

**NEBRASKA REAL PROPERTY APPRAISER BOARD  
NRPAB OFFICE MEETING ROOM, FIRST FLOOR  
NEBRASKA STATE OFFICE BUILDING  
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

**May 11, 2017 Meeting Minutes**

**A. OPENING**

Vice-Chairperson Benjamin Hynek called to order the May 11, 2017 meeting of the Nebraska Real Property Appraiser Board at 9:11 a.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

**B. NOTICE OF MEETING**

Vice-Chairperson Hynek 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 May 8, 2017 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. The agenda was kept current in the Nebraska Real Property Appraiser Board office. 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 Benjamin Hynek, David Bloxham, and Christopher Mustoe were present. Board Member Chris Langemeier was absent and excused. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nespor.

**ADOPTION OF THE AGENDA**

Vice-Chairperson Hynek 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 Bloxham moved to adopt the agenda as printed. Board Member Mustoe seconded the motion. With no further discussion, the motion carried with Hynek, Bloxham, and Mustoe voting aye.

Board Member Langemeier joined the meeting at 9:13 a.m.

**C. CHAIRPERSON'S STATE OF THE BOARD REPORT**

Chairperson Langemeier stated that he had no remarks.

**D. DIRECTOR'S COMMENTS**

Director Kohtz thanked the Board and staff for their hard work, and informed the Board that it has one of the hardest working and most efficient staffs in state government. The Director then indicated that there were many positives accomplished during the 2016-17 fiscal year, but there is also a lot of work to do. The Director cited what he felt were positives:

- The Title 298 rewrite project, begun 3 years ago, incorporated three separate law updates, established cohesiveness with the Real Property Appraiser Act and AMC Registration Act, and incorporated a structure change to be more procedural and easier to follow. All this hard work sets the Board up to make adjustments to Title 298 in a more efficient manner.

- The same staff has been in place for a year, and with the appointment of Mr. McCormick the Board will be at full strength for the first time in a while. This stability increases both the long-term and short-term efficiency and effectiveness of the Board and its staff.
- A lot of work and planning was put into drafting and vetting LB17. Although the bill is stuck in limbo, it is not because of a lack of effort on the Board's behalf to help move the bill. From the Board's perspective, there is nothing more that could have been done to move the bill. The Board has a guarantee that the bill will be on the agenda on the second day of the session next year. The Director alluded to the fact that the previous two plans did not work as anticipated, so for now, the best plan is to hope for the best.
- The CEO position was successfully reclassified.
- A couple complex investigative matters were resolved, which allowed the staff to get caught up on the backlog of investigations.
- The ASC audit in March was very successful. The Director informed the Board that this audit included the fewest issues found during the time that he has been with the Board, and also going back a ways before that.
- The newsletter has been issued for an entire year now, and the feedback from the appraiser community has been positive.
- The Board's relationship with UNO was re-established at the beginning of the fiscal year, which has proven to be beneficial to both sides. Because of this, UNO pursued and was granted AQB approval for its real estate program. Also, the Director had the opportunity to discuss the appraiser profession and the credentialing process with some of the program's students.

Director Kohtz then turned to the future and outlined some areas that he would like the Board to focus discussion on today, which include:

- It is important to get LB17 moving again. The AMC Final Rule becomes effective on August 18, 2018, so it is important to reach the finish line early during the next session.
- A new version of USPAP goes into effect on January 1<sup>st</sup>, so there is a lot of work to be done in terms of planning and drafting a bill for introduction.
- The database project stalled again this year. No progress was made on the major projects, and the only work completed on the database was to clean up a list of small issues and bugs.
- A Standard 3 reviewer program needs to be established to ensure that only the best and the brightest are being utilized as review appraisers or SMEs.
- The original plan was to update Title 298 after LB17 became effective, but with the recent developments, consideration should be given to drafting an update without LB17 moving. There are enough items on the list currently to make it worth the effort, and by the end of this meeting the list might grow.

The Director finished by stating that strategic planning is the Board's opportunity to provide a road map for the staff to follow in the short and long term. The goal is to set objectives, not to establish how the objective will be accomplished. Director Kohtz also informed the Board that he wants focus to be placed on building institutional knowledge as the Board moves through the meeting, so everyone comes out on the same page with a plan and ready to move forward.

#### **E. GENERAL PUBLIC COMMENTS**

Chairperson Langemeier asked for any public comments. With no comments the Chair proceeded to the review of the 2016-17 strategic planning goals and objectives. Roger Morrissey and Diane Moore were the only members of the public in attendance.

#### **F. REVIEW OF 2016-17 STRATEGIC PLANNING GOALS AND OBJECTIVES:** The Board reviewed each goal and objective set for 2016-17, and evaluated the progress made on each item. The following items were noted:

