

**REAL PROPERTY APPRAISER BOARD
CONFERENCE ROOM Z, 6th FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

SEPTEMBER 21, 2006

OPENING

Chairman Kroeger called to order the September 21, 2006, meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., in the Conference Room D, 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 e-mail. The agenda was kept current on the website and in the office of the Nebraska Real Property Appraiser Board Office and the website. Materials generally used by the Board for the meeting were available in the public folder for inspection. A copy of the Open Meetings Law was available for the duration of the meeting.

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. Signing the guest log were Diane Moore, The Moore Group; Gary Bush, Agency Budget Analyst; Perre Neilan, Nebraska Realtors® Association; and Cay Lacey.

APPROVAL OF THE MINUTES FROM AUGUST 24, 2006

Chairman Kroeger asked for any additions or corrections to the minutes. Vice Chair Newell suggested in the future the policies should be referred to as the reciprocity policy and not the proposed reciprocity policy.

Board Member Wilson moved to approve the minutes from the August 24, 2006, meeting. Board Member Kalkowski seconded. The motion carried with Wilson, Bain, Kalkowski and Kroeger voting aye. Vice Chair Newell abstained.

DIRECTOR'S REPORT

Director Ekstein reported the structure of the Appraiser Board in Colorado had changed significantly due to cases involving fraud. She stated it was important for the board in Nebraska to keep the fraud issues under control. She indicated there was another request

for written comments for the Exposure Draft on revisions to the 2008 Real Property Appraiser Qualification Criteria as well as Interpretations and guide Notes applying to the Real Property Appraiser Qualification Criteria. Ekstein informed the board the deadline for written comments is October 27, 2006.

Chairman Kroeger suggested all members review the material and be prepared to discuss the Exposure Draft at the October meeting.

RECEIPTS AND EXPENDITURES REPORT – AUGUST

Director Ekstein explained the expenditures for the month of August. She stated she included a sheet with a more detailed breakdown of some of the expense accounts. Chairman Kroeger added the report in the board members packets also included a copy of the invoice from the attorneys to show the members the breakdown of the attorneys' fees.

Board Member Bain moved to file the expense report for audit. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

UNFINISHED BUSINESS

Rules and Regulations

Director Ekstein said she compiled the suggestions and questions from the informal comment period and had included two documents in the packets: one document was the rules and regulations as they appeared on the website for the informal comment period and the second documents was the compiled list of suggestions. Chairman Kroeger clarified the suggestions had not been provided to the attorneys to date. He stated he and the Vice Chair had discussed the next step. The suggestion was to put together one six-member task force including two board members, the director and three members of the public and spend one day to go through the rules and regulations section by section to make sure that all of the information was incorporated correctly and all of the corrections had been made that were necessary.

Vice Chair Newell suggested the following people should be members of the task force: Chairman Kroeger, Vice Chair Newell, Director Ekstein, Cay Lacey, Lynne Heiden, John Bredemeyer and/or Larry Saxton. Vice Chair Newell stated she believed the Board should pay the expenses of the members of the task force. Chairman Kroeger said he believed the task force should meet and bring the final document to the board at the October meeting.

Vice Chair Newell moved that a Rules and Regulations Committee of no more than six (6) people be formed to finalize the changes to the Rules and Regulations and all expenses for this meeting shall be paid by the Board. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

2006 Review Form

Vice Chair Newell explained briefly the 2006 review form. The form was established to ensure compliance with the 2006 edition of the Uniform Standards of Professional Appraisal Practice. Vice Chair Newell stated page two of the form used to be the last page of the form. The remaining pages were condensed into four pages. She stated this form was created for Trans-American Institute of Professional Studies, so the Board would need to change a few items in order to adopt and use the form for board purposes. Vice Chair Newell said the original first page of the 2005 review form needed to be added to this 2006 review form. Adding this page would require deleting the first four items listed on page 2.

Vice Chair Newell stated the 2006 review form was to be used for all reviewers who were completing reviews for reports written after July 1, 2006. Board Member Wilson clarified all reviews were to be completed on the 2006 review form, but the appraisal reports would need to comply with the edition of USPAP in effect on the date of the report.

