

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

June 22, 2018 Meeting Minutes

A. OPENING

Chairperson Ben Hynek called to order the June 22, 2018 meeting of the Nebraska Real Property Appraiser Board at 8:00 a.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Hynek announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared in the June 18, 2018 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public, and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Benjamin Hynek of Lincoln, Nebraska, Christopher Mustoe of Omaha, Nebraska, Gary McCormick of North Platte, Nebraska, David Hartman of Omaha, Nebraska and Thomas Luhrs of Imperial, Nebraska were present. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nesper, who are all headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Chairperson Hynek reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Mustoe moved to adopt the agenda as printed. Board Member McCormick seconded the motion. With no further discussion, the motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

C. CHAIRPERSON'S STATE OF THE BOARD REPORT

Chairperson Hynek declared, "The state of the Board is good."

D. DIRECTOR'S COMMENTS

Director Kohtz thanked board members for their hard work, service, and for taking the time out of their schedules to participate in the strategic planning meeting. The Director explained the impact that the strategic planning meeting has on the staff's planning and budget preparation. Director Kohtz then reminded the Board that staff has a meeting each Monday morning to plan for the week ahead, and the objectives that come out of this meeting are incorporated into the staff's weekly meeting agenda throughout the fiscal year. The Director then indicated that there were many positives accomplished during the 2017-18 fiscal year. The Director cited what he felt were positives:

- The Real Property Appraiser Act was updated to recognize the latest edition of USPAP and to remove many of the burdensome continuing education requirements.

- The AMC Registration Act was updated to incorporate the needed changes to implement the AMC Final Rule. The Board is in position to begin planning for the next phase of implementation, which will be discussed today.
- The Board continues to build its relationship with the University of Nebraska at Omaha. This relationship has proven to be beneficial for the success of the University's Real Estate program and for the Board's mission to increase opportunities to enter the appraiser profession. Currently, the Board is working to allow for individual approval of qualifying education activities at UNO. This would allow students to obtain trainee status as they complete the program.
- During the last couple of months, the database project started moving again. Currently, CIO is developing the education interface, which will put a system in place that allows appraisers to submit, and staff to verify, continuing education throughout the year. The intent is to significantly cut down the amount of review during the period of heavy volume for credential renewal applications.
- The compliance procedures were updated to streamline the initial review process. Now the Board receives the grievance, supporting documentation, the respondent's response, and the respondent's report and workfile. The additional information received allows the Board to dismiss a grievance prior to investigation if there is no evidence of a violation. This relieves the stress of the respondent, and saves the Board investigative costs for an investigation that would be dismissed anyway.
- The temporary credential procedures have been updated to incorporate the temporary credential information into the approval letter for increased efficiency.
- The new education numbering system has been developed and implemented. The new numbers provide very important information to staff during review of continuing education submitted with appraiser renewal applications.

Director Kohtz then turned to the future and outlined some areas that he would like the Board to focus discussion on today, which include:

- During the next few months, significant focus will be placed on developing a bill for introduction that will change the Real Property Appraiser Act to incorporate the Real Property Appraiser Qualifications Criteria that became effective on May 1, 2018. This bill will also provide a good opportunity for the Board to evaluate all aspects of the appraiser qualifications to determine if any other requirements need to be changed. The timing may be right now as the Legislature is looking for opportunities to reduce burdensome regulations for occupational licensing.
- During this fiscal year, the database project began moving again. The next step is to continue the momentum to move the project across the finish line.
- The Board approved draft to update Title 298 stalled at the Governor's Policy and Research Office. A point in time came where it was more effective for the Board to hold the draft until LB17 and LB741 became codified and effective. Progress has been made on the draft since the bills were passed, and completion is contingent on receiving information from the Appraisal Subcommittee concerning implementation of the AMC Final Rule. Depending on the amount of time it takes to get the needed information, it is anticipated that the draft will be presented to the Board for its initial approval in August or September.

- Preparing the 2019-2021 biennial budget request will also take priority during the next couple of months. There will be a few issues to work through during the financial section of the meeting to provide direction for the budget request. The preliminary narrative is due in August, and the final budget request must be submitted in September.

The Director finished by stating that strategic planning is the Board's opportunity to provide a road map for the staff to follow in the short and long term. The goal is to set objectives, not to establish how the objective will be accomplished. Director Kohtz also informed the Board that he wants continue building institutional knowledge as the Board moves through the meeting.

E. GENERAL PUBLIC COMMENTS

Chairperson Hynek asked for any public comments. With no comments, the Chair proceeded to the review of the 2017-18 strategic planning goals and objectives. There were no members of the public in attendance.

F. REVIEW OF 2017-18 STRATEGIC PLANNING GOALS AND OBJECTIVES

The Board reviewed the goal and objectives set for 2017-18. The following items were noted:

- The legislative goals were all completed, except for Title 298. The Director informed the Board that the draft was completed, but the Governor's Policy and Research Office held it for six months, which ended any chance of getting through the rule making process during this fiscal year.
- Director Kohtz indicated that the goals set for compliance were all completed. Monitoring the effectiveness of the compliance procedures is an ongoing process. The Director was asked if Standard 3 review forms still exist. Director Kohtz informed the Board that the forms already created are still available for use by review appraisers and SMEs. The Director reminded the Board that it decided to discontinue developing Standard 3 review forms because it wanted appraisers to utilize a reporting form comfortable to them. Board Member Mustoe asked, "Should we have an internal form or checklist for staff to make sure all USPAP elements are there?" Chairperson Hynek asked staff to put an example of a Standard 3 review form that he liked up on the screen, and asked if that format could be used. Director Kohtz indicated that the format could be duplicated, and that former Board Member Woodle uses a similar format. Chairperson Hynek asked that exploring the creation of a new Standard 3/Standard 4 Review Form be added as a goal for the next fiscal year. The Director asked CEO Krieger to add this to the short-term goals.
- The Director informed the Board that the credentialing and registration goals were all completed. Exploring opportunities to promote the appraiser profession is an ongoing goal, and the Board discussed the Trainee Appraiser 500 hour courtesy review program and concluded that it is not in its best interest now to pursue this goal any further. Chairperson Hynek indicated that this was a classic case of kicking the can down the road, but after the Attorney General's Office feedback, the program would likely create some unintended consequences if implemented.
- Director Kohtz indicated that the education goals were all completed. The Director informed the Board that he anticipates that the removal of the fourteen-hour in-class requirement, and the 7-Hour Report Writing course requirement, for continuing education will result in an increase in renewal percentages, especially for the certified general classification.

