

**REAL PROPERTY APPRAISER BOARD  
CONFERENCE ROOM "D"  
LOWER LEVEL, NEBRASKA STATE OFFICE BUILDING  
301 CENTENNIAL MALL SOUTH, LINCOLN, NE  
April 19, 2007**

**OPENING**

Chair Sheila Newell called to order the April 19, 2007, meeting of the Nebraska Real Property Appraiser Board at 10:20 a.m., in Conference Room "D", 5th Lower Level, Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska. Board Members Sheila Newell, Mathew 'Joe' Wilson, Timothy Kalkowski, James Bain, and R. Gregg Mitchell were present. Interim Administrator Kitty Policky, was also present.

**NOTICE OF MEETING**

Chair Newell 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 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. A copy of the Open Meetings Law was available for the duration of the meeting.

**ADOPTION OF THE AGENDA**

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

**WELCOME AND GUEST SPEAKERS**

Chair Newell welcomed the guests to the meeting and asked them to please sign the guest log. Signing the guest log were Diane Moore, The Moore Group; Cay Lacey, Certified General Appraiser, Lincoln; Richard Keith, Certified General Appraiser, Lincoln; Wayne Kubert, Certified General, Lincoln; and, Mark Gooden.

**APPROVAL OF THE MINUTES FROM MARCH 20, 2007**

Chair Newell asked for any additions or corrections to the March 20, 2007 minutes. Without correction, Board Member Bain moved to approve the minutes of the March 20, 2007, meeting. Board Member Kalkowski seconded. The motion carried with Bain, Wilson, Mitchell, Kalkowski, and Newell voting aye.

**INTERIM ADMINISTRATOR'S REPORT**

Interim Administrator Policky reported the number of credential to date was 221 Registered and 40 Conversions for a total of 261; 163 Licensed credentials and eight reciprocity for a total of 172 Licensed credentials; 104 Certified Residential and 45 Reciprocity Certified Residential for a total of 148; 239 Certified General and 104 Reciprocity Certified General for a total of 381. According to the report sent to the Federal Subcommittee on 4/17/2007, Nebraska has a total of 634 appraisers reported. When you add the 280 Registered and Conversion appraisers the total is 914. The accuracy of the reporting mechanism of the website is questionable according to Policky.

The Appraisal Subcommittee has notified this office by mail that they will conduct the field review of Nebraska on July 18-19, 2007. A copy of the correspondence is available and is included as a handout.

### **CHAIR REPORT**

Chair Newell thanked Vice Chair Wilson for his active participation in the Exit Interview with the State Auditor. The audit is completed and a response will be submitted as required.

Interviews will take place today for the position of Director. Interviews will begin at 2:00 p.m. Of the twenty-six candidates, five have been invited for an interview.

### **RECEIPTS & EXPENDITURES/FEBRUARY**

Chair Newell directed Board's attention to the March expense report. All expenses and receipts for March are correct. Board Member Bain moved to file the March 2007 Receipts and Expenditures report for audit understanding that the bottom line is not balanced but the receipts and expenditures are correct. Board Member Mitchell seconded. The motion carried with Bain, Wilson, Mitchell, Kalkowski, and Newell voting aye.

### **UNFINISHED BUSINESS**

The Board continued from the March meeting the discussion of representation by the legal firm of Remboldt/Ludtke as appointed by the Attorney General's office. This agency has been formally notified of the rates for each representative of the firm but found that no formal contract has been signed. The Interim Director did call other agencies to see what rate of payment per hour for legal services had been established for other state agencies. Agencies reported hourly rates of \$130 for a smaller agency to around \$185 for larger. Citing Statute 76-2248 of the Real Property Appraiser Act . . . "At the request of the board, the Attorney General shall render to the board an opinion with respect to all questions of law arising in connection with the administration of the Real Property Appraiser Act and shall act as attorney for the board in all actions and proceedings . . . The Attorney General may appoint special counsel to prosecute such action, and all fees and expenses of such counsel allowed shall be taxed as costs in the action as the court may direct." The costs of enforcement matters exceed the Board's budgeted amount. In addition, Remboldt/Ludtke does not appear to have the understanding of *USPAP* to effectively represent the Board in formal complaints.

