

**REAL ESTATE APPRAISER BOARD
FEBRUARY 9, 2006
CONFERENCE ROOM C
LOWER LEVEL, NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

OPENING

Vice Chairman Kevin Kroeger called to order the February 9, 2006, regular meeting of the Nebraska Real Estate Appraiser Board at 9:00 a.m. Board members Tim Kalkowski, Jim Bain, Kevin Kroeger, and Sheila Newell were present. Jill Ekstein, Director, was also present.

Vice Chairman Kroeger announced the first item of business would be the election of the 2006 Chairman and Vice Chairman. Kroeger opened the floor for nomination of Chairman. Bain nominated Kevin Kroeger to serve as Chairman. Kalkowski seconded the motion. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Kroeger opened the floor for nomination of Vice Chairman. Bain nominated Newell to serve as Vice Chairman. Kalkowski seconded the motion. The motion carried with Kalkowski, Bain and Kroeger voting aye. Newell abstained.

NOTICE OF MEETING

Chairman Kroeger announced the notice of the meeting was published in the Lincoln Journal Star, a newspaper of general circulation in Nebraska, as required by the public meeting law. The public notice and proof of publication relating to this meeting are attached and made part of these minutes.

AGENDA

Chairman Kroeger asked if there were any additions or corrections to the agenda. Newell moved to adopt the agenda. Bain seconded. The motion carried with Kalkowski, Bain, Kroeger, and Newell voting aye.

GUESTS

Chairman Kroeger welcomed the guests in attendance. Present were Diane Moore, President of the Moore Group; Cay Lacey; and Gary Bush, Budget Analyst for the Real Estate Appraiser Board.

MINUTES

Chairman Kroeger asked for any additions or corrections to the minutes of the December 20, 2005, meeting. Bain moved to approve the minutes of the December 20, 2005, meeting. Kalkowski seconded. The motion carried with Kalkowski, Bain, Kroeger and Newell voting aye.

DIRECTOR'S REPORT

There was no report from the Director.

CHAIRMAN'S REPORT

Chairman Kroeger had no report.

EXPENDITURES

Director Ekstein presented the expenditure report for the months of December and January. There was discussion regarding the expenditures for December and January. Newell moved to accept the expenditure report for the month of December. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Bain moved to accept the expenditure report for the month of January. Kalkowski seconded. The motion carried with Kalkowski, Bain and Kroeger voting aye. Newell voted no.

UNFINISHED BUSINESS

Mentor Program

Newell presented the Board with an updated application for individuals wishing to be mentors. The application is to be used only in conjunction with a Board-approved school. She identified corrections that needed to be made to the individual mentor application. Newell moved to have the Board approve the individual mentor application with changes. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Appraiser Act

Director Ekstein provided the Board and guests an update on the status of LB778. She reported she and others from the appraisal population appeared before the Banking, Commerce and Insurance Committee. Ekstein indicated the discussion in the committee hearing focused primarily on the change in educational requirements for the certified residential and certified general credentials in the 2008 AQB Criteria. She stated the bill advanced from committee with all members voting for the advancement to General File except one senator who did not vote.

Director Ekstein reported on the advancement of the legislation to Select File following the initial floor debate in which several amendments were offered to eliminate inconsistencies in language of various sections of the bill.

NEW BUSINESS

2008 AQB Criteria Implementation Seminar Part II

Newell explained she was interested in attending the 2008 AQB Criteria Implementation Seminar Part II which will be held March 16, 2006, in Chicago, Illinois. Newell stated while Director Ekstein and Chairman Kroeger had attended the seminar previously, she believed it would be beneficial for other members to attend the implementation seminar as well. She indicated the Appraisal Foundation had established funding to reimburse state regulatory boards for travel expenses to the seminar.

The Board took a five minute recess.

The Board reconvened at 10:13 a.m.

Chairman Kroeger explained his attendance to the AQB Criteria Implementation Seminar reaffirmed the difficulties the board may face in approving the education based upon the changes made in the core curriculum. The Board received confirmation the reimbursement would be made back to the fund that paid for the travel expenses of those attending the seminar.

