

**REAL PROPERTY APPRAISER BOARD
Conference Room "F", Lower Level
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

January 17, 2013 Meeting Minutes

A. OPENING

Chairman Brad Moore called to order the January 17, 2013 meeting of the Nebraska Real Property Appraiser Board at 9:07 a.m., in conference room F located on the lower level of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairman Moore announced the 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 email. Publication of official notice of the meeting appeared in the January 15, 2013 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this State, as required by the public meeting law. 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 by the public, and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Bradford Moore, Tom Kubert, Philip Barkley, Marc Woodle and Eldon Terrell were present. Also present were Director, Tyler Kohtz, and Staff Assistant, Gail Parris.

ADOPTION OF THE AGENDA

Chairman Moore reminded those present for 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 Barkley moved to adopt the Agenda as printed. Board Member Kubert seconded the motion. With no further discussion, the motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

ELECTION OF OFFICERS

Board Member Kubert moved to nominate Philip Barkley as Chairman of the Board. Board Member Terrell seconded the motion. With no further discussion, the motion carried with Kubert, Moore, Woodle and Terrell voting aye. Barkley abstained. Board Member Terrell moved to nominate Tom Kubert as Vice-Chairman of the Board. Board Member Moore seconded the motion. With no further discussion, the motion carried with Moore, Woodle, Terrell and Barkley voting aye. Kubert abstained.

The Nebraska Real Property Appraiser Board will meet in executive session for approval of applicants and enforcement matters.

Board Member Kubert moved that the Board go into executive session for the purpose of reviewing applicants for credentialing, applicants for appraisal management company registration, investigations, and other sensitive matters. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. The time on the meeting clock was 9:15 a.m. Board Member Woodle seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

Break from 10:27 a.m. to 10:37 a.m.

Board Member Kubert moved to come out of executive session at 11:43 a.m. Board Member Terrell seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

Break from 11:43 a.m. to 11:55 a.m.

WELCOME GUESTS

Chairman Barkley welcomed the guests to the meeting and asked that they please sign the guest log. Board Member Kubert made a motion to amend the agenda to hear general public comments before the approval of minutes from December 2012. Board Member Woodle seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

J. GENERAL PUBLIC COMMENTS

Chairman Barkley asked for any public comments. Robin Hendricksen appeared before the Board to discuss his concerns with the fees associated with doing Standard 3 reviews for the Board. Mr. Hendricksen indicated that, in his opinion, the fees are not reasonable for the amount of work involved with doing a review. Mr. Hendricksen asked that the Board review its policy concerning Standard 3 review fees, and recommended an option to earn continuing education in lieu of pay to help the Board's financial situation. Mr. Hendricksen also brought attention to the additional liability that comes with completing a Standard 3 review for the Board, such as the potential of sitting as a witness for the Board.

Mr. Hendricksen also wanted to address the renewal of Patrick McGuire's credential. He went on to say that Mr. McGuire has a background in appraising agricultural land, and the conferences that he attends are beneficial to the work that he does. Mr. Hendricksen asked that the conferences be allowed for continuing education, and that Mr. McGuire's credential be renewed.

F. APPROVAL OF THE MINUTES FROM DECEMBER 2012

Discussion took place regarding the December 20, 2012 meeting minutes. Chairman Barkley brought attention to Section H on page 2 under "Director's Report." The Chairman indicated that "appraiser profession" should read "appraisal profession" in the third paragraph. The Chairman then brought attention to Section K on page 3 under "Continuing Education Renewal Requests." Chairman Barkley indicated that the courses titled "Professional Guide to the URAR," "Online/Scope of Work: Expanding Range of Service," "Online/Small Hotel/Motel Valuation," and "Even Odder: More Oddball Appraisals" were all denied by the Board at the December meeting. Subsequently, the requests for approval as instructors for Thomas Kirby, Alan Simmons, David Lennhoff, and Daniel Bradley for Even Odder: More Oddball Appraisals were also denied. Finally, Chairman Barkley brought attention to Section N on page 5 under "Board Policies and Procedures," and suggested that "eg." should read "e.g." The Chairman asked for any additional corrections to the December 20, 2012 minutes. Director Kohtz indicated that the changes will be made to the minutes. With no further discussion Board Member Kubert moved to adopt the minutes as amended. Board Member Moore seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

G. CHAIRMAN'S REPORT

Chairman Barkley welcomed board members and staff to the meeting. The Chairman began his first report by thanking Board Member Kubert for the nomination, Director Kohtz for his efforts during the past month, and Board Member Moore for his leadership and the example he has set as the Board Chairman. Chairman Barkley brought attention to the many changes seen in the appraisal industry; specifically with AMCs. He went on to say that one of the main goals for the upcoming year is the Real Property Appraiser Act and AMC Registration Act housekeeping. Finally, Chairman Barkley indicated that it is important the Board monitors information coming out of the legislature and the Governor's office concerning state government operations.