- The legislative goals were all completed. Title 298 was updated, a bill was drafted to address the AMC Final Rule, a Board Policy was approved to address software specific training, and Guide Note #9 in the Appraiser Qualifications Criteria regarding background checks was addressed.
- Effectiveness of compliance procedures continues to be monitored. In addition, the compliance procedures were updated to expand information provided to the Board with the final report, Special Assistant Attorney General provides monthly reports to the Board, and the Board discussed keeping the Respondent's name confidential during the initial review, and chose to continue as is. A board member asked, "Don't we always keep the Respondent's name confidential?" Chairperson Langemeier responded, "We are talking about confidentiality from the Board during the first review, not keeping the name confidential in terms of the public. That was never a part of the discussion." Director Kohtz confirmed Chairperson Langemeier's statement. During the fiscal year, the Board also asked that development of an SME/Standard 3 reviewer training and evaluation program be moved back to the strategic planning agenda for discussion.
- The credentialing and registration goals are in some form of progress. Staff is currently working on the Board sponsored question/answer session for trainee appraisers and supervisory appraisers, developing a plan to promote the appraiser profession is on the Director's future project list, and the Board asked that the Trainee Appraiser 500 hour courtesy review be placed back on the strategic planning agenda for discussion.
- The education activity number redevelopment plan will be presented today for feedback. Following the approval of the Title 298, the need to expand the education procedures no longer exists. The education program, including procedures, is defined with great detail in Title 298. The removal of the 7-Hour Report Writing course will also be discussed today.
- The newsletter was issued quarterly during the 2016-17 fiscal year.
- Processes and procedures are always being updated to reflect current practices and to meet maximum efficiency.
- Little work was completed on the Board's database during the past fiscal year due to issues out of the Board's control. This will continue to be a priority into the next fiscal year.

- Funding for USPAP book distribution/retail was not included in the 2017-19 biennium budget due to the current fiscal climate, and the state of the database project was discussed with Mike Lovelace in the Legislative Fiscal Office prior to submission of the Board's 2017-19 biennial budget request. In fact, Mr. Lovelace sat down with Director Kohtz and went through the project and the intended goals.
- The compliance and education position was re-evaluated and reclassified, individual meetings with the CEO and BLS were incorporated into the new board member orientation processes to cover compliance matters and the credentialing processes, and student interns were utilized for renewal assistance during the 2016-17 fiscal year.
- Director Kohtz then moved to long-term goals and informed the Board that the only item of note is that the Real Property Associate has been removed from Title 298, and the Board must remove it from the Real Property Appraiser Act to complete the sunseting process.

Break from 10:37 a.m. to 10:47 a.m.

## G. COMPLIANCE

- 1. REVIEW OF ENFORCEMENTS/INVESTIGATIONS:** Compliance and Education Officer Krieger presented four charts and graphs to the Board for review outlining the status of the enforcement program. CEO Krieger indicated that he reformatted the charts based on feedback from the 2016 strategic planning meeting. CEO Krieger also noted that currently, only one investigation is exceeding one year and that most are being completed in three to four months. CEO Krieger continued by saying that it took a while to work through the backlog after a hold was put on investigations to revise the investigative procedures. The Board discussed the trends found on the charts and took note of the number of investigations during previous years, and the number of cases resolved with a Consent Agreement. The discussion then moved to the change of philosophy regarding appraiser discipline, and also how the new investigative procedures have made an impact in this area. Director Kohtz agreed with this assessment and indicated that the layers of critical review, which includes the CEO, the Director, the Board's Special Assistant Attorney General, and the Board, has reduced the number of findings of violations of the Real Property Appraiser Act.
- 2. ENFORCEMENT OF REAL PROEPRTY APPRAISER ACT:** Director Kohtz asked for discussion pertaining to the enforcement of the Real Property Appraiser Act. Board Member Hynek asked if this is the time to speak about investigative procedures. Chairperson Langemeier indicated that the topic comes up later in the agenda, but it is all related. Director Kohtz agreed with Chairperson Langemeier's statement. Board Member Bloxham brought attention to condemnation cases, and asked if there is a better way for the board to look at these to determine if the grievance is based on USPAP or on USFLA/yellow book, or something similar. Director Kohtz offered that the best opportunity for the Board to make this decision is when the grievance is presented to the Board initially. The Director continued by saying that yellow book only applies to governmental entities; the appraiser for a landowner is not bound to it. Board Member Mustoe mentioned that jurisdictional exception applies. Director Kohtz responded by saying that would be true of a governmental agency, but not of an appraiser representing a landowner. Chairperson Langemeier indicated that the major issue is that many grievances pertaining to condemnation cases are value disputes being stretched into USPAP violations. Both Board Member Bloxham and Director Kohtz agreed that these cases waste resources and it would be helpful to reach a decision earlier in the processes.

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The Director asked, “Is there something procedurally that could be done differently?” Board Member Hynek suggested getting the Special Assistant Attorney General to look at condemnation cases earlier, and maybe even provide a list of bullet points for the Board to consider. Chairperson Langemeier offered, “Can we get a checkbox on the investigation form indicating that this is a condemnation case?” CEO Krieger indicated that he could include this information on the board review log. CEO Krieger continued by stating, “The first line in the summary can say ‘This is a condemnation case.’” Chairperson Langemeier declared, “With condemnation you are only seeing half the story. It might be a good idea to request all relevant appraisals to deter grievances.” Board Member Mustoe add, “I don’t want us to become the court, any investigation of a condemnation matter should take place after the matter is out of the court system.” The Director indicated that a Guidance Document could be drafted to express the Board’s intent for grievances involved in court proceedings. The Board agreed that this would be a good idea.

