because we are a state only and can move quicker. But by adding national standard fields, fields we don't have or are not required to have, will this be confusing for people filling in document information? It will be discarded information when it is received. He is concerned about this.

Gabe stated, in terms of MISMO and PRIJTF, with XML it is extensible but fields can be optional. In-putters won't break the system if they ignore fields you don't use. Extending is also allowed, adding fields while maintaining core compliance.

Bill Mori suggested that we can register those extensions and then users are aware of it. This is "and" not an "either or" situation here.

Gabe added that naming conventions have been created for extensions – state specific fields are preceded with MN for example. So there is easy extensibility here

John Jones noted that on a national basis, you have thousands of banks and title agents and developers who build systems. A state standard with an extension is easier to work with that a whole new state standard alone. MN should rely on national groups to give naming conventions and other standards. Only spend MN resources on what is MN specific, it will be easier and cheaper to do that.

Jeff noted that naming conventions could be easily adopted as Paul suggested. We are bringing it back up to DTD and schema. Should we add DTD to standards and not just do schema? Would this be the more prudent?

Gabe stated that his group has done a lot of analysis of schema and the size of files and with schema there are bugs.

Jeff asked what would that cost of going to DTD and schema?

Paul noted that would take time to identify, he would also like to talk with Gabe and discuss with him his ideas. There would be implementation issue that BenNevis would need to investigate. The DTD out there support all documents. There are no validation rules and schema works on a document basis to allow for this.

Mark suggested that the Task Force fund the cost of getting Paul and Gabe together to work on this.

John Jones mentioned that benchmarking should be done on processing of schema documents. He asked what the technology in place in MN is today to support this technology. What are the performance hits that will support this?

Secretary Kiffmeyer responded that the Secretary of State has satellites at county offices. We pass images through most of the smaller counties. These are substantial files using a T1. In our work we did assess where they are at today and where they are going. Hardware should not be a barrier.

Larry Dalien added that we are only doing a few pilots right now but by the time we truly implement, in 2 years, counties will have an opportunity to do upgrades and make their systems ready.

Gabe stated that the PC does more processing and that is almost as important as the T1 line. It will affect the turn around time of processing for counties.

Paul added that there is one mitigating factor in this issue for MN counties, volumes are fairly low. Not many counties have a volume that would choke a system.

Secretary Kiffmeyer mentioned that she is a member of the Technology Enterprise Board and they are working on access and quantity of access in Minnesota. They are looking at OC182 – the connectivity issues will be there.

Bert stated that we are looking at a 2005 state implementation – what will the status of DTD be in 2005, will anyone be using it?

Gabe said, as a pure prediction – DTD will be in use in 2005. Schema will be in place now and will be heavily in use in 2005. Schema benefits have not been realized by some users today. Though validation rules are built in they are still being done manually.

Cindy Koosman stated that we should not being tying ourselves into either or, but we don't have all the facts. We should do something that allows for both. We should leave ourselves open.

Secretary Kiffmeyer suggested that we get that standards group activated and assess this information and give us a report on their findings. We already have a point from which we can start from.

Chuck Parsons notes that we have a standards report that mentions schema, does that put us in a bad spot.

Mark added that what we voted on were not standards – they are a draft version document to be tested – it is not a standard - it is a set of guidelines

Chuck Parsons stated that we have a benchmark to begin pilot activity from – we have a committee to monitor this – we need a beginning point and make sure DTD is mentioned so we can guide counties in their pilot activities.

Gabe stated that when you have a starting point the national groups can help with your work. You can go with a schema – but how you build that schema should use the national core as a basis for what you build so you can re-use what you have

Secretary Kiffmeyer stated that our document has been approved after many reviews by groups, subcommittees and a maintenance group will help us continue this work.

Chuck asked that if we include DTD, don't we need to amend what we adopted? Before pilots begin, we need an analysis and a change to this document.

Bill Mori stated that we need a version and change control. Beth presented the Task Force with a change control form a while back and we could utilize this.

Gabe also offered a version control process that could be used.

Secretary Kiffmeyer suggested that the maintenance group should take this offer up and consider this and thanked Gabe for his offer.

Mark noted that we would also need dollars to fly Paul out to visit with Gabe.

Secretary Kiffmeyer stated that also is something the maintenance group should take on and that subcommittee should be given authority to make that recommendation to the Task Force.

Jeff suggested we get an informal group together quickly – get Paul and Gabe together and put on the August agenda vote for an on-going maintenance group.

Denny Kron suggested that the Technology Subcommittee be the committee to take this on.

Secretary Kiffmeyer identified that we may need to get other people on this group.

Mark Monacelli asked John Jones if he would be able to assist us, and he agreed.

Secretary Kiffmeyer asked John if his organization will fund a flight out there –John will look into this.

Mark Monacelli moved that the Technology Subcommittee meet to address the immediate needs of review of standards and make a recommendation to the Task Force on August 8th Task Force meeting.

