

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

OPENING

Chair Sheila Newell called to order the July 19, 2007, meeting of the Nebraska Real Property Appraiser Board at 9:05 a.m., in Conference Room "B", 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. Director 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 Act, 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 Act was available for the duration of the meeting.

ADOPTION OF THE AGENDA

Chairman Newell reminded those present at the meeting that the Agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. 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.

WELCOME GUESTS

Chair Newell welcomed the guests to the meeting and asked them to please sign the guest log. Signing the guest log were Kristi Klamat, Regulatory Policy Manager and Denise Graves, Appraisal Policy Manager. Both individuals are representatives of the Appraisal Subcommittee from Washington, D.C.

APPROVAL OF THE MINUTES FROM JUNE 21, 2007

Chair Newell asked for any additions or corrections to the June 21st, 2007 minutes. Board Member Kalkowski pointed out a typographical error on page 1. Board Member Bain moved to approve the minutes of the June 21st meeting with the correction and Board Member Mitchell seconded. The motion carried with Bain, Wilson, Mitchell, and Kalkowski voting aye and Newell abstaining in lieu to her absence.

CHAIR REPORT

Chair Newell reminded Board members that the changes dictated by LB186 would go into effect on September 1, 2007 and is foremost to the Board at this time. Newell also commented on the packets sent to each appraiser containing the new rules and regulations, statutes, policy for report and experience submission and newsletter. She had received many calls complementing the newsletter and to express elation by the publishing of enforcements.

Chair Newell elaborate on the requirements of Policy Statement 10. Proposed Policy Statement 10 G provides guidance to States regarding how State agencies can ensure that applicants for certification have the necessary qualifying experience to meet the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (“Title XI”), as implemented by AQB criteria. As stated in new Paragraph G, reviewing experience logs is only the first step in evaluating an applicant’s experience. States, in some reliable manner, also must validate that experience listed on the log actually exists. Therefore, it is necessary that each entry on an experience log contains sufficient information to enable a State agency to validate the existence of the appraisal and to determine whether the applicant is capable of performing USPAP-compliant work.

Chair Newell commented on the AQB meeting taking place in Denver on Friday, August 20th. The time constraint has prevented attendance of Nebraska at this meeting. The meeting is to discuss the parameters as established by the AQB for administration of examinations. The certified general exam will be approximately eight (8) hours long and the certified residential will be approximately six (6) hours in length. The meeting was meant to discuss the requirements for testing and administration of the examination. The exams are experience based instead of knowledge based as in the past. It should be noted that the changes in the administration of the examination may void the contract with the designated testing administrator Applied Measurement Professionals, Inc (AMP). Changes may require a new contract for service and that would be agreeable if the testing company meets the new AQB criteria for testing administration. In addition to the administration of the new examinations under the 2008 criteria, the AQB meeting will also address the two-day tested Uniform Standards of Professional Appraisal Practice (USPAP). Chair Newell stated it is in the best interest of the Board to be aware of the changes and to be prepared to make the adjustments on the local level for making arrangements for appraiser testing.

DIRECTOR’S REPORT

Director Policky reported to the Board that the new administration of testing has prompted both a conference call and discussion with Dr. Larry Fabrey of Applied Measurement Professionals, Inc. (AMP). The interest is in meeting the criteria as would be discussed at the AQB meeting in Denver on Friday, July 20th. Dr. Fabrey has scheduled a conference call with all states for the following Tuesday after the meeting in which to discuss the most efficient and effective means of incorporating the new testing requirements under the 2008 criteria and how the examinations can best be administered. Dr. Fabrey has kept the Nebraska Real Property Appraiser Board up to date by e-mail as information becomes available.

Director Policky discussed the phone calls to Charlie Lowe requesting an update on the appointment of William Blake as legal counsel to the Real Property Appraiser Board. Without approved legal representation, it will be necessary to rely on Mr. Lowe for the required legal assistance. Mr. Lowe assured this office that the request was being processed and that this office would receive notification just as soon as the process was complete.