The following suggestions were made to the 2006 review form:

Replace page 1 of the 2006 review form with pages 1 and 2 of the current review form;

On page 2, delete items 1, 2, 3 and 4;

Delete the copyright for Trans-American Institute of Professional Studies, Inc. -2006 on all pages of the form and replace it with Nebraska Real Property Appraiser Board;

On page 7, number 3 should read: This review is intended solely for the internal use of the Nebraska Real Property Appraiser Board. Neither all nor any part of the contents of this review memorandum shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent of the reviewer;

Page 7, number 10 should read: Disclosure of the contents of this review is governed by the Nebraska Real Property Appraiser Board and USPAP;

Page 8, the eighth bullet should read: I have_____ have not_____ made a personal inspection of the subject property of the work under review;

Page 8, the last bullet should read: As of the date of this report, the reviewer named herein has completed the Continuing Education requirements of the Nebraska Real Estate Appraiser Board according to Nebraska law;

Page 8, State License Number should read State Certification Number.

Chairman Kroeger asked to have the 2006 Review Form changes made as discussed and have the form available for the members to approve at the October meeting.

NEW BUSINESS

Public Records Policy

Director Ekstein explained the public records policy was provided by the attorneys who believed the board needed to adopt a policy. Requests have been received for documents contained in enforcement files. Investigatory information contained in the enforcement files is not considered public records. The policy is intended to specifically state which records are considered public information and which records are considered investigatory.

Director Ekstein read the proposed public records policy to those in attendance.

Vice Chair Newell moved to adopt the public records policy:

The Board shall comply fully with all applicable federal and state statutes and regulations which govern public records, including but not limited to Neb. Rev. Stat. Sections 84-712, and 84-712-03 to 84-712.09. Absent exceptional circumstances consistent with its duties as determined by the Board, the Board shall withhold from the public those records specified in Section 84-712.05 to the fullest extent permitted by law. "Exceptional circumstances" shall normal be limited to requests from other public entities, such as the board's counterparts in other states, which demonstrate a need for the information contained in such records and which commit to the Board that they shall not further disclose the requested information except in open court, open administrative proceedings, or in enforcement proceedings.

Board Member Wilson seconded the motion.

Discussion ensued regarding the public records policy.

Vice Chair Newell moved to amend her motion by adding 84-712.01 and changing 84-712-03 to 84-712.03. Board Member Wilson seconded the amendment.

Discussion continued regarding the policy.

Board Member Wilson called for the question. Board Members Bain, Kalkowski, Wilson, Newell and Kroeger voted aye.

Board Members Bain, Kalkowski, Wilson, Newell and Kroeger voted aye on the amendment.

Board Members Bain, Kalkowski, Wilson, Newell and Kroeger voted aye on the motion to adopt the Public Records Policy.

EDUCATION COMMITTEE REPORT

Vice Chair Newell asked to table the report until the October meeting.

GENERAL PUBLIC COMMENTS

Chairman Kroeger indicated there were two written requests from appraisers to address; however, the requests both involved educational matters, so he asked for other comments to be addressed first.

Perre Neilan, Governmental Affairs Director for the Nebraska Realtors® Association, wished on behalf of the Association, to express gratitude to the Chairman and Director for attending the Inaugural Gala for the 2007 President that was held during the fall meetings in Omaha. He indicated the two were recognized and the Association appreciated their attendance.

The board took a ten minute recess.

The board reconvened at 10:16 a.m.

Cay Lacey asked what records needed to be submitted with her renewal to indicate she has completed the requirement for USPAP by teaching the course. Ms. Lacey was asked to provide some sort of documentation, i.e. a certificate indicating her instruction of the course.

Chairman Kroeger asked for the written requests from the Joe Thompson and Arthur Struebing to be read into the record. The requests are attached hereto.

Discussion ensued regarding the possibility of adding a section to the rules and regulations to address the situation of the appraisers who need leniency of the continuing education requirement due to extenuating circumstances. Vice Chair Newell reminded the members that the options for continuing education leniency are limited due to the AQB Interpretation.

The members suggested sending a letter to Mr. Thompson indicating the rules and regulations did not currently address the situation, but the document is currently undergoing changes and the possibility of adding a section addressing the issue would be considered. The letter will indicate the appraiser has until July 1, 2007, to complete the educational requirement and renew his credential paying the late fees of \$25 per month as well as provide the option of completing 14 hours of continuing education online.

Chairman Kroeger suggested adding a section to the Rules and Regulations implementing the board's policy of online appraisal education to fulfill the continuing education requirements.

