

**REAL ESTATE APPRAISER BOARD
CONFERENCE ROOM OF THE BOARD OF ENGINEERS AND ARCHITECTS
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE
JUNE 22, 2006**

OPENING

Chairman Kroeger called to order the June 22, 2006, meeting of the Nebraska Real Estate Appraiser Board at 9:00 a.m., in the Conference Room of the Board of Engineers and Architects, 6th Floor, Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska. Board Members Timothy Kalkowski, Joe Wilson, Jim Bain, Sheila Newell and Kevin Kroeger were present. Jill Ekstein, Director, was also present.

NOTICE OF MEETING

Chairman Kroeger announced notice of the meeting was duly given, posted, published and tendered in compliance with the Open Meetings Law, and all board members received notice simultaneously by mail. The agenda was kept current on the website and in the office of the Nebraska Real Estate Appraiser Board Office and the website. Materials generally used by the Board for the meeting were available in the public folder for inspection.

ADOPTION OF THE AGENDA

Board Member Wilson moved to adopt the Agenda as printed. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Chairman Kroeger welcomed the guests to the meeting and asked for them to sign the guest log in order to ensure proper spelling of names in the minutes. Present were Diane Moore, The Moore Group; Travis Haggard, Ogallala; Gary Bush, Agency Budget Analyst; Perre Neilan, Nebraska Realtors® Association; and Cay Lacey.

APPROVAL OF THE MINUTES FROM MAY 24, 2006

Chairman Kroeger asked for any additions or corrections to the minutes. Board Member Bain moved to approve the minutes. Board Member Kalkowski seconded. The motion carried with Wilson, Kalkowski, Bain, Newell and Kroeger voting aye.

DIRECTOR'S REPORT

Director Ekstein reported on several items including the Meeting Summary from the AQB Public Meeting in Florida, the AQB Exposure Draft and Interpretations of the AQB Criteria, and the May and June USPAP Q & A documents that can be downloaded from the Appraisal Foundation website. In addition, she commented on the press release issued dealing with the effective date of the 2006 Edition of USPAP.

CHAIRMAN'S REPORT

Chairman Kroeger reminded the Board that LB778 will go into effect on July 14, 2006, and the Board will then be officially known as the Nebraska Real Property Appraiser Board.

RECEIPTS AND EXPENDITURES REPORT – MAY

Director Ekstein explained the Receipts and Expenditures Report and reminded the Board the

fiscal year ends June 20, 2006. She explained the appropriations which are not expended will carry over into the next fiscal year.

Vice Chair Newell moved to approve the May Receipts and Expenditures Report as presented. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

UNFINISHED BUSINESS

Rules & Regulations

Chairman Kroeger explained there were two items for the Rules and Regulations. The first document was the complete Title 298 with changes from the AQB Criteria, changes made with the implementation of LB778 and suggestions that were provided by Board Members, the Policy Mangers from the ASC and the Executive Director of the ASC. The second document was a list of additional suggestions which were requested later but had not been incorporated. Board Member Kalkowski asked if there were resources to help with the Rules and Regulations. Chairman Kroeger stated the legal counsel appointed to assist the Board had indicated Rules and Regulations and the Administrative Procedures Act are specialties of the firm and they would be willing to assist with the changes of the document.

Chairman Kroeger explained he had called Charlie Lowe, Assistant Attorney General, to clarify if indeed the attorneys appointed to assist the Board could help with the drafting of the Rules and Regulations. Vice Chair Newell suggested the Board take a break and the Director try to contact Charlie Lowe to determine if the Board has the authority to use the appointed Legal Counsel for the drafting of the Rules and Regulations.

The Board took a five minute recess.

The Board reconvened at 9:40 a.m.

Director Ekstein reported she called Charlie Lowe and he clarified the engagement letter for the services of Rembolt Ludtke, LLP was broad and he believed the Board could use the services of the appointed Legal Counsel to assist with the draft of the Rules and Regulations.

Vice Chair Newell moved that the Director take all proposed drafts of the Rules and Regulations to Legal Counsel for incorporation, compliance with the Administrative Procedures Act and in accordance with the Nebraska State Statute. Board Member Wilson seconded.

Board Member Kalkowski moved to amend the stated motion to move forward as long as the cost of using the Legal Counsel remained \$12,000 or less; otherwise, the Director should contact the Board prior to beginning work with the attorneys. Board Member Bain seconded. The motion carried with Wilson, Kalkowski, Bain, Newell and Kroeger voting aye.

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

Exam Provider Options

Director Ekstein reported the answers to the questions asked during the previous meeting regarding the exam provider, AMP, Inc. She stated the physical locations of the testing sites

were at H&R Block Offices in Lincoln, Omaha, North Platte and Scottsbluff. AMP staff informed the Director if there were other jurisdictions, i.e. Colorado, in which the Nebraska Real Estate Appraiser Board wished to have the Nebraska exam administered, arrangements could be made in those jurisdictions. Director Ekstein explained the new contract she had received from the provider. The contract was changed from two years to one year and the cost of the exam is \$105.

Board Member Bain moved to authorize Chairman Kroeger to sign the contract with AMP, Inc. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

NEW BUSINESS

Approval of Board Members USPAP Expense

Vice Chair Newell stated July 1, 2006, is fast approaching as the effective date of the new version of USPAP. She believed the Board Members should serve at the highest ethical standards of public service and therefore should each take the 2006 USPAP Update as soon as practical. Vice Chair Newell continued it has been policy for the Board to pay for the cost of the members to take the Update.

