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Electronic Real Estate Recording Task Force

Pilot Framework and Scope Subcommittee

SCOPE: This group will provide recommendations to the task force regarding the following:

- Develop and recommend a selection criterion that provides a representative profile of a cross section of Minnesota private and public sector real estate recording offices. From this profile, a set number of counties will be selected.
- Provide a recommendation of the processes and documents to be pilot tested (mortgages, assignments, satisfactions, deed, etc.).
- From this profile create a request for participation (RFP) for public and private real estate recording offices to participate in a pilot program.

MEMBERS

Angela Burrs	County Auditor - Fillmore
Bob Horton, Chair	Historical Society
Carmen Bramante	Fannie Mae
Cindy Koosman	County Recorder - Washington
Denny Kron	Deputy County Auditor - Stearns
Gail Miller	County Recorder - Renville
Jenny Engh	Department of Revenue
Joe Witt	Minnesota Bankers Association
Mark Monacelli	County Recorder - St. Louis
Mike Cunniff	County Recorder - Hennepin
Paul Kiltinen	Attorney at Law
Richard Little	Deputy Examiner of Titles, Hennepin County
Steven Rohlik	County Treasurer - Steele
Susan Dioury	MN Association of Realtors

MEETING MATERIALS:

Meeting Minutes 4-16 and 4-23

Groups Participating in In-Depth Surveys

On-Site Survey Instrument

Phone Survey Instrument

Minutes from January 4, 2002

Minutes from August 6, 2002

SUBCOMMITTEE RESOURCES:

Send comments regarding this site to:
www@commissions.leg.state.mn.us

Updated: 09/05/02(jhr)

Pilot Framework Subcommittee Meeting Notes

Background

The pilot subcommittee met on 16 and 23 April: 1) to determine a process for selecting host counties and their private sector partners; and 2) to establish the scope of the pilots. The tasks in the process we recommend are outlined below. Some of these are sequential, others should be carried out simultaneously.

We had a number of considerations in mind as we defined this process. Most important, we felt that the potential participants are only now beginning to absorb what a pilot would entail. BenNevis's products are acting as the catalysts to start thinking seriously about the implications of electronic real estate recording. People are sorting out all the different scenarios that the task force has discussed in the past and starting to focus on what the practical options actually are.

As a result, everyone still faces a rather steep learning curve and still needs to consult and negotiate with all the people and offices that have to play a role in a pilot. Because of this, we think it imperative to allow for a thorough examination of the issues, in which all the participants should be involved. Everyone who will have to volunteer time, resources and energy to making a pilot work should have sufficient opportunity to understand what that commitment means.

To narrow the field, Beth McInerny sent two email messages to the 21 counties that BenNevis interviewed to see if they would volunteer for the pilots. The counties that responded positively are Anoka, Stearns, Carver, Hennepin, Lyon, Renville, Roseau and Washington. The project budget calls for three pilots, but, as we do not know precisely what the costs of a pilot will be, the subcommittee suggests keeping an open mind for now on the exact number of participants.

The subcommittee would like a "small" (measured in annual volume of filings) county to participate in some fashion, although we recognize that it is particularly difficult for a county with limited resources to commit to a pilot, especially when so many issues are still unclear. Some additional facts, particularly in terms of real costs and benefits, would be persuasive; this suggests that small counties might best take part in a second phase of pilots. In that context, it would be interesting to test a portal, especially as that may help interest smaller counties, but the only practical prospect is that planned by the Association of Minnesota Counties. It is not yet clear whether that will be in operation and available for the pilots.

The subcommittee also determined that Hennepin's participation, as the single largest county in terms of filings, was necessary to attract private sector participants. The costs and benefits of electronic recording are most clear and most pertinent to counties doing a large volume of business. As such, they would be most likely to volunteer and most able to afford to commit the resources to participate. The most likely documents to use would be satisfactions and releases, as (relatively) they generate a high volume, have the least impact on offices other than the recorder and have a lower legal profile.

To achieve all this, the work plan schedule needs adjustment. Currently, it has the pilot RFP done by 10 May, but that cannot be completed until the standards are issued, reviewed and approved. The deadline for submission of the standards is 17 May; at best, an RFP could follow several weeks after. We are continuing to collect information for the RFP. Maricopa and Broward Counties have forwarded information about their processes.

The subcommittee also discussed the intent of the RFP. Ideally, the goal of the task force is to facilitate electronic real estate recording in all 87 counties. The RFP should emphasize that the pilot is a step in that direction and that a statewide solution is the ultimate destination, even though only three counties may participate in the pilots.