The members suggested sending a letter to Mr. Struebing restating the board policy for the online continuing education. The letter is to include the lack of a provision in the Rules and Regulations allowing the board to take such action.

EDUCATION

Director Ekstein explained the courses and seminars listed on the sheet for the members. She indicated there were two written requests regarding education as well. The first request was submitted by Dan Doepke, Senior Coordinator, Education Network Services, Appraisal Institute. The request was made to increase the number of hours approved for the On-line appraisal of Nursing Facilities. The seminar was previously approved for seven (7) hours and the Appraisal Institute wished to have the number of approved hours increased to nine (9). Cay Lacey reported she had taken the seminar and felt it was more difficult than most on-line seminars. She spent more than nine hours completing the seminar.

Discussion ensued regarding the on-line education and providers. Board Member Wilson suggested the board ask for a CD of the course material and look at it as a group during the next meeting. Board Member Wilson suggested holding over the on-line education submitted by McKissock for further review.

Vice Chair Newell moved to approve for qualifying education, "Small Residential Income Property Appraisal" by Trans-American Institute of Professional Studies for fifteen (15) hours, "Residential Appraisal Forms and USPAP Compliance" for continuing education by Mid-West Appraisers Association for seven (7) hours, "Appraising Manufactured Housing," for continuing education by Mid-West Appraisers Association for seven (7) hours, and to increase the number of hours for the Appraisal Institute's "On-line Appraisal of Nursing Facilities from seven (7) to nine (9) hours for continuing education. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Board Member Bain moved to approve "Instructors Conference," submitted by Trans-American Institute of Professional Studies for seven (7) hours of continuing education. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski and Kroeger voting aye. Board Members Wilson and Newell abstained.

Vice Chair Newell moved to approve Lynne Heiden and Barry Shea as instructors for "Instructors Conference", "Residential Appraisal Forms and USPAP Compliance", "Appraising Manufactured Housing", and "Small Residential Income Property Appraisal." Board Member Wilson seconded. The motion carried with Bain, Kalkowski Wilson, Newell and Kroeger voting aye.

The Board took a ten minute recess.

The Board reconvened at 11:35 a.m.

Vice Chair Newell moved that the Board go into executive session for the purpose of reviewing qualifications of applicants and consideration of written complaints. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to applicants, issuance of credentials to qualified applicants and to

the alleged violations of performance in real property appraisal practice. The time on the meeting room clock was 11:36 a.m. Board Member Wilson seconded.

Board Member Kalkowski amended the motion to include personnel matters. Board Member Wilson seconded the amendment. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

The motion to go into executive session carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved to come out of executive session. The time was 12:55 p.m. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

APPLICANTS

Vice Chair Newell moved to ratify the Director's decision to approve:

Registered

Linda Scott R090601

Charles Crider R090602

and to deny:

Certified Residential

CR510 – deny application and send review comments to applicant

CR090603 – deny application and send follow-up letter

CR090604 – deny application and send review comments to applicant

Reciprocity

Sidney Womack, Kansas – approve application

Michael Cartwright, Nevada – submit three narrative reports for review

Royce Elker, Minnesota – submit three narrative reports for review

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

Board Member Wilson moved to approve Tracy Hock for the Certified Residential credential. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

ENFORCEMENT MATTERS

Vice Chair Newell moved the following:

05-06 – deny request

06-04 – dismiss

06-12 – dismiss

06-15 – dismiss
06-16 – request workfile and true copy of appraisal and send out for review
06-17 – dismiss
06-18 – request workfile and true copy of appraisal and send out for review
06-19 – send advisory letter and dismiss
06-20 – request workfile and true copy of appraisal and send out for review
06-21 – dismiss
06-22 – request workfile and true copy of appraisal and send out for review
06-23 – file formal complaint

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

PERSONNEL MATTERS

Board Member Wilson moved to rescind the pay increase previously granted to the Staff Assistant as the position is covered by the Union Labor Contract and the Board is not allowed to increase the salary. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

NEXT MEETING DATE

The next meeting of the Nebraska Real Property Appraiser Board will convene Tuesday, October 24, 2006, at 9:00 a.m.

The meeting adjourned at 1:04 p.m.

These minutes were available for public inspection on September 28, 2006, in compliance with Nebraska Statute §84-1413(5).