- The Director declared that the public information, administration, and personnel goals were all completed, and informed the Board that a comprehensive database project report is included in the strategic planning meeting packet. This report provides a detailed history of the database project, along with a description of each interface being developed. Director Kohtz added that processes and procedures are always being updated to reflect current practices and to meet maximum efficiency.
- Director Kohtz then moved to long-term goals and informed the Board that he had no comments. Chairperson Hynek asked about the goal, “Study the AMC role in the Board’s Operations and Functions.” The Director informed the Board that this goal has been listed for quite some time. The initial idea was to study the need to have AMC representation on the Board, but it has always been a moot point since there are no AMCs based in Nebraska. Even if the Board did want the AMCs to have representation, it would be through a company from another state. Chairperson Hynek asked for the goal to be removed from the long-term goals. The Director informed the Board that this goal will be removed.

G. COMPLIANCE

1. REVIEW OF ENFORCEMENTS/INVESTIGATIONS

Compliance and Education Officer Krieger presented four charts and graphs to the Board for review outlining the status of the enforcement program. CEO Krieger continued by informing the Board that the number of grievances are down significantly this year, but signs are pointing towards the number of grievances picking up. Chairperson Hynek expressed displeasure with the idea that the number of grievances may be increasing. Board Member Mustoe asked, “How do AMC grievances come in?” CEO Krieger responded, “Mostly from appraisers for nonpayment, being taken off the panel, or pressure to do something outside of competency.” Director Kohtz added that the Board’s more relaxed AMC enforcement standards might be an advantage, as many of the States disciplining AMCs for violation of the customary and reasonable fees provisions in the Federal Truth and Lending Act have found themselves in legal trouble with the Federal Trade Commission. The Director continued by saying that the low grievance numbers in Nebraska fit with a greater trend nationwide. Most residential complaints come from homeowners or homebuyers, so the current trends will likely continue until something changes in the market.

2. ENFORCEMENT OF REAL PROEPRTY APPRAISER ACT

Director Kohtz asked for discussion pertaining to the enforcement of the Real Property Appraiser Act. The Board expressed satisfaction with the enforcement of the Real Property Appraiser Act.

a. Supervisory Appraiser Requirements for Hypothetical Reports: No discussion.

b. Subject Matter Expert Services Agreement

Director Kohtz reminded the Board that it recently reviewed the Subject Matter Expert Services Agreement, so he does not anticipate that there will be much discussion. The Board expressed satisfaction with the Subject Matter Expert Services Agreement, as it exists.

c. Hearing Officer Services Agreement

Director Kohtz brought attention to the Hearing Officer Services Agreement. The Board expressed satisfaction with the Hearing Officer Services Agreement, as it exists.

3. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT

Director Kohtz asked if there was any specific discussion pertaining to AMC enforcement. There was no discussion.

4. INVESTIGATIVE PROCESSES AND PROCEDURES

a. Internal Procedures

Director Kohtz guided the Board to page G.17 in the Strategic Planning Meeting Packet, and informed the Board that the internal investigation procedures has been in the proposed state since April 19, 2018. The Director emphasized the importance of adopting the proposed changes, leaving the current internal procedures in place, or making further changes to the proposed internal procedures. Chairperson Hynek expressed a hesitancy to adopt anything as a formal procedure. The Chairperson reminded the Board that it has not had a complex investigation in a while. Director Kohtz informed the Board that the internal investigation procedures are not needed at all. This document was created to help board members understand the staff and the Board's role in an investigation when the new investigative process was implemented. The problem is that it exists, so the respondent could obtain it during discovery for an administrative hearing. If this document is not consistent with current practice, an attorney could potentially cite that the agency did not follow procedures as a reason to have the case dismissed on a technicality. Chairperson Hynek asked if the internal procedures could be made less specific. For instance, the Board may be provided information if requested, not that the Board shall be provided information and by a certain date. Board could also request to review all available correspondence as needed. The Chairperson ended by saying that the document is helpful for explaining to new board members what information is seen and when, and what information is available. Both Board Member Mustoe and Director Kohtz referred to the expanded investigative log, and commented that the Board is still aware of all communication and documentation received pertaining to each investigation. Board Member Mustoe indicated that it would be helpful to be notified when something goes into the grievance folder, especially if it is a long report or document. Director Kohtz acknowledged Board Member Mustoe, and said that information overload is not wanted. Board Member Mustoe clarified that he is referring to just the initial complaint, and added that the report for a recent grievance was over a hundred pages. Director Kohtz offered to notify board members when a sharefile folder is created, so board members have the option of reviewing documents before the board meeting packet is released. CEO Krieger indicated that he will let board members know when a new grievance is available on sharefile and the link is in board portal.

b. Title 298 – Chapter 8

Director Kohtz reminded the Board that the draft version of Title 298 contains changes to Chapter 8 and guided the Board to page O.181 in the Strategic Planning Meeting Packet. The Director asked if there was any specific discussion pertaining to the drafted changes in Chapter 8. There was no discussion.

5. FORMS

a. Grievance Against Appraiser

Director Kohtz brought attention to the Grievance Against Appraiser form, and asked if there was any specific discussion pertaining to this form. Chairperson Hynek requested that it be made clearer on the form that anonymous grievances will not be considered. A board member asked if any whistleblower situations exist that the Board needs to worry about. Board Member Mustoe responded that if the grievance were submitted anonymously, it would not be processed. Chairperson Hynek asked if the language stating that an anonymous grievance is considered an incomplete form and will not be processed could be put at the top of form and in the affidavit. After additional discussion, the Board agreed that it does not want to see anonymous grievances, and staff should terminate the process once the grievance form is considered incomplete. Chairperson Hynek asked, "Do we need to check with Natalee in the AG's office to ask if we're infringing on someone's rights to be anonymous?" Director Kohtz informed the Board that he could check on this. Board Member McCormick asked if the Board notifies the respondent as to who filed the grievance against him or her. The Director responded that the source of the grievance is kept confidential until it goes to hearing. Board Member Mustoe indicated that a person should know who is accusing him or her. Director Kohtz responded that the respondent could be notified as to whom filed the grievance, but it is often obvious anyway. Setting a precedent such as this might deter people from filing grievances in the future, which would not be good. Board Member Mustoe asked if the respondent could be allowed to request the name of the complainant. Board Member Luhrs expressed agreement with the current practice of not revealing the complainant's name. There was no further discussion.

b. Grievance Against AMC

Director Kohtz brought attention to the Grievance Against AMC form, and asked if there was any specific discussion pertaining to this form. Chairperson Hynek recommended that the same ideas for the Grievance Against Appraiser form be applied to the Grievance Against AMC form. There was no further discussion.