Kalkowski moved to approve travel expenses for up to two board members to attend the 2008 AQB Criteria Implementation Seminar Part II on March 16, 2006, in Chicago, Illinois. Bain seconded. The motion carried with Newell, Kalkowski, Bain and Kroeger voting aye.

AARO Spring Conference – San Antonio, Texas

Chairman Kroeger announced the spring conference of AARO has been scheduled for April 8-10 in San Antonio, Texas. He stated historically the Director and the Chairman of the Board had attended this seminar. Last year, the Chairman and Vice Chairman attended the conference in the absence of the Director. He explained the meeting was established for state regulatory officials to gather and discuss issues regarding enforcement, investigations, hearings, etc.

Kalkowski moved to approve the travel expenses for the Director and Chairman to attend the AARO Spring Conference April 8-10, 2006, in San Antonio, Texas. Bain seconded. The motion carried with Newell, Kalkowski, Bain and Kroeger voting aye.

Revision of the Review Form and Training Session for Reviewers

Chairman Kroeger combined the Revision of the Review Form and Training Session for Reviewers as one item for discussion. He discussed the importance of the need for reviewers to provide more clarity regarding the USPAP violations. Kroeger asked the Board to consider the revision of the review form currently used by the Board. He suggested the Board hold a three hour seminar for reviewers to provide some guidance as to what is needed by the reviewers.

Website

Newell stated the website needed to be brought up to date in the way the content appears on the site. She believed the Board should consider spending the money to have the site redesigned. Director Ekstein reported she had received quotes from both IMS and Nebraska Online previously to redesign the website. She had contacted both groups again to get an updated quote. Gary Bush, Budget Management Analyst for the Appraiser Board, indicated the State Records Board had grant money available for state agencies. The funds are awarded for one-time funding aimed at improving electronic access to state government information and services. Chairman Kroeger asked to have the item remain on the agenda for the next meeting and have the Director present quotes as to the cost of the redesign. He suggested the Director inquire about the grant funding available.

Applicant Experience Log

Newell asked if the most current applicant experience log was available on the website. Director Ekstein stated she had taken the previous log off of the website and put the current log at the end of the application. Chairman Kroeger suggested adding a disclaimer stating an experience log containing the same information as the applicant experience log but shown in a different format would be acceptable.

GENERAL PUBLIC COMMENTS

There were no additional general public comments.

EDUCATION

The Board took a break at 11:00 a.m. to allow Board members to review the submitted education.

The Board reconvened at 11:18 a.m. Discussion was held on the number of hours approved for continuing education. The Appraisal Institute had requested 30 hours for Residential Sales Comparison and Income Approaches. Newell questioned why the maximum hours allowed for continuing education is 16 as provided on the monthly "Course and Seminar Approval." The continuing education seminar is being held over for approval at the March meeting. An interpretation of the Department of Education's regulation on continuing education was requested.