The discussion then turned to investigative procedures. Director Kohtz alluded to the fact that disconnect exists for the Board between the when the initial documentation is reviewed and the end of the process. The Director continued by saying that in the past a board member led the investigation, and that board member would abstain from voting. Maybe the Board should take a half of a step back in the process and have one board member act as an advisor to the agency for an investigation. Once again, that board member would have to abstain from voting. The Board agreed that board member involvement in the investigation is not the answer. Board Member Mustoe brought attention to Subject Matter Experts, and informed the Board that one concern of his is that sometimes SMEs overstep their bounds and do not stick to the minimum standards of USPAP. Citing best practices in a review hangs the agency and the Board up. Board Member Mustoe finished by saying that an SME contract is not an opportunity to show that you can do better. Board Member Hynek declared, “Best practices vs. minimum standards is always going to be a problem for some appraisers.” Board Member Bloxham suggested that he would like to see certain points emphasized on the review form pertaining to reviewer expectations and requirements. Public member Roger Morrissey was granted permission to speak by Chairperson Langemeier. Mr. Morrissey asked the Board if it has considered using a group of appraisers outside of the Board for a recommendation. For instance, staff can complete an investigation and decide if there is merit, send the report for review, get a response from the respondent, then send the entire file to an appraiser group for a recommendation to the Board. Chairperson Langemeier asked, “How do you handle compensation of such a group?” One board member questioned if USPAP would apply to the group doing a review. Board Member Langemeier granted public member Diane Moore permission to speak. Ms. Moore stated, “Not all reviews fall under Standard 3 – some are administrative.” Director Kohtz informed the Board that some states utilize peer review committees during various parts of an investigation. The problem with the recommendation for the Board is that it still doesn’t help with sorting out bad information or the gap between the Board’s initial review and the final investigative report. The Director indicated that a peer review committee would complicate an already complicated dynamic. Board Member Hynek asked if a different committee would be needed for agriculture, commercial, and residential. Public member Roger Morrissey added that geographic competency would also have to be considered. Board Member Mustoe indicated that more Board discussion is needed before a report is sent for review. Board Member Bloxham asked if the respondent is always notified when a grievance is filed. Director Kohtz stated, “Yes.” CEO Krieger corrected the Director and said that the respondent is not notified until after the Board moves to proceed with an investigation. Director Kohtz declared that CEO Krieger is correct; the respondent is not notified until after the Board votes. Board Member Hynek asked if the Board could see more during its initial review. Director Kohtz responded that it would be possible to get more information to the Board if the investigative procedures were changed.

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The agency could send a letter to the respondent as soon as a grievance is filed, and ask for the report, workfile, and response before the agency puts together the grievance summary for the Board. The Board asked if the respondent could be given the grievance as well. Director Kohtz informed the Board that the respondent could be given a redacted copy of the grievance with the initial letter sent. CEO Krieger indicated that it is difficult to redact enough to keep the respondent from identifying the complainant. The grievance is summarized in the letter to protect the confidentiality of the complainant. Director Kohtz declared, "It can be done and it won't take much time to add this step." The Board agreed that this change may prevent an investigation from unnecessarily eating up resources. The Director informed the Board that staff will update the investigative procedures to reflect the discussion. Board Member Mustoe asked if ten days is too short a time to respond to an inquiry. Director Kohtz responded that it is a fair amount of time. The goal is to prevent a respondent from manufacturing a workfile or doctoring a report. Chairperson Langemeier offered that it has not been a problem, and he recommends that it stay at ten days.

- a. **SME/Standard 3 Reviewer Program:** Board Member Hynek asked, "How do we get more consistency out of our reviewers?" Chairperson Langemeier granted public member Roger Morrissey permission to speak. Mr. Morrissey offered the idea that out of state appraisers could be utilized for Standard 3 reviews. Board Member Hynek indicated that it might not be a bad idea because it is a small state and there are some geographic biases that exist. CEO Krieger indicated that this would be difficult because of reviewer fees. Board Member Bloxham asked if it would be possible to contract with specific out of state appraisers. Director Kohtz responded that it is possible, but the Board wants to be cognizant of the costs involved with the contract. If the contract exceeds \$50,000.00, the formal bidding process is required, which is a long processes. Also, the Board would want to be aware of increased travel costs associated with hearings. Chairperson Langemeier responded that very few grievances go all the way to hearing; travel costs shouldn't be a problem. Director Kohtz then moved to panel size and selection, and asked the Board how it would determine qualifications and quality of reviews. Chairperson Langemeier asked that Director Kohtz ask other state directors for recommendations. Board Member Bloxham asked that a list be put together summarizing review work; not lending review work.

Board Member Bloxham moved the conversation to review appraiser expectations, and asked if guidance could be included in the engagement letter. Director Kohtz informed the Board that the agency has a pre-review conference with each SME. During this conference, the expectations and requirements are communicated to the SME. Board Member Mustoe asked if the contents of this conference could be transcribed into a handbook. Board Member Mustoe continued by saying that at least a page stressing the minimum standards would be helpful. Chairperson Langemeier granted public member Diane Moore permission to speak. Ms. Moore offered that changing language in the Standard 3 Review Form would help; the language can be phrased in a positive manner. Instead of "establish non-compliance," state "establish compliance." The Board agreed with this recommendation. Chairperson Langemeier recommended that the Board allow panel members to utilize their own review forms. Director Kohtz agreed with the Chair's recommendation and informed the Board that people's thought processes flow differently and the Board's form does not allow for this. Board Member Hynek agreed, and requested that the review form be removed from the website. Chairperson Langemeier granted public member Roger Morrissey permission to speak. Mr. Morrissey brought attention to two items missing in the certification, and requested that the Board correct the Standard 3 Review Form and continue using it until it establishes a panel; the form is not USPAP compliant.