Whatever the pilots accomplish, then, should be a foundation for further work: to extend electronic recording across the state, to expand the number and types of documents that can be submitted electronically and to work entirely within the framework of the standards established by the task force. The RFP should ask all vendors to address these three issues in their proposals. To help them understand that context, the RFP should include aggregate and/or raw data from the BenNevis surveys of counties.

Tasks

1. The eight counties will identify and contact their primary private partners. They will report the names of those willing to take part in the pilots to the subcommittee.

2. The counties will review the hardware and software specs for the pilots and report on their infrastructure capacities to the subcommittee.

3. The counties will provide staff from both the business and IT departments to participate in drafting an RFP for the pilots.

4. If, by this point, none of the counties has dropped out of the process, the subcommittee will make a provisional selection of the participants on the basis of at least these two criteria: volume of filing and type of back office system. A mix of both would be ideal.

5. Simultaneously, the subcommittee and the potential participants will evaluate the costs and benefits of the three different levels of electronic recording. This discussion must include the private sector partners, as their willingness to submit electronic records is the necessary first step.

6. The subcommittee will identify which levels are practical, feasible and affordable and make a recommendation to the task force about the optimum match of counties, levels and partners to test in the pilots.

7. Working with the task force, the subcommittee and the potential participants will draft an RFP and have it ready for posting by early June.

8. Following whatever process the task force approves, the subcommittee and participants will select a vendor and begin the pilots.

ERERTF Interview Schedule

Interview	Size	Area
County		
Anoka	Big	Metro
Big Stone	Small	West
Carver	Larger	Metro
Clay	Larger	West
Clearwater	Small	NW
Crow Wing	Larger	Central
Fillmore	Medium	SE
Hennepin	Big	Metro
Kittson	Small	NW
Lincoln	Small	SW
Lyon	Medium	SW
Olmsted	Big	SE
Pennington	Medium	NW
Renville	Medium	SW
Scott	Larger	Metro
St. Louis	Big	NE
Stearns	Big	Central
Steele	Medium	South
Traverse	Small	West
Washington	Big	Metro
Wright	Larger	Metro
Public Sector		
Beacon Bank	n/a	Metro
Coldwell Banker	n/a	Metro
CI Title	n/a	Metro
Fabyanske, Westra & Hart	n/a	Metro
Edina Realty Title	n/a	Metro
Department of Revenue	n/a	Metro
Department of Health	n/a	Metro
Additional		
Dakota County	n/a	Metro
Office of Technology	n/a	Metro
Wells Fargo	n/a	Metro

ERERTF Interview Questions

I. General department overview
   1. Specifications
      a. Name of county?
      b. Location of county?
      c. Is the county classified as small/medium/large?
   2. Employees
      a. How many employees total?
      b. How many employees involved in the document handling?
      c. Are they full or part-time employees?
      d. What is their title/job description?
      e. Who handles what documents? (Maybe need to move this – too high-level of a question at this point.)
      f. Are they overworked?
      g. Is there a busy season?
      h. Where is the bottleneck in the document handling process?
      i. Where is the bottleneck for each person's job?

II. Review basic process flow diagram
   1. Current Manual/Automated process (simple residential, abstract transaction) (Note: we need to keep track of the recipient and the originator in this process)
      a. Torrens/Abstract
         i. Residential/Commercial
            1. Purchase/Sale
               a. all information correct
                  i. no exceptions
                  ii. exceptions
               b. missing information
                  i. no exceptions
                  ii. exceptions
            2. Change to document(s)
               a. all information correct
                  i. no exceptions
                  ii. exceptions
               b. missing information
                  i. no exceptions
                  ii. exceptions

III. Review county indexing process
   1. What is currently "indexed"?
   2. What indexes do you use today?
   3. What indexes would you like to see?
   4. What indexes do you not use today?
   5. How do you use the indexes today? (What types of searches – exact match, wild card, etc)
   6. What index matching would you like to see? (pseudoname match: St. verses Saint?) (refers to 20 in deliverables)

7. Do you currently enforce a standard for names spelling (St. verses Saint?). Can you enforce? Do you have to enter information exactly as it appears on the document?
8. Why do you use the indexes?
9. Who asks for the search?
10. How do they request the search?
11. Why do they need the information?
12. What do you do with the information once you find it?
13. What does the requestor do with information once they receive it?
14. How do you send the information to them?
15. Frequency of use for each type of index?
16. How far back is the search for references (ie. If a piece of land is bought today, when would you end up using it for an index in the future)
17. Memorandum of lease, foreclosure of lease – how are these indexed?
18. Would you recommend a single number for identifying the documents? (refers to 21 in the deliverables)
19. Do you charge a fee for searches? What types of searches and how much is the fee?