6. SHORT AND LONG TERM GOALS AND OBJECTIVES

Short Term:

- Create a template for a new Standard 3/Standard 4 Review form for use by appraiser applicant review appraisers and subject matter experts (not required to be used).
- Update grievance forms to clarify that anonymous grievances will be considered incomplete and rejected. Review the Board's procedure regarding anonymous grievances with the Attorney General's office to ensure that the complainant's rights are not being violated by rejecting the grievance as incomplete.
- Update Internal Investigative Procedures to be less specific.
- Notify board members when a new grievance file is created instead of when the board meeting packet is released.

Long Term:

- Continue monitoring the effectiveness and efficiency of the Compliance Program. Focus on establishing practices and procedures that decrease the length of investigations.

Break from 9:50 a.m. to 10:05 a.m.

H. CREDENTIALING AND REGISTRATION

1. REVIEW OF CURRENT CREDENTIAL HOLDERS/AMC REGISTRATIONS

A review of the credentialing and AMC registration programs took place for the 2017-18 fiscal year. The Director presented twelve charts to the Board for review. The number of reciprocal credentials continues to rise, while the total number of resident credential holders continues to slowly decline. The number of resident Certified General Real Property Appraisers and Licensed Residential Real Property Appraisers has continued decreasing consistently, while the number of Certified Residential Real Property Appraisers has remained steady. The number of Trainee Real Property Appraisers and Supervisory Appraisers is trending upwards. The increase in number of reciprocal real property appraisers has minimized the impact of the decline in the number of real property appraisers who earned their credentials through education, experience, and examination.

Director Kohtz then moved to AMC registrations and informed the Board that the numbers have been very steady, but that he anticipates a large drop in the number of registered AMCs after the AMC Final Rule goes into effect. The Director indicated that he anticipates that some AMCs will be making strategic decisions where to operate, some will not meet the minimum requirements to be an AMC, and consolidation will continue in the industry. Even with the drop in the number of AMCs, the workload for staff will increase dramatically due to carrying out all of the additional responsibilities related to the AMC Final Rule.

2. REVIEW OF CREDENTIAL HOLDER RENEWALS

Director Kohtz presented the renewal report to the Board for review, and informed the Board that he anticipates that the recent changes to the continuing education requirements will have a major impact on the renewal rates, especially for the certified general classification in which there are many reciprocal credential holders. The Director continued by saying that maintaining continuing education requirements more strict than many other states resulted in many reciprocal credential holders choosing to not renew a credential. Director Kohtz informed the Board that he would like to see overall renewal rates around 95% instead of 90%.

3. 2017-21 CREDENTIAL HOLDER/AMC REGISTRATION PROJECTIONS

The Director presented five graphs for the Board's analysis. The first four graphs outlined appraiser trends; the next graph outlined the number of registered AMCs. The number of reciprocal credentials is projected to continue rising, while the total number of resident credential holders is projected to steady. The Director then brought attention to the Real Property Appraiser Qualifications Criteria that became effective in May 2018, and indicated that the new criteria, if implemented, will have a major impact on the appraiser numbers in the future, although this benefit may not be apparent for a couple of years. Director Kohtz informed the Board that he anticipates that the licensed residential classification will become a stepping stone to certified residential, and that the numbers will likely continue to drop until a balance is reached under the new criteria; likely in three to four years. Under the new criteria, a licensed residential real property appraiser will be able to upgrade to a certified residential real property appraiser without the formal education required to be a certified residential real property appraiser. Chairperson Hynek asked, "So you'll see more non-college educated Residential?" The Director responded that this will be the case. Director Kohtz indicated that he anticipates that the number of applications for the certified general credential by way of the traditional processes will remain steady for the next few years, while the number of those that apply through reciprocity will continue to grow. Chairperson Hynek turned his attention to the trainee real property appraiser, and asked, "What's the time limit on Trainee?" Director Kohtz responded that there is no limit. Board Member Mustoe indicated that the best the Board can hope for is that the trainee real property appraisers choose to move on. Board Member Mustoe continued by saying that the increase in trainee real property appraisers tracks a bit with when a busy period ended. Director Kohtz indicated that supervisory appraisers appear to be on the same trend as trainee real property appraisers. The Director was asked approximately how many registered appraisers became trainee real property appraisers. Director Kohtz informed the Board that a small number became trainee real property appraisers and a small number moved to licensed residential, but the vast majority disappeared. There was not any motivation incorporated into the registered credential to force those credential holders to strive for at least a licensed residential credential. A board member mentioned that the registered appraisers had no appraiser education that could be used to upgrade. The Director finished the appraiser count discussion by informing the Board that the projected numbers take the recent changes and potential future changes under consideration, but are meant to be very conservative. Director Kohtz finished by once again discussing renewal rates. The Director informed the Board that he expects that the recent changes made to the continuing education requirements by the Board would increase the overall rate from around 90% to 95%. Most of the rate increase would come from reciprocal certified general real property appraisers, which would drive up the projected number of appraisers for each year.

4. REAL PROPERTY APPRAISER CREDENTIALS

a. General Discussion: No discussion.

b. Real Property Appraiser Qualifications Criteria_Effective May 1, 2018

Director Kohtz brought attention to the Real Property Appraiser Qualifications Criteria Summary of Changes found on page H.12 of the Strategic Planning Meeting Packet and provided a detailed summary of the changes adopted by the AQB. Director Kohtz predicts more changes in future, as the goal of the AQB is for the exam to become the determining factor, reducing the importance of education and experience. Director Kohtz was asked if there were plans to beef up the exam. The Director responded that this was done a couple years ago, but nothing has been mentioned recently that would lead him to believe that the exam will be changed as a part of the new criteria. One reason for the changes to the criteria is that some states need help adding appraisers, some states have areas where there are no appraisers and no appraisers will go. The Director continued, stating that Nebraska does not have this problem that he is aware of, and actually, Nebraska has more trainees than Texas. Board Member Luhrs mentioned that residential appraisers cannot meet comp requirements in rural areas. Board Member Mustoe added that the same problem exists with rent comparison studies. Board Member Luhrs declared that many of the federal regulations are developed for urban areas; but they do not work in a rural setting. Director Kohtz changed subjects and informed the Board that some states may not adopt full criteria, which may affect Nebraska credential holders requesting reciprocity. Board Member Mustoe asked if any surrounding states are considering a partial adoption. The Director responded, "Not that I am aware of." Board Member Mustoe followed by asking how states would be able to effectively keep track of this. Director Kohtz reminded the Board that since 2012, the AQB has fought to get all the states on the same page for requirements, and now that they are all there, the new criteria may threaten the harmony between states. The Director asked if the Board would like to adopt the full criteria. The Board agreed that a bill should be drafted to update the Real Property Appraiser Act to incorporate all changes adopted by the AQB.