Denny Kron seconded. The motion passed unanimously.

Secretary Kiffmeyer asked if they recommend at the August Task Force meeting, are pilot counties still on track? Paul Backus indicated that they would be.

Gabe provided his contact information for the Task Force:

Gabe Minton
202-557-2821
gabe_minton@mbaa.org

4. Report on Executive Committee

- BenNevis Contract

Bert Black reported on the contract amendment for Ben Nevis. All details in the amendment are based on what was discussed at last Task Force meeting. One unexpected point because of state law, it is required that we withhold 10% for retainage. That means that approximately $30,000 that would have been paid to Ben Nevis later this month must be withheld for another year. The contract extension increases that amount by approximately $10,000. BenNevis has asked for their original retainage or an increase in the contract amount. The original retainage is, of course, prohibited by law. An increase of $2,100 in the contract amount was moved by Mark Monacelli. Jeff Carlson seconded. The motion passed unanimously.

- McInerny Consulting Contract

The contract with McInerny Consulting LLC for Project Coordinator Services runs only until June 30, 2003. In order to secure these services until the end of the Task Force period, June 30, 2004, a contract amendment was necessary. The contractor submitted a revised proposal for the amendment. The proposal calls for an increase in compensation to $85,000 per year for the next two years. The proposal extends the contract and also accounts for the fact that another round (Phase II) of pilots has been added and recognizes that the Project Coordinator tasks, which were thought by all parties involved, to be a 60% - time task, are actually full-time. Bert Black analyzed the contract and on an hourly rate, the amendment actually reduces the hourly rate based on a 60% versus full-time comparison. After some discussion of the terms, approval of an increase in compensation to $85,000 per year for the next two years was approved.

- Updated Pilot Subcommittee Responsibilities -

The updated pilot subcommittee responsibilities document was reviewed. It was identified that the term Task Force be replaced by Maintenance Subcommittee in third bullet point. Mark moved this to accept the new responsibilities. Leonard Peterson seconded, vote was unanimously adopted.

- Pilot Scope Document

Secretary Kiffmeyer introduced this document. The objective is to make sure we are all on the same page as we proceed through this initiative. And this is a statement to reflect what the pilot activity will encompass.

Bill Mori commented on the first paragraph under **Pilot Scope**, we are using pilots to test standards, not standards for pilots.

Carmen Bramante stated that in his opinion, these really are not standards.

Secretary Kiffmeyer stated that these are Version 1 of Standards. We will add to these standards and this is the point from which our work begins.

Carmen Bramante stated that he would like to go on record opposing the word Standards. These are not standards and would like this to go on record.

Mark Monacelli stated that there is confusion with the word standards. He would be more comfortable coming up with another word.

Secretary Kiffmeyer stated that we can take this up at the next task force meeting if still necessary.

Carmen also asked to be included in the next technology meeting.

Mark Monacelli stated that we need more people who are technology versed on this committee. He suggested Carmen be included on that subcommittee – we should not preclude new people.

Larry Dalien noted that anyone can come to these meetings.

Mark Monacelli stated that Carmen would not have a vote – that is the issue.

Larry responded that these meetings have been pretty informal thus far and a vote capacity is not necessary, everyone has a voice and recommendations are made to the Task Force.

Bert suggested that the statement be added that "the Task Force may amend the standards from time to time", to the first paragraph.   Moved and seconded. The motion passed with Carmen Bramante abstaining and Mark Monacelli opposing.

4. Reports from Subcommittees (no meetings have taken place this month)

5. Report on Project Status (Beth McInerny)
    - Pilot County Kickoff Meetings
    - Next Steps

Beth walked through a document outlining county readiness and the progress so far with pilot county work during the Planning and Budgeting for Phase 2 milestone. Hennepin, Renville, Roseau, and Dakota have all begun meetings with BenNevis and Beth, Lyon County is scheduled for next week.

Bill Mori also mentioned that there is a need to add county IT people in a subcommittee to obtain their feedback in our process.

Other Business

Mark Monacelli noted that Mike Cunniff does not have the authority to discuss full pilot county activity with a vendor, as he is doing with Wells Fargo. We need to go on record to say that individual counties are putting the Task Force in danger by taking on this responsibility. He does not have the authority to talk for any of these counties. His discussions can affect national issues. Something needs to be done.

Larry Dalien noted that Beth had mentioned in her county readiness discussion that she had the contact name and is trying to make a contact with their submitter to introduce herself. He also noted that counties were asked to contact their submitters. Mark Monacelli was asked to look at the funding issues with these contacts.

Mark Monacelli stated that Mike is representing the counties and that needs to go back to the Task Force.

Jeff Carlson added that Mike had mentioned that he was going to get the Wells contact to the Task Force meeting in August.

Beth will continue to make contact with Wells.

6. Adjournment

The meeting adjourned at 11:45