IV. Identify county process exceptions
   1. Does another division review documents/records before they are recorded? (e.g., in Otter Tail the Planning and Zoning division reviews real estate records first.)

V. Identify abstract vs. Torrens process flow differences
   1. Percent of Torrens verses Abstract documents being processed:
      I. Purchase/sale
      II. Change to document(s)
      III. Other reasons?
   2. Volume of abstract transactions
   3. Volume of Torrens transactions

VI. Identify residential vs. commercial process flow differences
   1. Volume of residential transactions
   2. Volume of commercial transactions

VII. Identify time allocation within process steps
   1. Largest time allocation areas
   2. Lag time areas
   3. Wait time areas

VIII. Identify external touch points
   1. How many external companies do you deal with for the documents?
   2. What type of external companies do you deal with for the documents?
   3. What are the documents that come from these companies?
   4. How do the documents reach you?
   5. How do you return the documents to them?
   6. What is the turn around time for processing the documents?

IX. Review archival standards
   1. Would you recommend integrating the existing archived data with the current system.

2. What are the different numbers that are used to identify the documents? (refers to 25 in deliverables)
    a. What is the document number used for?
    b. What is the tract number/index used for?
    c. What is the certificate number used for?
    d. What is the tax id number used for?
    e. Do you record the PIN (parcel id number)?
    f. What information is used for the PIN number?
    g. Who assigns the numbers?
    h. Are the numbers reused within the county or across counties?
3. How are current documents archived or retained? (by computer or manually stored)

X. Discuss county best practices

1. What processes do they recommend other counties adopt?
2. How do you think plats could be handled? (refers to 24 in deliverables)
3. What works?
4. What doesn't work?
5. How do you handle the "race state" policy?
6. UCC – Uniform Commercial Codes?
7. What is the worse case scenario that you have seen?
8. What is the best case scenario that you have seen?
9. How do you handle audit trails currently?
10. Do you have reports? Would you need reports? If so, what kind of reports?

XI. Identify documents required

1. How many documents? (Volume by type of document)
2. How many same documents, but different in format?
3. What is the life cycle of a document? (refers to 7 in deliverables)
4. How do you handle the "exceptions" to the current document?
5. What numbers do you currently use/record for the documents?
6. What is the life cycle of a document? (refers to 7 in deliverables)
7. Can you categorize the documents based on handling procedures (workflow process)? (This will probably come out in the workflow process exercise) (refers to 4 in deliverables)
8. What are all recording and similar fees, copying and certification charges collected during the workflow process? Why are they collected? When are they collected? Who pays them? Who collects them? How is the fee paid for? How much is the fee? (refers to 16, 32 and 37 in deliverables)
9. Percent of purchase/sale? Why?
10. Percent of change of current document. Why? (change of name, error on original, etc)
11. Percent of searches: What kind of searches? Why? Who requested the searches? Who performed the searches? Why did that person perform the search?
12. Percent of Abstract verses Torrens?
13. Percent of Residential verses Commercial?
14. Are there any other percents that we need to consider?

15. Current means of receiving and returning documents?
16. What information do you look at when receiving the documents?
17. Percent of documents with missing information? How do you handle?
18. Who handles the documents? (incoming, within the office, outgoing)
19. Why do you need to retrieve existing documents?
20. What information in particular do you look at when retrieving the documents?
21. Percent of documents searched in a week/month/year? When were they introduced to your office?
22. Do you ever have to communicate with other counties to find information (multi-county deeds, multi-state deeds)?
23. How do you handle multi-county deeds and multi-state deeds?
24. Why would documents be returned? Who would return them? How would they be returned? What is the turn around process for these documents?
25. What fees do you collect. How do you collect them? How do they affect the document lifecycle? How do you handle paid fees currently? Do you record them?
26. If many documents arrive at a time, how do you organize your work (sequence of processing documents)? Does it make a difference?
27. Do documents get returned to you for just filing?
28. How do you handle the "exceptions" to the current document?
29. What numbers do you currently use/record for the documents?
30. Who signs the documents? Do they need a witness?
31. What documents have carbon copies and why?
32. Do documents have pictures associated with them or anything other than the original piece of paper and text? Any attachments? How do you store these items?

XII. Identify ancillary documents used

1. How many documents? (Volume by type of document)
2. How many same documents, but different in format?
3. What is the life cycle of a document? (refers to 7 in deliverables)
4. Can you categorize the documents based on handling procedures (workflow process)? (This will probably come out in the workflow process exercise) (refers to 4 in deliverables)
5. Do you record the Certificate of Real Estate Value? How do you use it after the fact? Who files it?
6. Do you record the Well Certificate? How do you use it after the fact? Who files it?