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Mr. Morrissey stated, "As an instructor, I would point this out immediately." Director Kohtz brought attention to the certification language, and said that the certification only needs to be similar in content; the form is not non-compliant because it is missing two recommended statements. Mr. Morrissey expressed disagreement. Director Kohtz stated, "A hearing officer or court would never find a violation of USPAP because the certification does not contain the exact same information as USPAP. The standard says "similar in content." Chairperson Langemeier requested that the form be updated while it is still being used. The conversation then turned back to SME qualifications, and Director Kohtz indicated that the review qualifications affidavit could easily be integrated into the SME contract to ensure that SMEs understand their role. Chairperson Langemeier requested that staff obtain resumes from potential out of state SMEs. Board Member Mustoe asked, "Would applicant reviews go through the same process?" The Board agreed that focus should be placed on SMEs, then it can focus on applicant review appraisers.

- 3. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT:** Director Kohtz asked if there was any specific discussion pertaining to AMC enforcement. There was no discussion.
- 4. PROCESSES AND PROCEDURES:** Director Kohtz informed the Board that this item was rolled into the "Enforcement of Real Property Appraiser Act" discussion. Is there anything more to add? There was no further discussion.

## **5. SHORT AND LONG TERM GOALS AND OBJECTIVES**

Short Term:

- Update compliance procedures to include complainant and respondent notification of grievance prior to Board review, along with a written response to grievance, true copy of report (if applicable), and workfile (if applicable) from respondent. Provide grievance, supporting evidence included with grievance, report, and workfile to the Board for initial review to determine if agency should proceed with investigation or if the grievance should be dismissed. Complete by May 24, 2017.
- Explore development and utilization of out of state appraiser panel for SME. Provide résumé of each interested appraiser to the Board for review at the July 2017 meeting.
- Phase out the use of the Board's Standard 3 Review Report Form.
- Include reviewer qualifications and requirements in SME contract (similar to reviewer affidavit).
- Correct errors and inconsistencies in current Standard 3 Review Report Form. Complete by May 24, 2017.

Long Term:

- Continue monitoring the effectiveness and efficiency of the Compliance Program. Focus on establishing practices and procedures that decrease the length of investigations.

Break from 11:57 a.m. to 12:20 p.m.

Lunch served to board members and staff at 12:10 p.m.

## **H. CREDENTIALING AND REGISTRATION**

- 1. REVIEW OF CURRENT CREDENTIAL HOLDERS/AMC REGISTRATIONS:** A review of the credentialing and AMC registration programs took place for the 2016-17 fiscal year. The Director presented eleven charts to the Board for review. The number of reciprocal credentials continues to rise, while the total number of resident credential holders continue to slowly decline. The number of resident Certified General Real Property Appraisers and Licensed Residential Real Property Appraisers have continued decreasing consistently, while the number of Certified Residential Real Property Appraisers and Trainee Real Property Appraisers have remained steady. The increase in number of reciprocal real property appraisers has minimized the impact of the decline in resident real property appraisers.
- 2. REVIEW OF CREDENTIAL HOLDER RENEWALS:** Director Kohtz presented the renewal report to the Board for review, and informed the Board that due to the number of late renewals, the overall appraiser numbers are catching up to previous years. Now that the Board is able to track renewal information in the database, a pattern is clearly forming. Of the forty-two certified general non-renewals, thirty-five were reciprocal credential holders. The Certified General credential was the hardest hit by non-renewal. The Board's continuing education requirements are an obstacle for reciprocal credential holder renewal. Eleven of the twenty resident non-renewals received credentials before 2000, which shows that retirement is a factor, but not a major factor in the appraiser count trends. All nineteen of the trainee real property appraiser non-renewals were holdovers from the four year renewal requirement period. The number of trainee real property appraiser non-renewals was expected to be high this year. The Director also informed the Board that AMC registrations remain steady.
- 3. 2017-19 PROJECTIONS:** The Director presented five graphs for the Board's analysis. The first four graphs outlined appraiser trends, the next graph outlined the number of registered AMCs. The number of reciprocal credentials is projected to continue rising, while the total number of resident credential holders is projected to continue a slow decline. The Director noted that a low number of applicants during the previous fiscal year adversely affected the trends, but the number of applications has started picking up during the second half of the current fiscal year.
- 4. REAL PROPERTY APPRAISER CREDENTIALS:** Director Kohtz asked for any discussion pertaining to real property appraiser credentials. Board Member Bloxham asked if trainees are receiving notice that they need to renew. Director Kohtz responded, "Yes, they receive a postcard like all other appraisers." Board Member Bloxham then asked if it would be possible to see a concentration of appraisers, and mentioned that the bank is seeing a terrible shortage in rural areas. A heat map showing concentration would be helpful. Chairperson Langemeier suggested that a print-off showing the number of appraisers in each county could satisfy Board Member Bloxham's request. Director Kohtz informed the Board that this can be done, then asked if the Board wanted this graphic or list monthly. Chairperson Langemeier indicated that once a year would work. The Director informed the Board that he will work with CIO to see if the existing county map on the website could be modified to include the number of appraisers, and possibly a color code based on movement in the appraiser counts or the overall concentration. Chairperson Langemeier liked the idea of a concentration color code, such as 0 being a color, 1-5 being a color, 5-10 being a color, and more than 10 being a color.
  - a. Certified General:** No discussion.