c. Real Property Appraiser Credential Renewal

i. Incentives for Renewal of Credential Prior to November 30th

Director Kohtz informed the Board that he was asked to include possible incentives for renewing a credential prior to November 30th on the agenda. Chairperson Hynek indicated that he has no desire to move forward with this discussion, as it would likely create extra work in the office. Board Member Mustoe expressed skepticism that an incentive would change the renewal pattern, and added that the bulk of applications will always be filed at the end. Director Kohtz ended the conversation by informing the Board that changes to database will allow submission of education certificates through Appraiser Login, which would spread out education approval throughout the year and reduce some of the education review time during renewal season.

ii. Removal of November 30th Credential Renewal Due Date

Director Kohtz informed the Board that he added this item to the agenda. During the past year he has thought about the idea of no renewal submission due date, but also admitted that he has gone back and forth as to its effectiveness. The Director asked the Board if it had any comments or ideas regarding the November 30th credential renewal due date. Chairperson Hynek felt that it might cause more problems to change it. There was no further discussion

iii. Standardization of Two Year Credential Renewal

Director Kohtz brought attention to the Standardization of Two Year Renewal Report on page H.16 of the Strategic Planning Meeting Packet and informed the Board that it is the same report that was reviewed in August of 2017. The Director reminded the Board that it asked that this topic be put on the strategic planning meeting agenda. Chairperson Hynek indicated that this would be a drastic change, and would prefer not to change the renewal options. Director Kohtz reminded the Board that there is no good way to eliminate an imbalance between the two years. There was no further discussion.

d. Supervisory Appraiser

Director Kohtz asked for any conversation related to the Supervisory Appraiser. Chairperson Hynek informed the Board that he wants to allow the ability to take the supervisory/trainee course online. The Chairperson continued by saying that there are only two providers that offer it in Nebraska, which causes logistical issues for some that would like to take it. Board Member Mustoe asked if an exam is required. CEO Krieger informed the Board that an exam is required. A board member asked if the course has to be seven-hours. Director Kohtz informed the Board that it does not per the criteria, but seven-hours is written into statute. Board Member Mustoe indicated that he had no problem with allowing the course to be taken online and removing the seven hour requirement. Chairperson Hynek asked that this change be included in the next law update. Board Member Mustoe added that being able to take course online might help more rural appraisers become supervisors. Director Kohtz informed the Board that removing the class hour length and allowing the course to be completed online will be added to the goals.

e. Processes and Procedures

i. Credentialing through Education, Experience, and Education: No discussion.

ii. Credentialing through Reciprocity: No discussion.

iii. Renewal of Active Credential

Chairperson Hynek informed the Board that he observed the renewal process during last renewal season and it appears to be efficient. There was no further discussion.

iv. Inactive Status: No discussion.

f. Forms

Chairperson Hynek brought attention to the compliance questions on the applications, and asked if considering misdemeanors is a part of the Board's duties. Board Member Mustoe agreed and indicated that some misdemeanors are minor; the Board should not be asking for details or an explanation. Director Kohtz informed the Board that questions regarding criminal history do not need to be asked on the application, but if something comes up on the background check that is of concern, it will be brought to the Board. Chairperson Hynek expressed that knowing the information is important if the crime is related to the functions of being an appraiser or an appraisal management company, but a DUI is not of concern. Director Kohtz asked if the Board would prefer that the information be included in the affidavit section of the application, and added that the questions date back before the background check requirements. Board Member Mustoe expressed support for only asking for additional information related to criminal history found during a background check. A statement can be added that says, "You may be contacted for further information before your application goes before the Board." Director Kohtz requested that CEO Krieger open the Real Property Appraiser Act and reminded the Board that the statutes spell out what the Board should consider. Board Member Luhrs asked if a felony is an automatic rejection. Director Kohtz responded that a felony is an automatic rejection. Chairperson Hynek indicated that he does not want the Board to be a moral authority. Director Kohtz was asked to develop a draft application that the Board can review that removes the criminal history questions and adds a statement similar to "Certain criminal activities may result in denial of the application under Nebraska Statute."

i. Application for Nebraska Real Property Appraiser Credential: No discussion.

ii. Application for Real Property Appraiser Credential by Reciprocity: No discussion.

iii. Application for Trainee Real Property Appraiser Credential: No discussion.

iv. Application for Supervisory Appraiser Application: No discussion.

v. Experience Log

Chairperson Hynek brought attention to the available log formats, and requested that an excel version be made available on the website. Director Kohtz informed the Board that he thought an excel version was available. CEO Krieger indicated that an excel version is available, but it is not included on the website. Director Kohtz informed the Board that an excel version of the experience log will be added to the website.

vi. Application for Inactive Status of Real Property Appraiser Credential: No discussion.

g. Short and Long Term Goals and Objectives

Short Term:

- Fully adopt the Real Property Appraiser Qualifications Criteria that became effective on May 1, 2018.
 - Remove the supervisory appraiser/trainee course length requirement and allow the course to be completed online.
 - Remove the questions relating to an applicant's criminal record from applications and add language describing the statutory requirements in the affidavit section of the applications.
 - Add an excel version of the appraiser experience log to the website.
- i. Explore Opportunities to Increase Number of Nebraska Resident Appraisers.**
Director Kohtz asked if the Board would like to maintain this ongoing goal. The Board indicated that it would like this goal to remain as is.

5. TEMPORARY CREDENTIAL

Director Kohtz asked for any discussion pertaining to temporary credentials. Board Member Luhrs asked if a complaint is filed on a temporary credential holder, what recourse the Board has. Director Kohtz informed the Board that it has full authority. The Director continued by indicating that there was a problem in past with non-credential holders coming in and doing assignments without a temporary credential. The Board also had a complaint against a temporary credential holder, but nothing board could be done, so the statutes were changed to provide authority for the Board over temporary credential holders. Director Kohtz brought up the NC Board of Dentistry vs FTC case and declared that if an appraiser comes in from another state, the Board has the authority to investigate. If the individual were not credentialed, the Board would need to check with AG's office prior to investigating. A board member asked if someone could be working under one of the statutory exemptions. The Director responded by saying that it was possible.