H. DIRECTOR'S REPORT

Director Kohtz presented ten charts outlining the number of appraisers and AMCs as of January 17, 2013. The Director summarized each chart and reported the number of appraisers as follows: 78 total Licensed, 73 resident and 5 reciprocal; 197 total Certified Residential, 165 resident and 32 reciprocal; 344 total Certified General, 243 resident and 101 reciprocal; and 11 Registered for a total of 630 appraisers. The total number of appraisers is down 65 from December, but Director Kohtz informed the Board that the number of appraisers that renewed is very close to the projected renewal rate for 2013. The Director also added that many renewal applications are still being submitted to the Board's office, and although the number of credentialed appraisers is down 27 from the 657 reported in January 2012, the Director anticipates that this gap will close during February.

The Director also addressed the number of temporary permits issued. There were 6 permits issued in December compared to 17 permits issued in November. The low number of temporary permits issued in December was the result of an inability to process temporary applications as they arrived at the Board's office, not due to a low number of applicants. Director Kohtz indicated that the number of temporary permits issued should rebound in January. Finally, Director Kohtz reported 92 AMCs registered, and zero new AMC applications have been submitted since the last meeting.

I. FINANCIAL REPORT – DECEMBER 2012

The receipts and expenditures for December were reviewed by the Director by line item with the Board, and Director Kohtz made note of some specific December expenses. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$16,977.03 in expenditures and \$112,418.20 in receivables were reported. As of the end of December, expenses amount to 37 percent of the budgeted expenditures for the fiscal year; 50 percent of the fiscal year has passed. Considerations were made for expenditures for monthly obligations. No considerations were made for expenditures other than monthly obligations. Director Kohtz presented three charts outlining the Agency twelve month expenses and revenues, historic cash balance, and twelve month cash balance.

Board Member Kubert moved to accept and file the December 2012 Budget Status reports for receipts and expenditures for audit. Board Member Moore seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

The Board determined that additional permanent full-time staffing is needed to effectively carryout its objectives. A Compliance and Licensing Specialist will be hired by the Director in the near future. Director Kohtz adjusted the budget to account for an additional employee and the expenses related to hiring an additional employee. The adjusted budget as of January 1, 2013 was presented to the Board for review. Board Member Kubert made a motion to approve the amended budget as presented. Board Member Moore seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

The Board reviewed an estimate provided by David Brooks, Facility Maintenance Supervisor for the State Office Building, concerning office remodeling that must be done to accommodate an additional employee. The estimate includes the relocation of the wall to create a Director's office, rearranging the furniture to allow for a more efficient layout, and installation of all electrical and data needs for the additional employee. Board Member Kubert made a motion to approve the office remodel in the amount not to exceed \$827.00. Board Member Terrell seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

Director Kohtz also briefed the Board on the Governor's recommendations to the agency budget request for the 2013-15 biennial budget period. Director Kohtz informed the Board that the Governor removed all requested funding for the Compliance/USPAP Review Contractor, all requested funding related to the Director's compensation increase, all requested funding for the distribution of USPAP to resident appraisers, and the majority of funding related to the Board's relocation efforts. Funding for the database improvements and online renewals were included in the Governor's recommendations. The Director informed the Board that the Appropriations Committee may restore a large part of the budget request, but with the exception of the Compliance/USPAP Review Contractor, the Director will request that the Appropriations Committee restore the majority of the Board's budget request. Board Member Kubert indicated that he would like to attend the Appropriations Committee hearing when it takes place.

K. UNFINISHED BUSINESS

1. APPOINTMENT OF REAL ESTATE BROKER/CREDENTIALLED APPRAISER

BOARD MEMBER: No update.