- b. **Certified Residential:** No discussion.
- c. **Licensed Residential:** No discussion.
- d. **Trainee:** No discussion
- e. **Processes and Procedures:** Board Member Bloxham asked if there is a way to streamline the credentialing processes to make them more efficient. The Director informed the Board that the reciprocity and resident credentialing process is as efficient as it could be. Director Kohtz informed the Board that it put a lot of work into improving the process a couple years ago, and the turnaround time from application submission to approval is in line with other states. Because of federal requirements, there is only so much that can be done to improve the process.

Board Member Bloxham then turned attention to temporary permits, and asked about this process. Director Kohtz and BLS Nespor walked the Board through the general processes. Board Member Bloxham asked what unnecessary steps could be removed. The Director responded that none of the steps are unnecessary. The procedures are meant to accomplish two things; first, that all information is accurately recorded for auditing and historic purposes, and second, the process creates its own checks and balances to insulate against turnover and human error. Chairperson Langemeier asked what the temporary permit looks like. BLS Nespor passed a copy out to board members. Chairperson Langemeier asked if the carbon-copy paper could be discontinued. Director Kohtz responded that this is possible, and continued by informing the Board that the long-term goal is to get the temporary permits into the database similar to regular credential holders. Whenever a previous temporary permit holder re-applies, the information is already there and the pocket card would just need to be created with the updated information. Chairperson Langemeier and Board Member Hynek recommended that the approval letter be used as the permit. BLS Nespor informed the Board that this suggestion is already in practice for AMCs. Board Member Bloxham asked that the appraiser be notified by email. Director Kohtz informed the Board that because of reliability, traditional mail is the recommended means to get official documents to the client, but the same documents could be emails before they are sent in the traditional mail. The Board agreed with this idea.

Board Member Hynek asked to discuss the renewal process. Director Kohtz and BLS Nespor walked the Board through the general process. The Director once again offered that the procedures are meant to accomplish two things; first, that all information is accurately recorded for auditing and historic purposes, and second, the process creates its own checks and balances to insulate against turnover and human error. Board Member Hynek indicated that he would like to learn how renewal applications are processed.

A board member brought attention to continuing education audits completed in other states, and asked if this is something that could be done in Nebraska. Director Kohtz answered yes, but cautioned against moving to continuing education audits because they are problematic. Appraisers get lazy and try to sneak continuing education by, and states that utilize continuing education audits always seem to have issues with the ASC.

Another board member asked if it would help that continuing education was verified by the submitted course roster. CEO Krieger indicated that it may work for Board approved courses, but we don't get rosters for out of state courses. CEO Krieger was asked what the rosters are used for. CEO Krieger responded, "Nothing." Director Kohtz added, "As long as I have been here we have collected them, but we usually only put them in a binder. The only time we look at them is when we need to verify that a course was completed." Chairperson Langemeier granted public member Diane Moore permission to speak. Ms. Moore stated, "The point of a roster was so people who lost certificates could have credit from looking at rosters." Director Kohtz informed the Board that they are not used this way. Credit is only awarded for those that turn a certificate into the Board. A board member asked if they are even needed anymore. The Director responded, "No, an education provider would keep this information for business purposes and staff would call the education provider if it needed verification of and activity completion."

BLS Nespor asked if education certificates need to be submitted with the renewal application. It would be easy to verify throughout the year instead of all at once. Director Kohtz informed the Board that it used to be done this way, but there was a high number of incomplete applications because the appraiser would think he or she already submitted a certificate that was not already submitted. The staff was spending way too much time during the renewal processing period tracking down certificates. The Board felt that it would be more efficient to require that evidence of completion of all continuing education be submitted with the application. Although it is not always fun, this change has sped up processing time and reduced the back log of work drastically during this time period.

- f. **Short and Long Term Goals and Objectives:** The Board agreed that the board sponsored question and answer session for trainees and supervisory appraisers should be dropped from short term goals because the information is sufficiently being covered in the 7-Hour Supervisory Appraiser and Trainee Course.

Director Kohtz informed the Board that although a formal program has not been established, the Board has already been working to increase the number of appraisers in the state. For example, the Board has attended career fairs and made a presentation to UNO students in the Real Estate Program. The Board also agreed that the goal to develop a plan to increase the number of Nebraska appraisers should be changed to explore opportunities to increase the number of Nebraska appraisers. Board Member Bloxham added that he would like to see concentration placed on areas of need. Board Member Bloxham then asked if placing a list of supervisory appraisers on the website would be beneficial, Board Member Mustoe agreed with this thought. Director Kohtz advised against this as it could potentially leave the Board in a vulnerable position if something goes wrong between the supervisory appraiser and trainee, or a report submitted for review. Chairperson Langemeier added that potential supervisory appraisers do not want to receive dozens of calls. The Chair then informed the Board that he gets calls from people in Omaha that ask that he supervise them.