XIII. Identify volume of documents by type

1. How do you handle the "exceptions" to the current document?
2. What numbers do you currently use/record for the documents?

XIV. Identify document owners

1. Who needs to see the original? Why?
2. When do you receive the documents? (morning, noon, evening?) Why?
3. When do you return the documents? (morning, noon, evening?) Why?
4. Private verses public?

5. Who sends documents? (ingoing and outgoing)
6. Who signs documents (prior to receiving, after receiving, after returning)?
7. What other state departments do the documents have to be sent to or have access to them?

XV. Obtain sample documents and forms

XVI. Discuss potential funding sources

1. How do you think you could fund this project? (refers to 33, 34 and 36 in deliverables)

XVII. Current Technology and related systems (refers to 35 in deliverables)

1. What system(s) do you have in place today for the recording process?
2. What is their functionality? (ie. Indexing, imaging)
3. Technology of system?
4. Who developed it?
5. Why was it developed?
6. What do you like about it?
7. What can be improved?
8. Who uses the system?
9. What data is stored on the system today?
10. Do the current systems interface to any other systems?
11. Does anyone interface to this system?
12. How many records/data currently exists on the system?
13. When was the system installed?
14. Are you currently working on upgrades or new releases to it?
15. Is data on it worth migrating/converting over to a new system?
16. Do you use any online or third party system today? (ex. GIS)
17. Is there a GIS system in the county?
18. Who is responsible for maintaining the GIS system (county department)?
19. Is it parcel based? --- Do you use a parcel identifier as a key?
20. Do you re-use parcel ID numbers? ---- How do you handle expired numbers?
21. How frequently is GIS data updated?
22. How are zoning maps stored, if digital – was software and what department owns this?
23. What is the GIS investment your county has made to-date?

ERERTF Electronic Standards Project
County Survey Questionnaire
County Name:
Date of Survey:

General Volume Questions

- What is the current population of your county?
- In your county what is the number of abstract properties and Torrens properties?
- How many documents do you receive per year that are abstract? How many are Torrens?
- What is the average number of days needed to process abstract documents? How many days for Torrens documents?
- What is the typical time delay between receiving documents through the U.S. mail and assigning a document number?
- What percent of abstract documents are rejected? What are the top two reasons for rejection?
- What is the primary reason for rejection of abstract documents in other departments?
- What percent of Torrens documents are rejected? What are the top two reasons for rejection?
- What is the primary reason for rejection of Torrens documents in other departments?
- How many full time equivalents (FTE's) does it take to process real estate documents in the following departments:
    - Recorder/Registrar
    - Auditor
    - Assessor
    - Treasurer
- How many of the following real estate documents are received each year:
    - Deeds
    - Mortgages
    - Satisfactions
    - Assignments
    - Other
- How many requests for information do you receive per year? What percent can be answered by system information?
- How many copies per year are provided to requestors of information from paper files? Microfiche/microfilm? Electronic images? System produced reports?

- For abstract property do you enter the legal description for a document into the electronic recording system?
  - If so, is it the full legal description or abbreviated?

- For Torrens property do you enter the legal description for a document into the electronic recording system?
  - If so, is it the full legal description or abbreviated?

Process Flow

- How many departments are involved in the abstract recording process? Please list the departments and their involvement.

- How many departments are involved in the Torrens registration process? Please list the departments and their involvement.

- What department first reviews mortgage filings?

- What department first reviews deed filings?

- Who confirms the legal description of the property on the deed?
  - What is used for comparison (previously recorded document, index, tax system)?

- Are there any bottlenecks in the flow of documents through the various departments?

- Who assigns the new parcel ID for property splits or divisions?
  - When is the new PIN assigned? (before or after recording)

- How are split PINs handled? Do both properties receive new numbers?

- Is PIN unique or is it reused?

- Is parcel ID actively used within the Recorder's office?

- Is parcel ID noted on all documents that are recorded?

Technology

- Please provide the following information on your recording system:
  - What hardware does it run on?
  - What operating system is used?
  - What is the name of the application software?
  - Is it an outsourced system?
  - Does it support both abstract and Torrens information?
  - Does it support any additional information?

- How many PC's are in the Recorder/Registrar's office?

- Does the Recorder’s office have Internet Access?

- Please describe how abstract documents are stored:

- What imaging system is used?
- How long have documents been imaged?
- Are you familiar with MN “Information Resources Management Standards 12”? Do you follow this standard when imaging?
- Are documents also archived on microfilm? What years?
- Are documents also archived on microfiche? What years?
- Are paper copies of documents also retained? What years?

