

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

JULY 20, 2006

OPENING

Chairman Kroeger called to order the July 20, 2006, meeting of the Nebraska Real Estate Appraiser Board at 9:00 a.m., in the Conference Room B, Lower Level, 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

Vice Chair Newell 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; Gary Bush, Agency Budget Analyst; Perre Neilan, Nebraska Realtors® Association; Bob Nefsky, Rembolt Ludtke, LLP; Lynne Heiden, Trnas-American Institute of Professional Studies, Barry Shea; and Cay Lacey.

APPROVAL OF THE MINUTES FROM JUNE 22, 2006

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

DIRECTOR'S REPORT

Director Ekstein stated that the items she would report on during the Director's Report appeared in other places on the agenda. She said she would address the members at the respective places.

CHAIRMAN'S REPORT

Chairman Kroeger announced he had completed some research and in order to provide the public ample opportunity to speak on items brought by the board, items he would address normally within his report had been added as regular agenda items. Chairman Kroeger commented on one part of his research being the ability or inability to move items on the agenda. He stated Jeremy Hosein, Governor's Policy Research Office, had clarified the Chairman does have the ability to move items around on the agenda as long as it appears people who may be attending the meeting for a specific item are present and items were not printed with a specific time.

RECEIPTS AND EXPENDITURES – JUNE

Director Ekstein reported on the receipts and expenditures for the month of June. She reminded the board June 30, 2006, was the end of the fiscal year. Any appropriations which had not been expended would carry over into the next fiscal year.

Board Member Wilson moved to approve the expenditures report for the month of June. Board Member Kalkowski seconded. The motion carried with Bain, Wilson, Kalkowski, Newell and Kroeger voting aye.

UNFINISHED BUSINESS

Rules and Regulations

Chairman Kroeger reminded the members of the importance of uniformity between the Rules and Regulations and the Real Property Appraiser Act. He announced Bob Nefsky, Rembolt Ludtke LLP, was present and prepared to address the Board. Mr. Nefsky provided some background information on the work he and the attorneys at the firm had completed. He clarified the importance of having the same language in the Rules and Regulations that appears in the Act in order to maintain consistency. The other focus of the attorneys on this project was to make the document as clear as possible.

Discussion ensued among the members and public regarding the changes and possible suggestions. Mr. Nefsky stated while it wasn't required, he would probably recommend a 30 day information comment period. He said if the Board would accept comments before the formal process begins, they would be less likely to have to start over once the formal process begins.

Vice Chair Newell moved that the Nebraska Real Property Appraiser Board, in compliance with Statute 84-906.2, seek information from the general public and encourage comments and suggestions to the proposed rules and regulations, Title 298, beginning July 20, 2006, through August 18, 2006. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger.

The Board took a ten minute break.

The Board reconvened at 10:15 a.m.

Appraiser Board Library Materials

Chairman Kroeger explained the list of the materials of which the Tax Equalization and Review Commission takes statutory notice. The list is attached to these minutes. He explained there were a few items on the list that are already in the Appraiser Board Office. The Board discussed each item on the list of materials. Board Member Wilson suggested the Board ask for appraisers to donate books for resources material.

Website and Appraiser Database Application

Director Ekstein reminded the members that the Board had previously been awarded grant money from the State Records Board to update the website and appraiser database. She presented the new website via projector and took comments. She asked for the members and public in attendance to make recommendations and if there were changes that needed to be made, she asked they be sent by email to either member of the staff. Director Ekstein presented a brief overview of the appraiser database application and explained what type of information would be available to the public as well as the appraisers credentialed in Nebraska.

Reciprocity Agreements

Director Ekstein stated she had provided a list of the states of which Nebraska has current reciprocal agreements. She stated staff had contact the states and asked for a current copy of the agreement. She explained all of the agreements were dated from 1994 and 1995. Director Ekstein said she had also gathered information regarding the requirements for an appraisal credential from each of the states with reciprocal agreements. She stated the discussion of the reciprocity had stemmed from an application which had been received from an applicant who resides in Nevada. Nebraska does not have a reciprocity agreement with Nevada.

Chairman Kroeger suggested he had an idea of the Board's intention in the way of a policy for reciprocal credentials. He stated he would draft the policy for Board action during the next meeting.

NEW BUSINESS

Education / Instructor Approval Forms

Vice Chairman Newell began the discussion regarding the Instructor Approval Forms. She stated she believed if instructors had been approved by the Department of Education, the Real Property Appraiser Board should accept that approval and not require completion of the Board's instructor application.

The Board took a ten minute break.

The Board reconvened at 11:40 a.m.

Lynne Heiden, Trans-American Institute of Professional Studies, Inc., wished to address the Board regarding this issue as well as other educational issues. Ms. Heiden suggested ideas for a possible policy for the Board to consider. She believed there needed to be a file for each provider. In the file, the Board should keep the Nebraska Department of

Education approval, copy of the sample course certificate, sample course evaluation form, criteria to become and instructor. Ms. Heiden believed submitting the information one time was sufficient and it shouldn't be necessary to submit all of the information with each submitted course.

Discussion ensued regarding the course numbering system, core curriculum documents for current practicing appraisers wishing to change credential level and the core curriculum used with the new 2008 AQB criteria.

2006 Standard 3 Review Form

Vice Chair Newell stated the Standard 3 Review Form needs to be current with the current version of the Uniform Standards of Professional Appraisal Practice. She asked Lynne Heiden if she would be willing to create a new form and submit it to the Board for review. The Board will consider the form during the next meeting.

2007 Credential Renewal Forms

Director Ekstein provided an overview of the renewal forms. She highlighted changes which had been made. Vice Chair Newell asked to have an opportunity to review the forms and have the Board take action during the next meeting.