6. APPRAISAL MANAGEMENT COMPANY REGISTRATION

a. Implementation of LB17 Changes

Director Kohtz brought attention to the LB17 changes that will soon be going into effect and informed the Board that he is waiting on some information from the ASC to finish the procedures for carrying out the functions of the AMC registration program under the changes. The Director continued by informing the Board that renewals are looking to be a two-step process. The first step will include the renewal application, and the second step will include obtaining the number of appraisers and fee required for ASC National Registry. Chairperson Hynek indicated that it may be a learn as you go process. The Chairperson continued by saying that he is fine with being behind on rules until the process and flow is figured out. The Director next moved to federally regulated AMCs, and indicated that the ASC is unclear on whether States have to collect the AMC Federal Registry fees or whether the federal agency with oversight will collect the fees.

b. Processes and Procedures

- i. Initial Registration:** No discussion.

ii. Renewal of Registration

Director Kohtz brought attention to AMC renewals and informed the Board that because of the federal reporting requirements, AMC registrations will be renewed every year, instead of every two years. The Director indicated that because of AMC final rule, there will be some attrition in the market due to some AMCs combining. The Director added that it is also difficult to say how organizations will react to paying a fee to operate in every state. Director Kohtz informed the Board that he is predicting a 30% reduction in the number of registered AMCs to be on conservative side. The Director asked if the Board wanted to start this process as soon as the LB17 changes go into effect on July 19, 2018, or would the Board prefer to wait until January 1, 2019 to start the process to allow for a clean break between the old and new procedure. Board Member Mustoe asked if the Board would have issues with the ASC during an audit if the procedure were not implemented prior to January 1, 2019. Director Kohtz informed the Board that the first AMC audit would be advisory in nature, so the issue may be discussed, but there would be no repercussions. Chairperson Hynek expressed support for implementing the new AMC Registration renewal procedures on January 1, 2019.

c. Forms: No discussion.

d. Short and Long Term Goals

Short Term:

- Implement new AMC Registration renewal procedure on January 1, 2019.

I. EDUCATION

1. GENERAL

a. Education Activity Audit

CEO Krieger presented a proposal to begin conducting education audits to the Board for consideration. Director Kohtz informed the Board that CEO Krieger included this as one of his performance goals for the current year. If the Board is interested the goal will be added; if the Board is not interested, the goal will not be included. Chairperson Hynek asked CEO Krieger to explain the concept. CEO Krieger responded that it is a way to make sure education providers are providing the information as the Board approved it; both in class and online offerings would be reviewed. Chairperson Hynek responded that he does not want the Board to do anything that makes education more difficult for appraisers. The Chairperson continued by saying, sometimes the education activity is better when the class gets off topic. CEO Krieger was asked how many activities would be audited, and how would the activity be chosen. Chairperson Hynek expressed that he is uncomfortable with the idea. Board Member Mustoe added that he does not see anything wrong with the idea, but it would create a lot of work. Board Member Mustoe then indicated that he is not sure that the Board would get a good return for its investment. Board Member Mustoe finished by saying that he is concerned that education providers would feel as if they are being singled out. A board member also commented that the Board should not do anything that would discourage education providers from submitting courses for approval. Chairperson Hynek indicated that he does not want to stifle questions and conversations, but asked if there was anything else to add. Board Member Mustoe reiterated that he does not see the benefit for the work.

2. QUALIFYING EDUCATION

a. Acceptance of Online Qualifying Education

Director Kohtz informed the Board that Chairperson Hynek asked for the acceptance of online qualifying education to be placed on the agenda. Chairperson Hynek indicated that online qualifying education is offered in many states; which puts Nebraska in a position of having more stringent qualifications to become an appraiser. CEO Krieger informed the Board that all but a few allow online qualifying education, although some do require that USPAP be taken in a classroom. Some states also require that all qualifying education is AQB approved. Board Member Mustoe indicated that he is fine with the idea, but the attendee should be required to take test at a proctored location; he does not want the exam taken with an open book or by someone else. Director Kohtz reviewed the Real Property Appraiser Qualifications Criteria, and informed the Board that the AQB requires proctored, closed-book examination. Board Member Mustoe responded that he thinks this would be a wonderful idea. Chairperson Hynek indicated that he could see USPAP in classroom, because it would be the class where the most information could be transferred organically. Board Member Hartman expressed interest in the idea that one could move through the courses at their own convenience. Director Kohtz added that the cost savings for course participants would be significant. Board Member Mustoe agreed, and brought attention to the high travel expenses required to complete the upper level classes not offered in state. Board Member Luhrs asked if the Board should consider requiring one classroom qualifying education course. Board Member Luhrs then asked, “How many people are actually going to take everything online?” Chairperson Hynek responded that the number is unknown, but it will be a personal preference. Board Member Luhrs added that if a course participant fails online, he or she may decide to retake the course in a classroom. Board Member Luhrs then indicated that he would have no issues with all qualifying education being eligible to be completed online. Chairperson Hynek asked for any other positions. Board Member Mustoe indicated that he would like to see Nebraska catch up with the rest of the country. Director Kohtz informed the Board that allowing online qualifying education will be included in the next legislative bill.

b. Allowance of Qualifying Education Courses from Colleges and Universities that Have AQB Approved Degree Programs

Director Kohtz informed the Board that he is already working on a Title 298 update to allow a college or university that has an AQB approved degree program the option to submit qualifying education courses for individual approval. UNO would like the students to have the opportunity to become trainee real property appraiser while still in the program. Ultimately, UNO would like to create an internship program that allows its students to obtain experience while progressing through the program. The Director then informed the Board that the AQB is working on an experience based practicum course that would allow for a certain percentage of one’s experience to be obtained through this course. UNO would like to take advantage of this opportunity when or if it becomes available. The Director was asked how much experience credit would be granted through the AQB course. Director Kohtz responded that the last he remembers, it would be up to 50%. Director Kohtz asked the Board, while he is working on the Title 298 update, does the Board want to limit this opportunity to colleges and universities that have AQB approved degree programs, or should the language be expanded to allow all colleges and universities to submit courses for approval. Chairperson Hynek and Board Member Mustoe both agreed that expanding the language would be a good idea. The Director informed the Board that a goal will be added to allow approval of qualifying education from higher education institutions.

c. Processes and Procedures: No discussion.

d. Application for Qualifying Education: No discussion.

e. Short and Long Term Goals and Objectives

Short Term:

- Allow online activities for qualifying education credit.
- Allow approval of qualifying education activities submitted by higher education institutions.