- Please describe how Torrens documents are stored:
  - What imaging system is used?
  - How long have documents been imaged?
  - Are documents also archived on microfilm? What years?
  - Are documents also archived on microfiche? What years?
  - Are paper copies of documents also retained? What years?

- Do you currently receive or transmit Electronic Funds Transfers for land transactions? What type(s)?

- Please provide the following information on your tax system:
  - What hardware does it run on?
  - What operating system is used?
  - What is the name of the application software?
  - Is it integrated with the recording/indexing system?

- Please provide the following information on your geographic information system (GIS):
  - What hardware does it run on?
  - What operating system is used?
  - What is the name of the application software?
  - What information is supported?

- Are any technology changes planned for the next 12 months?

Indexes

- Please provide the following information on the Grantor/Grantee index:
  - Is data currently entered manually, electronically, or both?
  - How many years are supported electronically?
  - Are index books scanned or microfilmed? For how many years?

- Please provide the following information on the tract index:
  - Is data currently entered manually, electronically, or both?
  - How many years are supported electronically?
  - Are index books scanned or microfilmed? For how many years?

- Is document number captured electronically within the recording system? For how many years?

- Is PIN captured electronically within the recording system? For how many years?

Other

- Which transactions do you feel are best candidates for electronic recording?

- Any other concerns, issues, or questions?

The Following Document Includes

Pilot framework and scope subcommittee minutes
4 January 2002

Present: Angela Burrs, Mike Cunniff, Susan Dioury, Bob Horton, Paul Kiltinen, Cindy Koosman, Beth McInerny, Gail Miller, Mark Monacelli, Steven Rohlik.

1. Update on business analyst contract

Beth McInerny and Bob Horton said that contract negotiations were underway with BenNevis and that they may be concluded by the next meeting of the task force on the 10th. In order for the business analyst to meet the task force's deadlines, it would have to begin work immediately after finalizing the contract. The survey is scheduled to begin one week later, so it was all important to identify and schedule the participants as quickly as possible.

2. Review of criteria

Beth McInerney went over the proposed criteria for selecting participants in the survey process.

- volume of filings
- geographic location
- population size
- back office procedures (e.g., use of paper, imaging and/or microfilm; workflow; off-site or out-of-state storage)
- back office technology (e.g., TriMin system, customized system)
- budget
- IT infrastructure
- logistics and locations of county officers and offices
- percentage of torrens filings, use of off-site legal assistance for torrens

Beth also noted these additional concerns:

- commitment to participating in the survey
- commitment of other county officers to the survey
- authorization of county commissioners (if necessary)
- availability of local partners in the private sector
- determination of document types to include in the pilots
- some analysis of state agency workflow
- interest in being one of three pilots
- prior experience with workflow and business analysis (already existing documentation and models would be very helpful)

Bob Horton added that the key criterion is the willingness to participate, since the surveys will take at least one day and will include representatives of all the functions associated with recording. The information technology functions especially have to be involved. He also mentioned that, ideally, the three pilot sites will ultimately be selected from among the participants in the survey, as it will be that much easier and efficient to establish the pilots in counties that have already been analyzed.

In discussion, subcommittee members noted that even counties that will not or cannot be pilot sites should be able to participate in the survey. As well, many counties will need to get the approval of their colleagues or commissioners, so that process should get underway immediately. One of the prime goals of the survey is to define the scope of the pilots. This subcommittee will need to work with the legal subcommittee closely to do that.

3. Selection of counties

Considering the criteria, the subcommittee identified these counties as the best possible mix for the survey. Following each county is the name of the subcommittee members who will contact the recorder about participating.

1. Anoka (Cunniff)
2. Big Stone (Miller)
3. Carver (Koosman)
4. Clay (Miller)
5. Crow Wing (Koosman)
6. Dakota (Cunniff)
7. Douglas (Koosman)
8. Fillmore (Burrs)
9. Hennepin (Cunniff)
10. Lyon (Miller)
11. McLeod (Miller)
12. Olmstead (Burrs)
13. Pennington (Cunniff)
14. Pipestone (Monacelli)
15. Ramsey (Cunniff)
16. Renville (Miller)
17. St. Louis (Monacelli)
18. Scott (Koosman)
19. Stearns (Miller)
20. Steele (Rohlik)
21. Traverse (Miller)
22. Wabasha (Burrs)
23. Washington (Koosman)
24. Watonwan (Miller)
25. Wright (Koosman)

This list comprises a variety featuring geographic location; volume of filings; types of filings; use of major software packages; organizational structures; and population. Four counties immediately indicated that they would participate: Hennepin, Renville, St. Louis and Washington. The survey will only include 21 counties, but the list of counties to contact is longer, because it is highly unlikely that all of the counties identified will be able to participate.