Appraiser Regulatory Network Meeting

Chairman Kroeger suggested the Board consider hosting the ARN Meetings during the 2007 calendar year. Lynne Heiden explained the advantages and disadvantages of planning and hosting the meetings. The members agreed it was a good idea to research and suggested the Director contact other regulators to determine the interest in the activity.

Experience and Enforcement Review Requests

Chairman Kroeger explained the requests for review work for applicant experience and enforcement cases needed to be updated in order to include a "scope of work section to establish the use, purpose and overall scope of work to be completed during the review assignment. He believed the requests needed to be more detailed as to what the scope of work is for the assignment.

GENERAL PUBLIC COMMENTS

There were not general public comments.

EDUCATION

Course & Seminar Approval

Director Ekstein provided a brief overview of the courses and seminars that had been submitted.

Vice Chair Newell moved to approve the following education:

“GRI 105 – Real Estate Investment & Management,” 12 hours of continuing education - Nebraska Realtors® Association

“Course 410: Reviewing Appraisals in Eminent Domain,” 7 hours of continuing education - International Right of Way Association

“Forecasting Revenue,” 7 hours of continuing education - Appraisal Institute

“The Cost Approach and USPAP Compliance,” 7 hours of continuing education- Mid-West Appraiser Association

“Residential Sales Comparison Approach,” 15 hours of qualifying education- Trans-American Institute of Professional Studies, Inc.

“Income Approach to Valuations,” 30 hours of qualifying education - The Moore Group

Vice Chair Newell continued to not approve “Course 220 cultural Awareness,” International Right of Way Association and to hold-over “2-4 Family Finesse – Virtual Classroom” and “Technology for Today’s Appraiser – Virtual Classroom”, Mckissock, LP until board members can review the virtual classroom.

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

Instructor Approval

Vice Chair Newell moved to approve:

Tom Lundstedt as instructor for “GRI 105 Real Estate Investment & Management,”
Joachim Pestinger as instructor for “Course 410: Reviewing Appraisals in Eminent Domain,”

William “Ted: Anglyn as instructor for “Forecasting Revenue,”

Lynne Heiden as instructor for “Residential Sales Comparison Approach,”

Barry Shea as instructor for “Residential Sales Comparison Approach,”

Lynne Heiden as instructor for “The Cost Approach and USPAP Compliance,”

Barry Shea as instructor for “The Cost Approach and USPAP Compliance,”

Brad Moore as instructor for “Income Approach to Valuation.”

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

The Board recessed for lunch at 12:50 p.m.

In accordance with LB898 and the Open Meetings Law, Vice Chair Newell moved that the Board go into closed session for the sole purpose of reviewing applications. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issuance of credentials to qualified applicants. Board member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Chairman Kroeger announced that the Board will go into closed session for the sole purpose of reviewing applicants. The time on the meeting room clock was 1:22 p.m.

APPROVAL OF APPLICANTS

Vice Chair Newell moved that the Board come out of closed session. The time was 1:52 p.m. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved to ratify the decision of the Director to approve for the registered exam:

Darcy Kealy
Jonathan Yoachim

Vice Chair Newell continued for the licensed credential:
L060603 – deny application and send a copy of the blind review
L10053- deny application and recommend applicant obtain a board-approved certified appraiser as a supervisor within 60 days or initiate investigation; send copy of the blind review to applicant.

Vice Chair continued for certified residential:
CR120502 – deny application.

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

In accordance with LB898 and the Open Meetings Law, Vice Chair Newell moved that the Board go into closed session for the sole purpose of investigating written complaints. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the alleged violation of performance in the real estate appraisal activity or valuation assignment. Board member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Chairman Kroeger announced the Board will go into closed session for investigating written complaints. The time on the meeting room clock was 1:54 p.m.

Vice Chair Newell moved to come out of closed session. The time was 2:30 p.m. Board Member Bain seconded. The motion carried with Kalkowski, Wilson, Bain, Newell and Kroeger voting aye.

ENFORCEMENT MATTERS

Vice Chair Newell moved the following:

05-06 – send report out for review

05-15 – adopt hearing officer’s recommended order, issue findings and facts with the following sanctions: 1) Respondent is to pay attorney fees; 2) Findings will be published; 3) Respondent is suspended for sixty (60) days; following the suspension, probation for six (6) months; 4) Work log will be submitted to the Board every month; 5) Respondent will have up to twelve (12) reports reviewed by the Board at the Respondent’s expense of \$150 each; 6) Respondent is to take 2-day tested USPAP and pass; 7) Respondent is to take the 15 hour Sales Comparison Approach. The education must be taken during the probationary period.

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

Vice Chair Newell moved the following:

06-01 – File formal complaint

06-02 – File formal complaint

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

The Board took a five minute recess.

The Board reconvened at 2:42.

In accordance with LB898 and the Open Meetings Law, 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. Board member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Chairman Kroeger announced the Board will go into closed session for the sole purpose of personnel matters relating to performance. The time on the hearing room clock was 2:45 p.m.

PERSONNEL MATTERS

Vice Chair Newell moved to come out of closed session. The time was 3:11 p.m. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

Board Member Bain moved to increase the salary of Kirsten Hale by \$3,000 per year effective immediately. Board Member Kalkowski seconded. The motion carried with Wilson, Kalkowski, Bain and Kroeger voting aye. Vice Chair Newell voted no.

NEXT MEETING DATE

Chairman Kroeger announced the next meeting date will be Thursday, August 24, 2006, at 9:00 a.m.

The meeting adjourned at 3:12 p.m.

Respectively Submitted,

Jill Ekstein, Director