The discussion then turned to the current goal to develop and implement a trainee real property appraiser 500 hour courtesy review. Chairperson Langemeier offered some history regarding the development of this goal, then informed the Board of the feedback received from the Attorney General's office regarding the Board's issues with bad reports that may be submitted. How does the Board not investigate further into a supervisory appraiser that is a part of a bad report? What happens in the big picture when the applicant applies for a credential? Board Member Mustoe indicated that this opportunity for feedback would be helpful to a trainee real property appraiser. Chairperson Langemeier indicated that this might be a good opportunity to look at a peer review board. There may be a way to keep the negative aspects away from the Board, but yet provide the opportunity for a trainee to receive feedback. Board Member Hynek asked how the Board is separated from any liability. Chairperson Langemeier answered that the program would have to be set up in a way that the Board or the staff does not come into contact with any of the information. Board Member Mustoe asked that the goal remain in place.

Short Term:

- Explore opportunities to promote the appraiser profession and increase the number of appraisers credentialed in Nebraska. Focus on areas in need if possible.
- Explore possible Trainee Real Property Appraiser 500 Hour Courtesy Review Program utilizing a Peer Review Panel and the effects of implementation of such program on the budget.
- Update temporary permit procedures to eliminate the use of carbon copy cards, develop an approval notification letter that acts as a credentialing card, and implement email approval notification.

**5. TEMPORARY CREDENTIAL:** No discussion.

**6. ASSOCIATE APPRAISER CREDENTIAL:** No discussion.

**7. APPRAISAL MANAGEMENT COMPANY REGISTRATION:** No discussion.

## **I. EDUCATION**

### **1. GENERAL**

- a. Education Numbering System:** CEO Krieger presented a proposed new education activity format to the Board for review and described the changes and the reason for the changes. The purpose is provide a code for staff to read that accounts for all different types of activities. Each number has a purpose, such as year, online or in class, whether the course is USPAP, Report Writing or other. A discussion took place regarding the system. Chairperson Langemeier granted public member Diane Moore permission to speak. Ms. Moore asked if the qualifying education numbers will change and if the new numbering system can be applied to all existing approved courses. The Board agreed that all courses should be updated to the new system.

## **b. Short and Long Term Goals**

Short Term Goals:

- Develop and implement a new numbering system to address all education activity scenarios. Complete by the end of the regular May meeting.
- Integrate all previously approved activities into the new numbering system once developed and approved. Try to complete by the end of August.

## **2. QUALIFYING EDUCATION**

- Nebraska Law Review:** Director Kohtz informed the Board that the Nebraska law review will be removed from the Real Property Appraiser Act and Title 298.
- Online/In-class Offerings:** No discussion.
- Processes and Procedures:** No discussion.
- Short and Long Term Goals and Objectives:** No discussion.

## **3. CONTINUING EDUCATION**

- State by State Continuing Education Report:** CEO Krieger presented a summary and data regarding continuing education requirements in other states. CEO Krieger informed the Board that six states require some in-class education for continuing education, two states require that USPAP is completed in the classroom, no other states have a report writing requirement, and the majority of other states have a state law exam or course requirement. Board Member Bloxham expressed his preference for in-class continuing education by saying that in-class activities offer something that you can't get online. You get the chance to meet other appraisers and a chance to bounce ideas off one another. Board Member Hynek expressed concern that Nebraska's requirements are so far ahead of its peers. Board Member Mustoe offered his thoughts, and indicated that he sees the benefits of in-class continuing education, but the in-class requirement is also a problem for those that hold a credential in multiple states. Board Member Mustoe continued by saying that his major concern with report writing is that there is no consistency in the content. Chairperson Langemeier recommends that the Board keep the classroom requirement for USPAP, keep the fourteen hour requirement for in-class activities, but remove the report writing update course.
- 7-Hour Report Writing Course:** The Board discussed the positives and negatives of the report writing update course, and agreed that there is always something positive to take away from the course, but it also will not fix an appraiser's report writing problems. Director Kohtz informed the Board that the report writing course and the fourteen hour in-class continuing education requirements are the biggest deterrents to reciprocal renewal. Board Member Hynek added that report writing is also burdensome for those in the western part of the state.
- Online/In-class Offerings:** Director Kohtz informed the Board that evaluation of the fourteen hour in-class continuing education requirement will be placed on the agenda next month for discussion, then asked if there was any more discussion at the present time. There was no further discussion.
- Processes and Procedures:** No discussion.

## **e. Short and Long Term Goals and Objectives**

### Short Term Goals:

- Explore removal of 7-Hour Report Writing Update course for continuing education requirements. Complete by the end of the July meeting.
- Explore removal of 14 hour in-class requirement for appraiser continuing education requirements. Complete by the end of the July meeting.

- 4. 7-HOUR SUPERVISORY APPRAISER AND TRAINEE COURSE:** Director Kohtz informed the Board that feedback has been very positive, and it appears that supervisory appraisers are receiving good training. There was no further discussion.
- 5. INSTRUCTORS:** Board Member Bloxham asked the Board if it should develop a minimum criteria for instructors. Board Member Bloxham continued by saying that the Board asks for information, but doesn't do anything with it. Director Kohtz informed the Board that the instructor requirements mirror the AQB requirements. The only exceptions are that the state is more stringent for those instructor applicants that hold a credential, and the state has some minimal background requirements. The Director continued by informing the Board that mirroring the AQB requirements allows the Board to accept AQB approved courses without additional review. There was no further discussion.
- 6. POST-SECONDARY EDUCATION:** No discussion.
- 7. BOARD REPRESENTATION/OFFERINGS:** Chairperson Langemeier indicated that the Board has no intention of offering education. The Board agreed.