2. COUNTY APPRAISER CONTRACTS UPDATE: No update.

3. NEW CREDENTIAL UPDATE: No update.

L. NEW BUSINESS

1. NEW COMPLIANCE AND LICENSING SPECIALIST POSTION: The Board reviewed the job description of the new Compliance and Licensing Specialist position, and agreed that the new position meets the needs the Board wishes to address. Board Member Woodle moved to authorize Director Kohtz to hire for the Compliance and Licensing Specialist position. Board Member Moore seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley.

M. BOARD POLICIES AND PROCEDURES

1. BOARD POLICIES

- a. **NEW BOARD POLICIES:** A discussion took place regarding the Board's intent for the 7-Hour Report Writing Update course to be taken in a classroom and not online or by correspondence. The Board agreed that only the specific courses approved by the Board for the 7-Hour Report Writing Update course should be allowed for credit. As a result of this discussion, Board Policy 13-01 was created. Board Member Kubert moved to approve Board Policy 13-01 as written. Board Member Woodle seconded the motion. The motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.
- b. **CURRENT BOARD POLICIES:** No discussion took place

O. OTHER BUSINESS

1. **CONFERENCES/EDUCATION:** A discussion took place regarding the spring AARO Conference. To date, no staff or board members have committed to attending. Board Member Kubert expressed his interest in the Appraisal Foundation's investigative training, but nothing has been scheduled.

D. CONSIDERATION OF APPLICANTS

1. **CREDENTIALING AS NEBRASKA REAL PROPERTY APPRAISER:** Board Member Kubert moved to take the following actions for credentialing applicants as listed:

CR402R / Approved for credentialing as Certified Residential appraiser
CG650R / Approved for credentialing as Certified General appraiser; send advisory letter informing applicant that geographic competency must be obtained prior to engaging in real property appraisal practice in Nebraska.
CG654R / Approved for credentialing as Certified General appraiser

Board Member Woodle seconded the motion. Motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

2. **REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:** Board Member Kubert moved to take the following actions for AMC applicants as listed:

NE2012096 / Approved

Board Member Woodle seconded the motion. Motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

E. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

The Board discussed the 2010, 2011 and 2012 Soil Management and Land Valuation Conference to determine if the content is substantially different from year to year. The Board determined that the content is substantially different from year to year, and an appraiser may receive continuing education credit each year that he or she attends the conference.

An appraiser that has not completed the 7-Hour Report Writing Update course for 2012 submitted a course to the Board for review and approval as meeting the 7-Hour Report Writing Update course requirement. The Board determined that the online course should not be approved to meet the requirement of the 7-Hour Report Writing Update Course, and that only the courses approved for this specific purpose should be accepted for credit.

The Board discussed the status of the appraisers that entered into an education agreement with the Board after the “in lieu of” education was found to be deficient during the Appraisal Subcommittee’s 2011 audit. The Board agreed to renew the credentials of those who applied for renewal, and also agreed to open an investigation against each appraiser for not meeting the terms specified in the education agreement. Investigations 13-01, 13-02, 13-03, and 13-04 were initiated.

The Board reviewed the quarterly work log of a Nebraska credential appraiser requested by the Board to provide a work log on the Board approved format. No action was taken by the Board.

The Board discussed personnel matters.

Vice Chair Kubert moved to take the following actions for the above mentioned matters:

- Item 2 / Course denied for credit as 7-Hour Report Writing Update Course**
- 13-01 / Renew credential and send letter of inquiry**
- 13-02 / Send letter of inquiry**
- 13-03 / Renew credential and send letter of inquiry**
- 13-04 / Send letter of inquiry**

Board Member Woodle seconded the motion. Motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

P. NEXT MEETING DATE – FEBRUARY 21, 2013, LOWER LEVEL “F” NSOB

Q. ADJOURNMENT

Board Member Terrell moved to adjourn the meeting. Board Member Moore seconded the motion. Motion carried with Kubert, Moore, Woodle, Terrell and Barkley voting aye.

At 1:40 p.m. Chairman Barkley adjourned the January 17, 2013 meeting of the Real Property Appraiser Board. The next meeting is scheduled for February 21, 2013 in Conference Room F located on the Lower level of the NSOB.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on February 1, 2013, in compliance with Nebraska Statute §84-1413(5).