Vice Chair Newell moved that the Board pay tuition and reasonable expenses for the Board Members to take the 2006 USPAP Update in Nebraska. Board Member Wilson seconded the motion. Chairman Kroeger stated he believed the seminar is a requirement to be an appraiser in the State of Nebraska, and since all appraisers must take the seminar, he did not believe the Board should pay expenses for the members to meet the requirement. The motion carried with Wilson, Bain, Kalkowski, and Newell voting aye. Chairman Kroeger voted no.

Approval of Library Materials

Vice Chair Newell explained she believed the members should suggest reference materials for the Director to keep in a library for use by Board Members when reviewing applications, Legal Counsel conducting investigations as well as other interested parties. Board Member Wilson asked the Director to get the list of reference materials the Tax Equalization and Review Commission takes statutory reference during hearings. He asked to have the list available at the next meeting.

Approval of Cabinet Purchase

Director Ekstein reported the need for two additional filing cabinets in the Appraiser Board Office. She explained she had contacted Cornhusker State Industries since the other cabinets were purchased from that agency. Director Ekstein asked for Board approval to purchase the filing cabinets.

Vice Chair Newell moved to approve the purchase of the filing cabinets. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger.

GENERAL PUBLIC COMMENTS

Travis Haggard, Haggard Realty, Inc. from Ogalla, Nebraska, addressed the Board asking for the Board to consider allowing qualifying education activities to be taken online. Chairman Kroeger stated the Board has taken the position that online education is acceptable for continuing

education, but qualifying education needs to be taken in the classroom setting. Mr. Haggard explained he hoped the Board would consider allowing online qualifying education.

EDUCATION

Course & Seminar Approval

Vice Chair Newell moved to approve the following educational activities:

“Fundamentals of Real Estate Appraisal,” The Moore Group – 30 hours

“Residential Site Valuation and Cost Approach,” Trans-American Institute of Professional Studies, Inc. – 15 hours

“Practical Application of Agricultural Appraisal,” Trans-American Institute of Professional Studies, Inc. – 30 hours

“Introduction to Agricultural Appraisal,” Trans-American Institute of Professional Studies, Inc. – 30 hours

“Residential Report Writing and Case Studies,” Trans-American Institute of Professional Studies, Inc. – 15 hours

“Scope of Work: Understanding, Determining & Disclosing,” The Moore Group – 7 hours

“Appraising Historic Homes – Virtual Classroom,” McKissock, LP – 4 hours

“Lead, Asbestos, Mold – Get the Facts,” Randall School of Real Estate – 3 hours

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

Instructor Approval

Director Ekstein provided an overview of the instructors for the appraisal educational activities.

Board Member Kalkowski moved to approve the instructors as they appear on the Instructor Approval form dated June 22, 2006, except for item ten as the educational activity was not approved. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson and Kroeger voting aye. Vice Chair Newell abstained.

Chairman Kroeger announced the Board was ready to go into executive session and asked for any additional comments from the public. Perre Neilan asked to follow up on the comments made by Travis Haggard earlier. He offered the Nebraska Realtors® Association was expanding the online approved education, including some of the pre-license courses as well at the request of their members.

Vice Chair Newell moved that the Appraiser Board go into Executive Session for the sole purpose of listening to an appraiser with a current consent agreement. A closed session is clearly necessary to prevent needless injury of the reputation of the individual. The time of the closed

session was 10:35 a.m. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved to come out of closed session at 10:58 a.m. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

In reference to case number 05-06, Vice Chair Newell moved to authorize the Director to request further information. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

The Board took a 10 minute recess.

The Board reconvened at 11:05 a.m.

In accordance with the Open Meetings Law and LB898, Vice Chair Newell moved that the Board go into closed session for the purpose of reviewing applications and investigating any written complaints. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issuance of credentials of qualified applicants and to prevent needless injury to the reputation of the individual or individuals relating to the alleged violations of performance in the real estate appraisal activity and or valuation assignments. The time on the meeting room clock is 11:10 a.m. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

APPROVAL OF APPLICANTS

Vice Chair Newell moved to come out of closed session at 12:05 p.m. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved to ratify the Director's approval for exam for the registered applicants for:

Brian Manhke
Galen Gartner
Rodney Kalkowski
Jacob Rucker

Licensed

L60605 – not approve; applicant needs to resubmit reports with the required fee.

Certified Residential

CR120501 – Todd Erskine – approve for exam.

Certified General

CG10603 – Kevin Hermsen – approve for exam.

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

Vice Chair Newell moved to approve for licensed credential:

L60607 - Alison M. Vrbas

Board Member Bain seconded. The motion carried with Bain, Kalkowski, Newell and Kroeger voting aye. Board Member Wilson abstained.

ENFORCEMENT

Vice Chair Newell moved the following:

06-14 – request true copy of report and workfile

06-15 – dismiss

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

Board Member Wilson moved the following:

05-14 – authorize Chairman Kroeger to sign the agreed settlement.

Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson and Kroeger voting aye. Vice Chair Newell abstained.

PERSONNEL MATTERS

Vice Chair Newell moved that the Board go into closed session for the sole purpose of Personnel Matters. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the performance of personnel. The time is 12:10 p.m. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved that the Board come out of closed session at 12:50 p.m. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

NEXT MEETING DATE

Chairman Kroeger announced the next meeting dates would be July 20, 2006 and August 17, 2006.

The meeting was adjourned at 12:55 p.m.

Respectfully Submitted,

Jill Ekstein
Director

These minutes were available for public inspection on June 29, 2006, in compliance with Nebraska Statute §84-1413(5).