## **J. PERSONNEL**

- 1. REVIEW OF DAILY ACTIVITY:** Director Kohtz presented the daily activity trackers for all three employees of the agency, which included all activities between April 21, 2017 and May 4, 2017. The Board expressed appreciation for the work done by staff. Board Member Bloxham indicated that he just wanted to gain a better understanding of the processes. Board Member Mustoe brought attention to Board requests, and indicated that the Board has to be cognizant of the fact that staff works on these things between performing their regular duties. Board Member Hynek asked, "What are our contingencies in case of injuries, illnesses, or other employee issues?" Board Member Bloxham asked, "What happens if CEO Krieger leaves?" Director Kohtz responded that it takes around six months to train the CEO position to be minimally effective in the job. Chairperson Langemeier indicated that as a board member, one does not start at the bottom, so board members have a difficult time understanding what the job entails. Director Kohtz informed the Board that when the agency goes into survival mode, the first priority is to meet state statutes, the second is to maintain service to the Board's customers, and after that priority is set based on importance. Losing a staff member has a detrimental effect on the agency because the responsibilities are set up to maximize efficiency, and segregation of duties must be maintained for accounting and auditing purposes. The agency doesn't just pick up the slack.
- 2. POSITION DESCRIPTIONS:** No discussion.
- 3. POLICIES AND PROCEDURES**
  - a. New Board Member Orientation:** Board Member Mustoe expressed appreciation for the orientation, and informed the Board that it really helped him come into the meeting prepared. Board Member Mustoe highly recommended that staff continue with the orientation.

- b. Employee Handbook:** No discussion.
- 4. CONFERENCES AND TRAINING:** Director Kohtz brought attention to The Appraisal Foundation's Level II and Level III investigator training coming up and asked the Board if it had interest in BLS Nespor attending. BLS Nespor indicated that Level I training was very informative, and reminded the Board that The Appraisal Foundation covers the costs of attendance. The Board agreed that BLS Nespor should attend Level II and Level III.
- 5. BOARD STRUCTURE:** No discussion.
- 6. RENEWAL SEASON INTERNS:** Director Kohtz informed the Board that use of intern during renewal season was very successful. The primary benefit is that utilizing two interns at twenty hours a piece insulates the Board from major loss of productivity when there is turnover in the temporary position, which was the case this past year. Director Kohtz was asked if the Board hires the interns directly. Director Kohtz responded that it still goes through the state SOS Program, but the Board gets to review applications and interview applicants. Going through the SOS Program allows the Board to keep the funding under the general operations budget, so it doesn't count against the Personnel Salary Limit, or PSL. If the Board wanted the temporary employee to be a complete employee of the Board, it would need to ask an allocation in the budget for this purpose. Board Member Bloxham asked how the temporary employee is utilized. Director Kohtz informed the Board that the temporary employee's sole responsibility is to process renewal applications. The majority of the non-complicated renewal applications go to the temp for processing. BLS Nespor is responsible for any of the applications that are complex, and include things such as disciplinary action, missing information, or information needs further verification. CEO Krieger is responsible for verifying and recording out of state continuing education submissions. Chairperson Langemeier asked the Director if he processes renewal application. The Director responded that he does not regularly process renewal applications, his involvement is overseeing the entire process and reviewing disciplinary issues to determine if additional information is needed or if an application needs to go before the Board. Director Kohtz continued by saying that none of the regular agency functions cease during renewal season; work for the legislative session is in progress, board meetings and preparation still takes place, and accounting and budget functions still take place. BLS Nespor informed the Board that during the heat of renewal season, she might spend almost an entire day reviewing payments and preparing a deposit. The Director added that it often takes him two hours to check a deposit during this time period. Board Member Bloxham asked if online renewals and online payments would eliminate the need for a temporary employee. Director Kohtz responded that it likely would if utilized to its full potential. Board Member Bloxham asked the Director if he could prepare a list of all the things that the database project would accomplish. The Director indicated that we would do this. Board Member Bloxham then asked if there is a way to incentivize appraisers to renew earlier, such as a break in fees. Director Kohtz informed the Board that he is hesitant of the idea of impacting a revenue stream without being able to calculate the outcome to revenues. The Director also added the problem with late renewals is the reason why all late renewals go before the Board for approval. It was meant to be a deterrent. This policy worked very well for a couple years, but for some reason this year, going before the Board was just not a deterrent to renewing late.

## 7. SHORT AND LONG TERM GOALS AND OBJECTIVES

### Short Term Goals:

- Continue with current orientation process for new board members, which includes board meeting procedures overview, board member responsibilities and expectations, briefing on status of current investigations and compliance matters, and education on the credentialing process.

### Long Term Goals:

- Explore possible incentives for appraisers to submit renewal applications prior to November 30th deadline.
- Explore online real property appraiser initial and renewal applications, AMC initial and renewal applications, and continuing education submission.