3. CONTINUING EDUCATION

a. Processes and Procedures: No discussion.

b. Forms

Director Kohtz asked for any discussion related to the continuing education forms. Board Member Mustoe recommended that the forms be kept simple; additional information can always be obtained if needed.

c. Short and Long Term Goals and Objectives: None

4. 7-HOUR SUPERVISORY APPRAISER AND TRAINEE COURSE

a. Acceptance of Online 7-Hour Supervisory Appraiser and Trainee Course

Director Kohtz informed the Board that he was asked to put the acceptance of online 7-hour supervisory appraiser and trainee course on the agenda. The Board held a brief discussion and concluded that the 7-hour supervisory appraiser and trainee course should be allowed to be completed online, and that the hour requirement should be removed.

b. Processes and Procedures: No discussion.

c. Application for Seven-Hour Supervisory Appraiser/Trainee Course: No discussion.

d. Short and Long Term Goals

Short Term:

- Remove seven hour requirement for Supervisory Appraiser/Trainee Course.
- Allow Supervisory Appraiser/Trainee Course to be completed online.

5. INSTUCTORS: No discussion.

6. POST-SECONDARY EDUCATION: No discussion.

7. BOARD REPRESENTATION/OFFERINGS

Director Kohtz asked the Board if it had any discussion regarding Board representation or education offerings. Board Member Mustoe expressed his misgivings regarding the idea of Board sponsored education offerings. Chairperson Hynek added that that the Board has no intention of offering education. There was no further discussion.

a. Short and Long Term Goals: None.

J. PERSONNEL

1. STAFF POSITIONS: No discussion.

2. POLICIES AND PROCEDURES: No discussion.

3. CONFERENCES AND TRAINING

a. Fall/Spring AARO Conference

Director Kohtz brought attention to the AARO Conference and informed the Board that it currently has funding to send one representative to each AARO Conference, but allows for consideration of others as long as funding is available. The Director asked if there should be any change to this. Board Member Mustoe indicated that he likes the Director to attend both conferences to represent the Board. Chairperson Hynek added that much of the conference is unproductive, but some of the information obtained is very important. The Board agreed that the Director should continue to attend each conference.

b. TAF/AARO Investigator Training

Director Kohtz brought attention to The Appraisal Foundation's investigator training coming up and asked the Board if it had interest in board member or staff attendance. There was no interest.

c. Attendance at FBLA/FFA Conventions

Director Kohtz brought attention to an idea that BLS Nespor had, which is for the Board to have representation at the FBLA and FFA conventions. The Director was asked what these are. BLS Nespor informed the Board that FBLA is the Future Business Leaders of America and FFA is the Future Farmers of America; these are high school extracurricular groups. Director Kohtz reminded the Board that it attended the UNL Career Fair for a couple years, but the return was not there as many of the attendees were looking for a specific job, not a career path. The Director indicated that this might be a way to reach those interested in the appraiser profession before they even begin college. Chairperson Hynek declared that this fits under the purview of expanding the profession. Board Member Luhrs indicated that members of these organizations include the upper echelon of high school students. Board Member Mustoe declared that appraising is not something that one typically expresses interest in during childhood, so this may provide a good opportunity to open the door at a young age. Board Member Luhrs agreed with Board Member Mustoe.

4. BOARD STRUCTURE

a. Broker/Credentialed Appraiser Board Member Position Qualifications

Director Kohtz brought attention to the broker/credentialed appraiser board member position, and informed the Board that it is having an increasingly difficult time filling the position. The Director asked, "Are there any changes you like to consider making to the qualifications for this position?" Board Member Hynek asked, "Do we need a broker? Do we need that person to have a credential? The Financial representative doesn't." The Chairperson added that it is sometimes nice to have someone who is not an appraiser. It helps avoid being bogged down in details and offers a different perspective. Board Member Mustoe indicated that Board Member Hartman's focus is financial based, while Board Member Luhrs focus is on the appraiser side more than broker side. Board Member Mustoe then asked, "Would they still be able to add to the discussion? Yes." Board Member Luhrs informed the Board that he does not do much work as a broker. Board Member Hartman indicated that it makes sense to look into. Chairperson Hynek brought attention to the number of appraisers that hold a broker's license, and indicated that there will be fewer broker/appraisers in the future. Director Kohtz reminded the Board that when the Board was first established, many of the appraisers also held a broker's license, so it made more sense back then. Chairperson Hynek asked if the legislature would object to such of a change. Director Kohtz informed the Board that it could test the water before adding language to a bill, and the language could always be pulled out if there was any pushback. Discussion turned to a quorum needed to hold a meeting. Specifically, would removing the appraiser requirement limit the profession's voice on the Board? Director Kohtz informed the Board that three board members are needed for a quorum. The Director was asked if the quorum could be specified to include at least two credentialed board members. Director Kohtz responded that he could ask Natalee that question. Board Member Mustoe indicated that the Board may still have a credentialed person in the financial or broker position because credential holders would be the most interested in the positions. The Director informed the Board that a goal will be set to explore the possibility of removing the appraiser requirement from the appraiser/broker board member position and changing the quorum requirements to include at least two credential holders.

5. RENEWAL SEASON INTERNS

Director Kohtz informed the Board that use of interns during renewal season has been very successful. The primary benefit is that utilizing two interns at twenty hours apiece insulates the Board from major loss of productivity when there is turnover in the temporary position. The Director asked if there was any discussion regarding renewal season Interns. BLS Nespor asked if this was a good time to discuss adding a half-time permanent employee. Director Kohtz responded that BLS Nespor brought this up related to the AMC Final Rule changes going into effect. The Director indicated that he sees no reason to consider permanent staff additions now because the effect of the AMC Final Rule is still unclear. As previously mentioned, a reduction in the number of registered AMCs is expected, so the workload may balance with a lower number of AMCs. Chairperson Hynek indicated that he has no problem spending more on temps, rather than bring on half-time permanent until we see how things play out. Board Member Mustoe added that the agency might grow over time, and declared that there is no good that comes out of BLS Nespor reaching her breaking point. Board Member Mustoe followed by saying that it may be better to wait until the work requires an additional full-time employee compared to hiring a permanent half-time person, but the situation should be watched. Director Kohtz responded that he would keep the Board updated on workload status as he sees fit. Board Member Luhrs asked if temps are cost effective. Director Kohtz responded, "Yes, having two half-time temps offers flexibility and additional coverage is available if someone leaves."

6. SHORT AND LONG TERM GOALS AND OBJECTIVES

Short Term:

- Explore the possibility of removing the appraiser credential requirement from the appraiser/broker board member position and changing the quorum requirements to include at least two credential holders.
- Explore attendance at the FBLA/FFA Conventions.