RECEIPTS AND EXPENDITURES REPORT – JUNE

The new 2008 Budget Status Report has been entered into the Nebraska Information System with every intention of being accurate and reflecting the requirements of the financial obligations of this Board and administration. A copy of the Budget Status Report is attached and considered part of these minutes. The receipts and expenditures for June were reviewed

by the Director by line with the Board. Board Member Kalkowski moved to accept and file the June 2007 Receipts and Expenditures report for audit. Board Member Bain seconded. The motion carried with Wilson, Kalkowski, Bain, Mitchell, and Newell voting aye.

UNFINISHED BUSINESS

1. Approve disciplinary flow chart:

The Board continued discussion of the disciplinary flow chart. A flow chart was distributed by both Wilson and Newell with the requested changes from the June meeting for consideration and each individual went through each step explaining the procedures for enforcement. Chair Newell will combine the minor differences to produce an all-encompassing flow chart with definitions for the August meeting.

2. Applicant handbook:

Chair Newell reported to the Board progress on the applicant handbook by distributing to the members a copy of the projected Table of Contents. Both she and Director Policky are working to complete the new information to give both new applicants and appraisers who want to upgrade the guidance and direction for the implementation under the 2008 criteria.

3. Review/Investigator training update:

Chair Newell related to the Board plans for the reviewer training session in North Platte. Cay Lacey, a certified general appraiser and AQB certified USPAP instructor from Lincoln, and Lynne Heiden, a certified general appraiser and AQB certified USPAP instructor from Kearney have been asked to help present the training sessions. The training has been tentatively scheduled for North Platte in October and Lincoln in November. The goal of the training is to establish guidelines and consistency for reviewing application appraisal reports and disciplinary appraisal reports and the effective application and interpretation of all USPAP standards and rules.

Board took a break at 10:00 a.m.

Board meeting reconvened at 10:16 a.m.

NEW BUSINESS

ASC Report

The Nebraska Real Property Appraiser Board's real property appraisal regulatory program was under review by the Appraisal Subcommittee on July 18th & 19th. Kristi Klamet and Denise Graves were the representatives of the examination council to review all procedures of administration in Nebraska.

Kristi Klamet addressed the Board giving a brief history of the Appraisal Subcommittee and the purpose for the state field reviews. Although past review schedules were for a three year period, the Subcommittee will conduct field reviews every two years in the future. The basic purpose for the change to the schedule is to assist states with implementing the new criteria and making the transition smoothly. Kristi and Denise both commended the Director and Board on the progressive efforts toward meeting and implementing the new 2008 AQB

criteria and the procedures for credentialing, education, and enforcement. A detailed report will be sent to the Nebraska Real Property Appraiser Board in a timely manner.

Chair Newell welcomed the arrival of Cay Lacey, general certified appraiser from Great Plains and Warren Wakeland, the newly appointed governmental affairs director for the Nebraska Realtors® Association. Chair Newell asked Warren to not only introduce himself but to give a brief history prior to his recent appointment.

GENERAL PUBLIC COMMENTS

The only general public comments were by Board Vice Chair Wilson who expressed an interest in increasing the Board by two additional members.

Chair Newell thanked the individuals who were in attendance at the meeting.

Board took a break at 11:10 a.m.

Board meeting reconvened at 10:37 a.m.

EDUCATION

Board Member Mitchell moved to approve the following seminars:

Residential Design & Functional Utility – 7 hours – C9815 – Appraisal Institute;
Appraising Convenience Stores/ONLINE – 7 hours – C2308-I – Appraisal Institute;
Business Practice & Ethics/ONLINE (420) – 4 hours – C2306-I – Appraisal Institute;
2007 Washington Appraisal Summit – 7 hours – C2732 – Appraisal Institute; and
2007 Shared Interest Group Conference – 7 hours – C2731 – Appraisal Institute.

The motion was seconded by Vice Chair Wilson. The motion passed with Kalkowski, Bain, Wilson, Mitchell and Newell voting aye.

The Board discussion of the requested 16 hours of credit for the seminar: “How To Be A Better Manager” continued with the assistance of Appraisal Subcommittee Field Reviewers Kristi Klamet and Denise Graves. They reminded the Board of the applicability of the information to the appraisal profession and the topics permitted by the Subcommittee. Board Member Mitchell pointed out the importance of being equipped to manage an office as well as possessing the qualifications of an appraiser. Klamet stressed again the criteria for the applicability of the subject matter being requested for approval. Two hours of the sixteen hours was applicable under the subject matter relevant to appraisers under statistics. The Board by statute can approve a continuing education offering for two hours.