Subcommittee members will begin contacting counties immediately, with the goal of calling all of them by the end of next week. As the MACO conference is scheduled for 15 January, all the counties interested in the survey will have an opportunity to meet then and learn more about the process. Beth McInerny will draft a list of talking points for use in their conversations, as well as a letter detailing more about the project to send as a follow up after the initial contact.

At this point, the task force could start scheduling surveys visits immediately for the confirmed participants and then proceed with the others as counties agree to participate. This should allow the business analyst to move forward without any delay.

At the task force meeting next week, Beth McInerny will speak to the representative of the department of Revenue and contact the department of Health to discuss their participation in the survey. Health gets only a single document in the recording process– well inspection certification - and there is a set standard for the information that includes. Revenue gets a variety of documents, so a survey of its needs will be more complex than Health’s.

4. Private sector

The survey plan allows for six private sector participants. Joe Witt will identify one bank and Susan Dioury one realtor. Bob Horton will contact Chuck Hoyum about two title companies participating; one should have a wide variety of interests and the other should work in the secondary mortgage field. Horton will also contact Chuck Parsons about a law firm that can take part. If fewer than 21 counties agree to play a part in the survey, the subcommittee will identify more participants in the private sector.

5. Adjournment

The meeting adjourned at 11.45.

Subsequent to the meeting it was noticed that the NW quadrant of the state of MN was sparcely represented.   This was discussed between Gail Miller and Mark Monacelli and the county of Beltrami will be added in order to round out the look and feel of this survey.

Script To Use When Inviting Counties To Participate In the County In-Depth Survey.

I am a committee member of the ERER Task Force and I'm calling to see if you could participate in the very important task of gathering information about how different counties record real estate transactions. Here is a brief synopsis of what our Task Force is striving to accomplish.

Brief Summary of Initiative and Time Frame

In April 1999, Senator Steve Kelley asked Secretary of State Mary Kiffmeyer to convene a group of persons interested in Minnesota's land record system, to study the possibility of electronic real estate transactions.

The time line for the ERER Task Force defines the critical path that the project must follow to be successful. It has four primary phases.

1. Analysis of the current environment: The Task Force will survey current practices and technologies in Minnesota county recorders' offices; evaluate electronic real estate recording systems in other jurisdictions; and develop a high-level model of public and private real estate recording processes in Minnesota. This phase is targeted for completion in June of 2002.

2. Determination of appropriate features and standards: The Task Force will establish the business rules for an electronic real estate recording system, with a definition of the legal, technological, operational, and functional context for making a system work. This phase is targeted for completion in August of 2002.

3. Testing the system: The Task Force will translate the business rules into a working pilot project. This phase is targeted for completion in January 2003.

4. Final evaluation: The Task Force will review the pilot project and finalize its definition of the necessary features and standards for electronic real estate recording systems in Minnesota. At the end of phases 2 and 4, the Task Force will produce and submit a progress report to the Legislature. Those reports will describe the work done on the project and recommend whatever further actions the Task Force considers necessary.

We are on a search to recruit a representative selection of counties that best depicts a range of recording variables (i.e. volume of recordings, recording software used, location of offices, and such items) in the State of Minnesota. We are asking counties to participate in the Analysis phase of this initiative through an interview / survey of your county (or private sector) office. From this group will eventually emerge a smaller sub-set that will be asked to pilot test the standards / business rules that have been developed from this survey.

The members of the task force identified you as a representative county (or private sector office) .

To participate you will be asked to spend time talking to a consulting team at your office location. They will need to spend time talking with the Recorder, Auditor, Treasurer (or private individuals involved in real estate documents to be recorded with the counties), IT support and any other staff that will help detail how you record real estate documents (or work with real estate records) in your office.

This will require a walkthrough of your recording needs and processes, for Torrens and Abstract, and a detail of who is involved and what happens at each stage of your process.

The survey will include but will not be limited to:

> A discussion of the technology you use and its contribution, limitations and any issues surrounding that technology.
>
> A discussion of business processes, current recording standards, workflow needs between private and public institutions, fees and other filing functions, the use and preservation of real estate records and any other issues surrounding those processes.

The results of this survey will be combined with information from the other counties being interviewed. This information will be the basis upon which Minnesota standards for electronic real estate recording are based.

County Follow-Up Questions.

If the county response with "yes" to be in the survey and "yes" to consider being a participant in the pilot then please ask the following questions. I have tested these on a County Recorder and it took approximately 1.5 minutes to complete.