K. PUBLIC INFORMATION

1. **GENERAL:** Director Kohtz informed the Board that he would like the existing goal regarding Memos From the Board and Facebook posts to remain. There was no further discussion.

a. **Utilization of Twitter Account**

Director Kohtz informed the Board that more agencies are utilizing Twitter as a means of communication and asked if the Board had any interest in doing so. The Board expressed no interest in utilizing Twitter.

b. **Short and Long Term Goals:** None.

2. WEBSITE

Director Kohtz asked the Board if there was any discussion pertaining to the website. Board Member Mustoe indicated that some good changes were made this year, and is satisfied with the state of the website. There was no further discussion.

a. **Processes and Procedures:** No discussion.

b. **Short and Long Term Goals and Objectives:** None.

3. **BOARD MEMOS:** No discussion.

4. NEWSLETTER

Director Kohtz asked for any discussion concerning the newsletter. Board Member McCormick asked if the readability could be improved. There is a tool in Microsoft Word that is a part of grammar and spellcheck; a Flesch-Kincaid score between ten and twelve is considered good. The Director informed the Board that he will explore using the Flesch-Kincaid score on the newsletter.

a. **Processes and Procedures:** No discussion.

b. **Short and Long Term Goals and Objectives**

Short Term:

- Explore using Flesch-Kincaid score for newsletter to ensure a readability score of 12 or lower.

5. **FACEBOOK PAGE:** No discussion.

L. ADMINISTRATION

1. POLICIES AND PROCEDURES

a. NRPAB Meeting Frequency

Director Kohtz brought attention to the board meeting schedule and informed the Board that Chairperson Hynek asked for this item to be put on the agenda. The Chairperson indicated that it would be nice to figure out a way to hold meetings bi-monthly. Chairperson Hynek continued by saying that meetings are getting shorter and Board Members McCormick and Luhrs have a long drive every month. Board Member McCormick responded by thanking Board Member Hynek for the gesture, but indicated that he knows what he signed up for. Board Member Luhrs concurred with Board Member McCormick's comment. Board Member Luhrs added, "If you have an active portfolio of complaints, then you have a really long day." Board Member McCormick then declared that a decision should not be based on mileage. Chairperson Hynek responded that it seems unreasonable to have eight to ten hours of driving for a short meeting. Chairperson Hynek asked if determining when a meeting is held could be flexible. Director Kohtz indicated that nothing in statute prevents the Board from being flexible. Chairperson Hynek then asked if there is additional work the staff can take on to reduce the frequency of meetings. Board Member Mustoe asked if the Board could teleconference. Director Kohtz informed the Board that State law does not allow teleconferencing. The Director indicated that video conferencing is allowed, but the Board does not have the technology capabilities to hold a video conference. Chairperson Hynek asked the Board, "How far ahead would you have to know if a meeting was to not to be held during a month?" Board Member Mustoe indicated that he does not want to push off important business if it can be handled. Board Member Luhrs added that there has to be some continuity; new board members need to attend to see what goes on. The Board agreed that taking a month off under the right circumstances is justified, but it should not be a regular thing.

b. Short and Long Term Goals and Objectives

2. RETENTION SCHEDULE: No discussion.

3. NRPAB DATABASE

The Director informed the Board that CIO has begun working on the database, and it appears that real progress could be made during this fiscal year. If things proceed as planned, there will be no need to request funding for the database project again. Director Kohtz finished by saying that he would like for the Board to allow for this project to be finished before considering any future projects. The Board agreed with this assessment. There was no further discussion.

a. NRPAB Database Report

Director Kohtz guided the Board to page L.1 in the Strategic Planning Meeting Packet and informed the Board that the NRPAB Database Report contains very good information concerning the history of the database project, along with a description of all the interfaces included in the project. The Director then indicated that he was not going to go into the details of the report, but if any board members would like to discuss something found in the report to let him know and he will add it to the agenda. There was no further discussion.

b. Increased CIO Maintenance Fees

Director Kohtz informed the Board that CIO has increased the frequency at which the Board is being charged for database maintenance work. CIO used to only charge for enhancements, but is now charging for all maintenance, including fixing areas of the database broken by CIO. The Director then informed the Board that he included an additional \$3,600.00 in the budget for CIO database maintenance fees, and is planning to include an issue for an increase of \$3,600.00 in the 2019-2021 Biennial Budget Request. The Board agreed that the increase should be included in the current budget and the biennial budget request.

c. Short and Long Term Goals and Objectives

Short Term:

- Continue work on NRPAB database projects.

Long Term:

- Explore Online Real Property Appraiser Initial and Renewal Applications, AMC Initial and Renewal Applications, and Continuing Education Submissions.

M. APPRAISAL SUBCOMMITTEE: No discussion.

N. APPRAISAL FOUNDATION: No discussion.

O. LAWS, RULES AND GUIDANCE DOCUMENTS

1. LAWS

a. Real Property Appraiser Act

Director Kohtz informed the Board that he will work to have a bill introduced during the next session that incorporates the new Real Property Appraiser Qualifications Criteria, allows for online qualifying education, removes the seven hour requirement for the supervisory appraiser/trainee course, allows for the supervisory appraiser/trainee course to be taken online, and possibly changes the requirements for the broker/appraiser board member position. The Director asked the Board if it had any other items to add to this list. The Board agreed that all of Director Kohtz's recommendations should be explored, and additional items can be added as the bill is in the drafting phase.

b. Appraisal Management Company Registration Act

Director Kohtz asked if there was any discussion pertaining to the Appraisal Management Company Registration Act. Chairperson Hynek recommended that the Board let the dust settle from the AMC Final Rule implementation prior to considering any new changes.

c. Processes and Procedures

Director Kohtz provided a summary of the typical process the Board goes through for bill drafting and introduction and informed the Board that the relationship built with the Banking, Commerce, and Insurance Committee Legal Counsel during the drafting phase pays off during the committee hearing and once the bill reaches the floor. The Board expressed confidence in the current process as described.

d. Short and Long Term Goals and Objectives

Short Term Goals:

- Work with the Banking, Commerce, and Insurance Legislative Committee's Legal Counsel to draft a bill to be introduced addressing the changes needed in the Real Property Appraiser Act as discussed during this meeting.

Long Term Goals:

- Continue to address federal requirements and guidelines, as they become known.