Vice Chair Wilson moved that the Board not accept Remboldt/Ludtke's letter of agreement and to send a letter to the Attorney General's office informing that office of the Board's intentions of sending correspondence indicating termination of service of legal services by Remboldt/Ludtke. Bain seconded the motion. Motion carried with Mitchell, Kalkowski, Bain, Wilson and Newell voting aye.

Board Member Mitchell moved to amend the motion to also inform the Attorney General's office not to appoint another firm for legal representation and that the Appraiser Board will make its own selection for legal counsel. Kalkowski seconded the motion. Motion carried with, Bain, Wilson, Mitchell, Kalkowski and Newell voting aye.

Vice Chair Wilson moved to send a letter to Remboldt/Ludtke requesting adjustment to our billing for the following two charges. The first is the payment on 2/12/2007 from Remboldt/Ludtke for the amount of \$75.00 for Mr. Nefsky to call and introduce himself to the

new interim Director. The second is the informal discussion with Chair Newell and Vice Chair Wilson with Mr. Nefsky and Jane Langan February 20, 2007. Remboldt/Ludtke indicated to both Newell and Wilson there would be no charge for the conference. Mitchell seconded the motion. The motion carried with Wilson, Mitchell, Kalkowski, Bain, and Newell voting aye.

## **NEW BUSINESS**

### Process for Disciplinary Actions/Enforcement Matters

Chair Newell and Vice Chair Wilson both presented flow charts for the procedures for disciplinary action. Comments from the Board members and the guests addressed the advantages and disadvantages of each chart.

Chair Newell asked for comments from the general public. Richard Keith, Great Plains Appraisal, commented on the flow chart stating the recommendation for education and the goal of assisting appraisers is beneficial to this profession. The benefits of a peer review performed by an individual with a fluent understanding of the *Uniform Standards of Professional Appraisal Practice (USPAP)* are the basis for enforcement and discipline. Questions for the review process as presented by Joe Wilson, Kalkowski asked for clarification of the procedural chart with the references to the investigative process. Newell's chart leaves out the investigator in the beginning of the procedures whereas Wilson's chart adds the investigator in the beginning of the procedures Newell's does not incorporate the investigator until a formal complaint has been filed Newell did request a definition of investigator as the feeling is that investigator and reviewer are synonymous. Newell commented that she would adjust the chart to reflect the understanding of the concept of complaint review. The Board tabled the flow chart discussion until the May meeting and asked that each member take the time to consider the procedures for each chart and be ready to compromise and establish the procedures for future reference.

## **EDUCATION**

Vice Chair Wilson moved to approve the following:

Advanced Residential Applications & Case Studies, 15 hours, qualifying education, The Moore Group; Residential Sales Comparison & Income Approach, 30 hours, qualifying education, R.F. Morrissey & Association; (approved at the December 19, 2006 for 15 hours) National USPAP Update, 7 hours, continuing education, McKissock I.P. and World Savings; Professional's Guide to the Fannie Mae 2-4 Unit Form 1025, 10 hours on line, continuing education, Appraisal Institute/Chicago; 2007 Nebraska Water Law, 12 hours, continuing education, Continuing Legal Education International (CLE); and Residential Quality, Condition and Effective Age, 16 hours, continuing education, Property Assessment & Taxation. Bain seconded the motion. Motion carried with Board members Mitchell, Kalkowski, Bain, Wilson and Newell voting aye.

Appraising In A Changing Market, Appraisal Review II and Weathering Risks submitted by World Savings for continuing education were submitted but not approved. In addition, The Dirty Dozen, submitted by McKissock L.P. was not approved pending review of this on-line continuing education seminar.

## **GENERAL PUBLIC COMMENTS**

There were no general public comments.

Vice Chair Wilson moved to take a 10 minute recess. Board Member Mitchell seconded. carried with all members voting aye. The time was 11:15 a.m.

Board resumed at 11:25 a.m.