1. **What real estate software, if any, does your county use?**

2. **Do you have a computerized tract index?**

3. **Do you image or microfilm documents?**

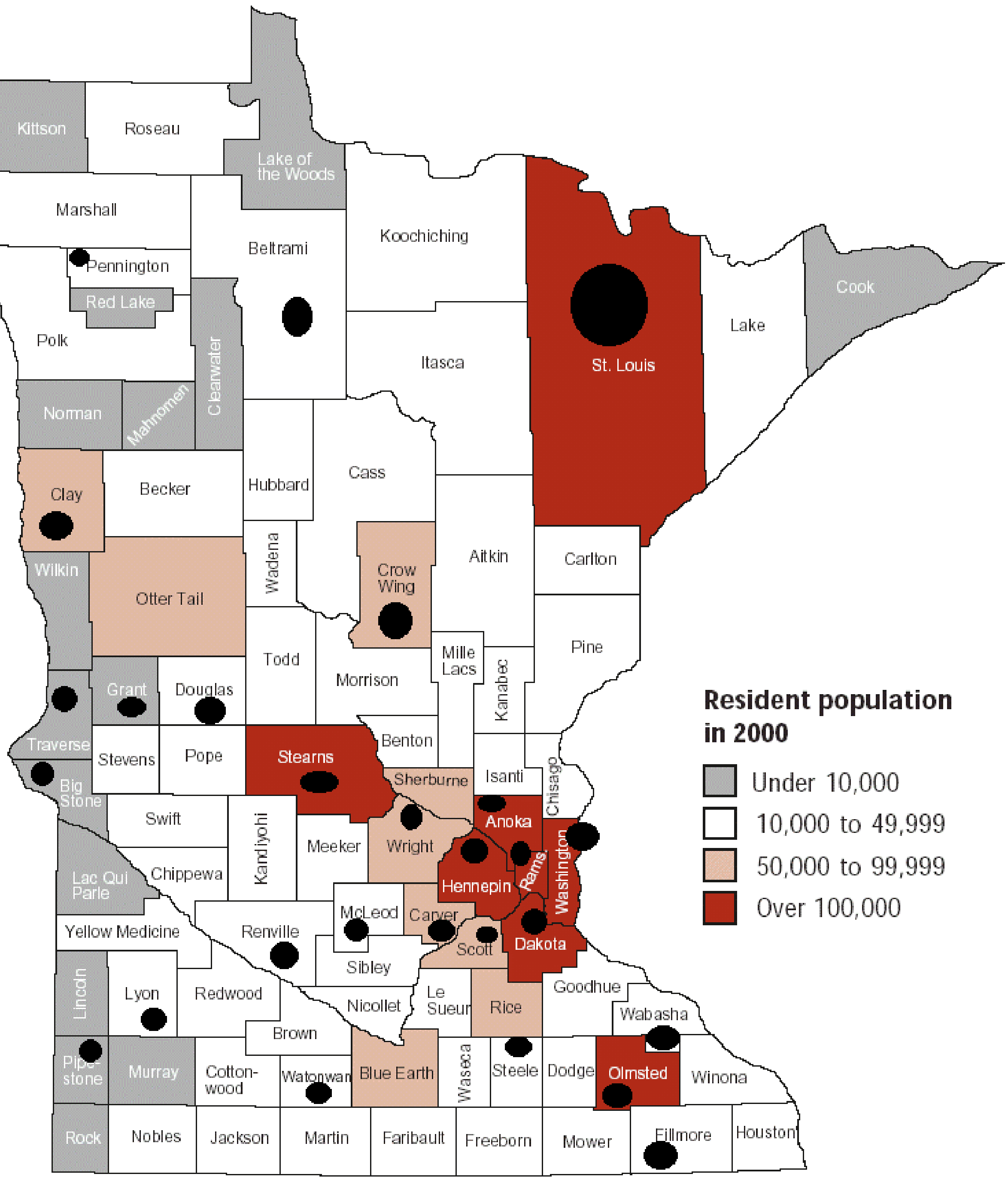
4. **Do you use off-site storage for backups?**

5. **Do you have an IT staff? Are they on-site or off-site?**

6. **Does your county record Torrens? (could also check spreadsheet for this information) If yes, where is your examiner located? Are they easily accessible? Do they have email or internet access?**

7. **Are the Auditor-Treasurer-Recorder offices located in the same building?**

MN County Selection



Electronic Real Estate Recording task Force
Pilot Subcommittee
6 August, 2002

Present: Paul Backes, Bob Horton, Scott Loomer, Beth McInerny, Joel Beckman, Chris Akers, Bob Malecki, Scott Loomer, Gail Miller, Jeanine Barker, Paul Kiltinen, Rick Kvien (via Phone), Joe Witt (via Phone)

Call to order

Bob Horton called the meeting to order at 1:30pm

Trusted Submitters Status – Upcoming Meetings

It was discussed that a Trusted Submitters meeting will take place on Friday, August 16 for the Trusted Submitters who have expressed interest to-date. This meeting will serve to introduce counties to TS that they have not had conversations with as yet.