2. RULES

a. Title 297

Director Kohtz informed the Board that Title 297 is the Board's administrative procedures, similar to the Administrative Procedure Act. It has hearing procedures, contested case procedures, negotiated rule-making procedures, declaratory order procedures, and similar items. The Director continued by informing the Board that staff uses it a lot, but there is really nothing in Title 297 that would affect the Board directly. There was no further discussion.

b. Title 298

The Director brought attention to the updates that need to be made in Title 298 and reminded the Board that the majority of changes are already made. The Governor's Policy and Research Office held the draft for six months, which eventually made it unproductive to proceed considering that LB741 and LB17 were moving through the Legislature. Director Kohtz informed the Board that he anticipates having an updated draft to the Board for consideration at the August or September meeting. Chairperson Hynek asked if it is even worth the time if the rules are always a step behind. The Director responded that the process is frustrating, but there is really no other way to do it. It would be good for the Board to get Title 298 caught up before having to address any other needs.

c. Processes and Procedures

Director Kohtz summarized the process for rules updates to the Board and asked if there was any discussion. There was no discussion.

d. Short and Long Term Goals and Objectives

Short Term Goals:

- Complete current draft of Title 298 and include changes related to LB17 and LB741.

3. GUIDANCE DOCUMENTS/INTERNAL PROCEDURAL DOCUMENTS: No discussion.

Break from 11:46 a.m. to 11:55 a.m.

P. FINANCIAL

1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year as of June 18, 2018. Director Kohtz informed the Board that he will not provide specific details because this information will be covered at the July meeting after the fiscal year ends. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$344,821.48 in expenditures and \$333,620.44 in revenues were reported. Expenses amount to 71.05 percent of the budgeted expenditures, and revenues amount to 97.83 percent, for the fiscal year; 96.71 percent of the fiscal year has passed. The Director indicated that expenditures are far below budget and revenues are meeting projections, so it has been a good financial year. CIO completed some work on the database, so \$55,258.00 will be carried over to the new fiscal year for this project. Director Kohtz also brought attention to the cost of hearings and informed the Board that what was spent during this fiscal year will be more typical in future fiscal years, which is why funds are being requested in future budgets for this purpose. Finally, the Director explained the reviewer fees were very low due to a low number of applicants this fiscal year; this is anticipated to change with implementation of the new criteria.

2. 2018-21 PROJECTIONS

Director Kohtz presented four graphs outlining revenue and expenditure projections during the next three fiscal years. Director Kohtz informed the Board that the expenditures were based on a sixty percent, forty percent split between the Real Property Appraiser Fund and the AMC Fund. The Director indicated additional work related to the implementation of, and maintenance of, the AMC Final Rule requirements was used to determine that significantly more time and resources will be allocated to the AMC fund. The Director anticipates a significant reduction in the overall cash balance during the next fiscal year due to the completion of the database project and the transition from two-year to one-year renewals for AMCs. This transition will create a shortfall during the first year of the two-year transition period. Once the Board gets through the next fiscal year, revenues are expected to realign with expenditures. Director Kohtz added that because of previous changes made to the continuing education requirements and future changes the Board is considering, he anticipates that revenues will exceed the projected numbers.

3. FY 2018-19 BUDGET

Director Kohtz presented the preliminary FY 2018-19 budget to the Board for review, and highlighted the following items:

- Proposed Budget includes general expenditure allocation of 60% to Appraiser Fund and 40% to AMC Fund.
- AARO Travel (Budget includes funding for 1 Fall and 1 Spring Conference trip).
- Budget includes McCormick travel (North Platte – Lincoln)
- Intern/Temporary Employee (\$6,931.00)
- Other Operating Expenses (overage coverage of \$1,000.00)
- Staff Education (\$1,500.00)
- Funding for equipment repair and purchase, including software purchase (\$1,250.00)
- Board Member Per Diem Payments (\$9,500.00)
- Legal Services (\$35,000.00)
- Other Contractual Services (50,000.00)
- Publication & Print Expenses, Awards Expenses, Dues and Subscriptions Expenses, Meals – Not Travel Status Expenses, Miscellaneous Travel Expenses (Reduced due to projected expenditures -\$840.00)
- Personal Services Expenses and Employee Benefit Expenditures increased to reflect FY 2018-19 appropriations and projected expenditures (+ 3,830.00)
- Budget includes the following increase from the FY 2017-18 appropriations:
 - Luhrs travel (Imperial – Lincoln) (\$5,776.00)
 - Database Maintenance (\$3,600.00)

- Database Project (\$55,258.00 – Remainder of \$74,409.00 appropriations)
- Legal Related Expenses (\$5,000.00)
- Applicant Standard 3 Reviewer Fees/SME Fees are set at:

Applicant Reviews

Residential: 4 Hours x \$85.00 = \$340.00

2-4 Family: 6 Hours x \$85.00 = \$510.00

Agriculture: 8 Hours x \$85.00 = \$680.00

Commercial: 10 Hours X \$85.00 = \$850.00

SME

Residential: 6 Hours x \$100.00 = \$600.00

2-4 Family: 9 Hours x \$100.00 = \$900.00

Agriculture: 12 Hours x \$100.00 = \$1200.00

Commercial: 15 Hours X \$100.00 = \$1500.00

Director Kohtz asked for any comments or recommendations. The Board expressed satisfaction with the preliminary budget as presented. There was no further discussion.

4. 2019-2021 BIENNIAL BUDGET

Director Kohtz informed the Board that preparation for the 2019-2021 Biennial Budget has already begun. The Director informed the Board that he plans to include budget issues for increases of \$5,776.00 for increased travel costs, \$3,600.00 for database maintenance, and \$5,000.00 for legal related expenses. Director Kohtz then asked the Board for thoughts on the next budget cycle. The Board agreed with the Director's recommendations. There was no further discussion.

5. FEES

Director Kohtz asked if the Board would like to see any fee changes. There was no discussion.

Q. SWOT ANALYSIS

Director Kohtz informed the Board that it was time to review the SWOT Analysis. Director Kohtz reminded the Board that it is listing the strengths, weaknesses, opportunities, and threats. Board listed the following:

STRENGTHS

- Customer Service
- Organization
- Staff Depth
- Staff Knowledge
- Adaptability
- Professional Diversity of Board

WEAKNESSES

- Inability to grow the Industry
- Efficiency loss due to Database
- Size of Agency
- Regulatory and statutory regulations

OPPORTUNITIES

- Growth in Appraiser field
- Continually evaluate how the Board and Agency operates

THREATS

- Agency turnover
- Federal agency oversight
- State Economic Climate
- Aging appraiser population

R. ADJOURNMENT

Board Member Mustoe moved to adjourn the meeting. Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

At 12:39 p.m. Chairperson Hynek adjourned the June 22, 2018 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on July 9, 2018, in compliance with Nebraska Revised Statute §84-1413 (5).