Vice Chair Wilson moved that the Board go into executive session for the purpose of consideration of disciplinary concerns. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals involved with alleged violations of the performance of real property appraisal practice. The time on the meeting room clock was 11:32 a.m.

Chairman Newell stated the sole purpose for the executive session was to consider disciplinary action. The motion carried with Bain, Wilson, Mitchell, Kalkowski and Newell voting aye. The time was 11:32 a.m.

Vice Chair Wilson moved to come out of executive session at 12:25 p.m.

Vice Chair Wilson moved the following:

- 05-14 – Close and report to Appraisal Subcommittee
- 05-29 – Close and report to Appraisal Subcommittee
- 07-10 – close
- 06-26 – Invite for informal conference on May 17<sup>th</sup>.
- 06-27 – Dismiss
- 07-01 – Hold until May 17<sup>th</sup> meeting for discussion. Informal conference scheduled.
- 07-02 – Invite for informal conference on May 17<sup>th</sup>
- 07-03 – Invite for informal conference on May 17<sup>th</sup>
- 07-07 – Hold until May 17<sup>th</sup> meeting for discussion. Informal conference scheduled.

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

At 12:28 p.m. Chairman Newell called a recess of the Board to interview candidates for the position of Director of the Real Property Appraiser Board.

Vice Chair Wilson moved that the Board go into executive session for the purpose of reviewing applicants for credentialing. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualified applicants. The time on the meeting room clock was 3:50 p.m. Mitchell seconded. The motion carried with Bain, Wilson, Mitchell, Kalkowski and Newell voting aye.

Vice Chair Wilson moved to come out of executive session at 4:24 p.m. Board Member Kalkowski seconded. The motion carried with Wilson, Mitchell, Kalkowski, Bain and Newell voting aye.

Vice Chair Wilson moved to ratify Registered: Russell L. Loontjer, R822 and Charity Rae Farley, R823; to deny L530; to hold CG402; to approve Barbara Schaer, L401; approve Lori Lynn Johnson, CG400 and Cody Gerdes, CG407; to accept reciprocity, Colleen H. Blumenthal, CG408; and remit to applicant Joe Casson, CR26401R a letter indicating the Board requests for credentialing in Nebraska to submit a proper application with the application fee. The renewal fee he did submit for 2007 will be applied to the credentialing fee when he is approved. The motion was seconded by Kalkowski. The motion carried with Mitchell, Kalkowski, Bain, Wilson and Newell voting aye.

### **PERSONNEL MATTERS**

Vice Chair Wilson moved to go into executive session for the sole purpose of discussing personnel matters. The purpose of a closed session is necessary for the prevention of needless injury to the reputation of the individual or individuals in these personal matters. The time on the conference clock was 4:25 p.m. Board member Mitchell seconded the motion. The motion carried with Kalkowski, Wilson, Bain, Mitchell and Newell voting aye.

Chair Newell restated the sole purpose for the executive session was to discuss personnel matters. The time was 4:25 p.m. Present for the executive session were Board Members Kalkowski, Bain, Wilson, Newell, and Mitchell.

Vice Chair Wilson moved to come out of executive session at 4:41 p.m. Board Member Kalkowski seconded. The motion carried with Bain, Mitchell, Wilson, Kalkowski and Newell voting aye.

Board Member Bain moved to appoint Kitty Policky as Director of an at-will position for a salary of \$60,000 and benefits per year effective April 19, 2007. Kalkowski seconded the motion. The motion carried with Kalkowski, Bain, Wilson, and Newell voting aye. Mitchell abstained.

Board member Mitchell moved to approve Chair Newell's expenses for April 17, 2007 for preparation of the applicants for Director. Wilson seconded the motion. Motion carried with Bain, Wilson, Kalkowski and Mitchell voting aye. Newell abstained.

### **NEXT MEETING DATE**

Chair Newell stated the next meeting of the Nebraska Real Property Appraiser Board will be Thursday, May 17, 2007.

Board Member Mitchell moved to adjourn the meeting. Bain seconded. The motion carried with Bain, Wilson, Mitchell, Kalkowski and Newell voting aye.

The meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on April 29, 2007, in compliance with Nebraska Statute §84-1413(5).