Newell moved to approve the following continuing education: “Mold Identification and Solutions” by The Educational Institute for three and one half hours, “Online Residential Property Construction & Inspection” by The Appraisal Institute for seven hours, “Online Small Hotel/Motel Valuation” by The Appraisal Institute for seven hours, “Online Using Your HP12C Financial Calculator” by The Appraisal Institute for seven hours, “Online Appraising from Blueprints and Specifications” by the Appraisal Institute for seven hours, “Online Apartment Appraisal – Concepts and Applications” by the Appraisal Institute for fifteen hours, “Online Analyzing Distressed Real Estate” by the Appraisal Institute for four hours, “Online Analyzing Operating Expenses” by the Appraisal Institute for seven hours, “Online Appraising Manufactured Housing” by the Appraisal Institute for seven hours, “Online the FHA & The Appraisal Process” by the Appraisal Institute for seven hours, “Online Introduction to GIS Applications for Real Estate Appraisal” by the Appraisal Institute for seven hours, “Online Residential Design & Functional Utility” by the Appraisal Institute for seven hours, “Residential Site Valuation and Cost Approach” by the Appraisal Institute for fifteen hours, “FHA and the New Residential Appraisal Forms” by the Appraisal Institute for seven hours, “The Relocation Appraisal Training Program” by Worldwide ERC for six hours, “National USPAP Update” by Randall School of Real Estate for seven hours, “2006 National USPAP Update Course” by Mid-West Appraisers Association for seven hours, “Land Surveying” by Randall School of Real Estate for three hours, “Radon and Real Estate” by Randall School of Real Estate for three hours, “1031-Tax Deferred Exchanges” by Randall School of Real Estate for three hours, “Commercial Real Estate Workshop” by Resource Property Group, Inc. for seven hours; and the following qualifying education: “Fundamentals of Mass Appraisal” by the IAAO in conjunction with Lancaster County Assessor’s Office for thirty hours, “Income Approach to Valuation” by the IAAO in conjunction with the Douglas County Assessor’s Office for thirty hours, “National USPAP Course” by the Moore Group for fifteen hours, “National USPAP Course” by Randall Scholl of Real Estate for fifteen hours; “Small Residential Income Property Appraisal” by Trans-American Institute of Professional Studies, Inc., for twenty-one hours, “Basic Appraisal Principles” by Trans-American Institute of Professional Studies, Inc., for thirty hours, “Basic Appraisal Procedures” by Trans-American Institute of Professional Studies, Inc., for thirty hours and “2006 National Uniform Standards of Professional Appraisal Practice Course” by Trans-American Institute of Professional Studies, Inc. for fifteen hours. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Mark Rattermann and Arlen Mills are the instructors for the Residential Sales Comparison and Income Approach seminar in which approval was requested by the Appraisal Institute. These instructors are being held for approval at the March meeting.

Newell moved to approve all of the instructors on the February 9th form provided to the Board except for Mark Rattermann and Arlen Mills. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

The Board recessed for lunch.

The Board reconvened at 12:30 p.m.

Newell moved that the Appraiser Board go into Executive Session for the purpose of reviewing qualifications of applicants and the consideration of written complaints. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved relating to application being reviewed, performance and disciplinary matters being considered. The time on the meeting room clock was 12:30 p.m. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Newell moved that the Appraiser Board come out of Executive Session at 2:27 p.m. Kalkowski seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

APPLICANTS

Newell moved to approve:

Licensed

L010601, Mary Johnson to take the exam

L600, Chad Martinsen to take the exam

L110503, Timothy Wallinger to take the exam

L10051 – send reports out for USPAP compliance

Certified Residential

CR126, Ronald Starzec to take the exam

CR110502, Timothy Mullin to take the exam

CR10601 – deny and send comments to appraiser

Certified General

CG10603 – deny and send comments to appraiser

L10055 – allow appraiser to sit for Certified Residential exam with the fee waived pending application being resubmitted with experience log.

Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

ENFORCEMENT

Bain moved in reference to case number:

05-18, dismiss;

05-24, file a formal complaint against the appraiser;

05-29, file a formal complaint against the appraiser;
6-01 and 06-02, combine complaints and send reports out for review.

Newell seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Newell moved that the Appraiser Board go into Executive Session at 2:30 p.m. for the purpose of Personnel matters. A closed session is clearly necessary for the prevention needless injury of the reputation of the individual or individuals involved in the Personnel matters. Kalkowski seconded. The motion carried with Bain, Newell, Kalkowski and Kroeger voting aye. Board members Newell, Bain and Kalkowski were present at 2:30 p.m.. Chairman Kroeger was present at 2:45 p.m.

Newell moved that the Appraiser Board come out of Executive Session at 2:50 p.m.. Bain seconded. The motion carried with Kalkowski, Bain, Newell and Kroeger voting aye.

Bain moved in reference to enforcement case number 03-18, to authorize the Director to file a formal complaint. Kalkowski seconded. The motion carried with Kalkowski, Bain and Kroeger voting aye. Newell abstained.

The meeting was adjourned at 2:55 p.m.

Respectfully Submitted,

Jill Ekstein
Director

These minutes were available for public inspection on February 13, 2006, in compliance with Nebraska Statute §84-1413(5).