Board Member Mitchell moved to approve the following seminar:

How To Be A Better Manager – 2 hours – C2734 – Property Assessment & Taxation

The motion was seconded by Board Member Kalkowski. The motion passed Mitchell, Kalkowski and Newell voting aye. Bain and Wilson voted no.

Vice Chair Wilson moved to approve the respective instructors for the seminars as they were approved. The instructors approved for the Appraisal Institute are as follows:

Mark V. Smeltzer – *Residential Design & Functional Utility*
Robert E. Bainbridge – *Appraising Convenience Stores*
J. Carl Schultz – *Business Practice & Ethics (420)*

Frederick Grubbe, Donald E. Kelly, William Garber – 2007 Washington Summit; and William Harvey, Richard Marchitelli, 2007 Shared Interest Group Conference. The instructor for the Property Assessment & Taxation seminar: Rick Stuart – *How To Be A Better Manager*.

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

Board took a break for lunch at 12:07 p.m.

Board meeting reconvened at 12:25 p.m.

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 12:25. Kalkowski seconded. The motion carried with Wilson, Kalkowski, Bain, Mitchell, and Newell voting aye.

Vice Chair Wilson moved to come out of executive session at 1:02 p.m. Board Member Kalkowski seconded. The motion carried with Kalkowski, Bain, Mitchell, Wilson, and Newell voting aye.

Vice Chair Wilson moved to ratify

Registered: R829, Ryan Omel and R830, Thomas Fausch.

Approve: L533, Scott Harsh and request reports from experience log for verification.

Deny CR150 and request three (3) new reports.

Deny CR149 and request three (3) new reports.

Approve CR144 and request three (3) reports for experience verification.

Deny CR151.

Approve CG403 and request reports for experience verification.

Sequential application process – approve applicants for testing:

CR153, CR154, CR146

CG413, CG414, CG415, CG417

The motion was seconded by Mitchell. The motion carried with Bain, Mitchell, Wilson, Kalkowski, and Newell voting aye.

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 1:05 p.m. Bain seconded the motion. Motion carried with Mitchell, Wilson, Kalkowski, Bain and Newell voting aye.

Vice Chair Wilson moved to come out of executive session at 2:00 p.m. Board Member Mitchell seconded. The motion carried with Mitchell, Kalkowski, Bain, Wilson and Newell voting aye.

Vice Chair Wilson moved to take the following actions:

- 06-16 – File formal complaint
- 06-18 – Approved Consent Agreement. Request response ten days.
- 06-20 – Combine with new case #07-08. Reference to case will become 07-08.
Request log from 7/19/2005-7/18/2007.
- 06-21 – Request true copy appraisal and workfile.
- 06-22 – Hold for additional information.
- 06-23 – Dismiss. Close and indicate file is rebuttal.
- 07-02 & 07-03 – Hold. Mentoring program complete. Need completion documents.
- 07-05 – Combine with 07-17 making file reference to case #07-17 for both. Hold for requested information concerning case.
- 07-07 – Update consent agreement and send. Request 10 days response.
- 07-09 – Hold
- 07-11 – Dismiss and forward information to Attorney General's office.
- 07-13 – Sent out for review.
- 07-14 – Hold as review is not complete at this time.
- 07-16 – Send out for review.
- 07-17 – Combined cases 07-05 & 07-17 – Refer 07-17 for both cases. Hold for requested information concerning case.
- 07-18 – Request true copy appraisal report and workfile.
- 07-19 – Request true copy appraisal report and workfile.

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

Next meeting date has been changed from the scheduled August 14th to August 23rd.

Vice Chair Wilson moved to adjourn the meeting. The time was 2:06. The motion was seconded by Board Member Bain and carried unanimously.

The meeting was adjourned at 2:06 p.m.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on July 30, 2007, in compliance with Nebraska Statute §84-1413(5).