Counties were reminded that conversations should be going on between TS and them regarding the pilot. But, understanding that not all TS know all the pilot counties, and vice versa, this meeting will serve to make some needed connections.

It was also briefly discussed that a county will want to work with more than one TS in the pilot testing; this will help to ensure volumes are achieved. It was discussed that a county's IT staff may want to begin working with one TS at start up. But it was also agreed that once kinks and issues are worked through, connecting with additional TS as the pilot continues will be beneficial. It was proposed that counties should identify a series of interested TS and begin identifying a sequence of bringing them on. Again, the meeting on the 16th will help facilitate this discussion.

Pilot County Project Planning Status – Next Steps

The pilot counties have begun initial work on project planning and some work was identified in the form of workflow. Not a significant volume of work has been done to-date. This will be addressed in BenNevis work with counties to get thing moving.

Contract between Pilot County and Task Force

Counties were reminded that contracts with their technology vendor will be a necessary component of their contract with the Task Force. Many counties expressed concern that it is not a fast process to get a signed contract through at their county and this may affect their ability to comply with the contract.

This issue is understandable and will be addressed with the LCC and the Executive Committee as a contract template is drafted for the Task Force and pilots.

A contract with any and all Trusted Submitters will also be a component of the contract between the Task Force and the pilot county. It was identified by the county members that there should be a template to use when working with potential Trusted Submitters. If several counties work with the same TS but use different documents to contract with them this may cause confusion. Beth McInerny will draft a list of currently identified items and ask LCC to draft a more formal document from these. This subcommittee asked that the Legal Subcommittee review this once it is created. A recommendation will then be made to the full Task Force. TS issues that were identified for inclusion currently include the following statements:

- Agreed upon model of e-recording that the TS and county will engage in will be identified.

- Commitment to participate in electronic document filings of Satisfactions and/or Certificates of Release with said pilot county for the duration of Phase 1 as indicated in the Task Force project plan (see Appendix W).

- Trusted submitter will make its best effort to provide a substantial electronic volume, similar to its most recent volume count of paper filing with said county.

- Trusted submitter agrees to follow the pilot counties project plan with deliverables and timelines, including following any amendments.

- No agreement between county and Trusted Submitter will include an extra fee for using the electronic filing service, nor will trusted Submitter charge any fee for submitting documents that are not created by them in-house but which are submitted through them.

The contract between the Task Force and pilot counties will also include a complete workflow diagram of all Phase 1 and Phase2 documents. This will identify how their technology will automate processing within and between offices. This should also include how different technologies within these offices will interact.

A workplan, complete with dates, milestones and deliverables is also needed. This workplan should identify how each county will specifically handle e-recording processes.

Costs will also be identified by counties and their IT staff. These will be reviewed by BenNevis as they are received. Counties are encouraged to work with their IT staff and BenNevis throughout this process.

The deadline for all of these documents is August 26th. The pilot subcommittee will recommend to the full task force that a review committee should be in place to analyze the documents. The committee would evaluate the proposals, discuss them with BenNevis to be sure that all plans conform to the task force's standards and then make a set of recommendations to the task force for approval, revision or disapproval of the pilot plans.

Updated Pilot Subcommittee Responsibilities

The updated responsibilities list was unanimously adopted at the last Task Force meeting. This document was distributed again to ensure members had copies.

Pilot Matrix Draft

A draft of a matrix of measurements that will BenNevis will utilize while counties pilot test standards has been drafted. This initial draft was reviewed by the committee. Feedback will be gathered and a final version will be completed for BenNevis' use.

Standards and Schema Review Date

The need for a meeting to review the ERER Standards and schema with the IT members at the Trusted Submitter company's and the pilot counties was discussed. Hennepin county had BenNevis conduct a walk through of schema and standards with Hennepin's IT division and the vendor Ingeo. Hennepin found this very useful and suggested it for all pilot counties.

It was suggested that this meeting option be brought up at the August 16th meeting with TS and pilot counties. It was suggested that this opportunity should be extended to these meeting members and see if this would work for them. A meeting time/date could be discussed at that time.

Adjournment

The meeting adjourned at 3:00pm