## K. PUBLIC INFORMATION

1. **GENERAL:** Director Kohtz informed the Board that he would like the existing goal regarding Memos From the Board and Facebook posts to remain. There was no further discussion.
  - a. **Short and Long Term Goals**

### Short Term Goals:

- Encourage staff to develop Memos From the Board and Facebook posts that contain interesting facts the appraiser community may be interested in.
2. **WEBSITE:** Chairperson Langemeier acknowledged the earlier conversation regarding the inquiry to CIO about updating the appraiser listing map.
    - a. **Processes and Procedures:** Director Kohtz informed the Board that if the Board requests a website change, any additional changes will be brought to the Board for consideration related to that website change, but the general maintenance and updates are typically handled by the staff. The Director then asked if any changes are needed to this process. There was no further discussion.
    - b. **Short and Long Term Goals and Objectives**

### Short Term Goals:

- Work with CIO to explore update to state appraiser listing map to include the number of appraisers for each county, and implement a color function that tracks changes in the number of appraisers or concentration of appraisers. Have a report to the Board by the September 2017 meeting.
3. **BOARD MEMOS:** No discussion.
  4. **NEWSLETTER:** Director Kohtz informed the Board that the newsletter has been well received, and that the feedback received from the appraiser community has been positive. Chairperson Langemeier expressed content with the newsletter, and recommended that staff keep the content simple. There was no further discussion.

5. **FACEBOOK PAGE:** Director Kohtz brought attention to the Facebook page, and asked the Board if it had any recommendations or requests. Board Member Bloxham asked, “What is it used for? How is it used?” The Director responded that it is primarily used to announce that the minutes are available on the website, meeting announcements, office closures, policy announcements and changes, and Board happenings. Director Kohtz then requested that staff put the Facebook page on the big screen, and walked the Board through it. The Board agreed that no changes are needed.

## L. ADMINISTRATION

1. **POLICIES AND PROCEDURES:** Director Kohtz informed the Board that staff will continue updating processes and procedures to carry out the Board’s business in an effective and efficient manner, and asked the Board if it would like the long term goal of studying the AMC role in the Board’s operations and functions to remain. The Board agreed that this goal should remain.

- a. **Short and Long Term Goals and Objectives**

Short Term Goals:

- Continue updating processes and procedures required to carry out the Board's business in an efficient manner.

Long Term Goals:

- Study the AMC role in the Board's operations and functions.

2. **RETENTION SCHEDULE:** Director Kohtz informed the Board that the retention schedule is up to date and in use and asked the Board if it had any comments. There was no discussion.
3. **NRPAB DATABASE:** Director Kohtz informed the Board that work will continue on the Database as none of the projects that the Board has received appropriations for have been completed. Director Kohtz was asked what the Board’s appropriation for this project is. The Director responded that it is \$74,409 for the next biennium, which would be the third straight biennium that the Board has received appropriations for the same project. Board Member Bloxham asked, “Is it really that expensive?” The Director responded, “The CIO is relatively cheap compared to going outside to have a database built. The Real Estate Commission’s database cost around \$500,000.00.” Director Kohtz expressed frustration with the processes, and informed the Board that the Legislative Fiscal Office is puzzled why the project never moves. The Director continued by informing the Board that he had the Board’s Legislative Fiscal Office Analyst sit down with him and go through the project to discuss what the Board wants to accomplish and why it is important. Director Kohtz was asked if there are many companies that do this kind of work. The Director informed the Board that he knows of a few from the first time the Board looked into it; one is GL Solutions. Board Member Mustoe asked if CIO is working on the database at the present time. Director Kohtz responded, “No, they have cleaned up problems that we have been reporting, but that is it. I have talked to project manager all the way up to Ed about my concerns, but nothing ever changes. One of the major problems is that CIO implemented a new project management system that is meant to help them determine project priority; the problem is that our projects never receive priority, and now we don’t even discuss the project with our project manager initially.” Chairperson Langemeier added that DHHS is a high priority for CIO. The Director was asked if there are any alternatives to look at.

*(Continued on page 17)*



*(Continued from page 16)*

Director Kohtz informed the Board that a few years ago a few small agencies were looking to combine resources to have a generic database built, but they all couldn't get the needed appropriations to get the project off the ground. Chairperson Langemeier indicated that one benefit of CIO is that the platform is secure and supported by the CIO. The Chair continued by saying that this is likely not true with outside contractors. The Director agreed with Chairperson Langemeier. Board Member Mustoe asked if there would be a possibility of the Board linking up to or purchasing the Real Estate Commission's database. Director Kohtz responded that it is worth looking into. Board Member Bloxham asked if the Director could develop a cost benefit analysis related to the database project. The Director informed the Board that this could be done.

#### **a. Short and Long Term Goals and Objectives**

Short Term Goals:

- Continue work on NRPAB database projects.
- Research possibility of purchasing Real Estate Commission's database from it, or contributing to the development of the Real Estate Commission's database to incorporate appraiser function.
- Complete cost benefit analysis related to database project.

**M. APPRAISAL SUBCOMMITTEE:** No discussion.

**N. APPRAISAL FOUNDATION:** No discussion.

### **O. LAWS, RULES AND GUIDANCE DOCUMENTS**

#### **1. LAWS**

- a. Federal Law Non-Compliance Provision:** Director Kohtz brought attention to the ASC's findings regarding the Nebraska law review for temporary permits and informed the Board that many states have language that renders a law in violation of federal statute void. The benefit of such language would be that if the ASC finds a law problem, it will not show up in the report because the state law is void. The law can then be updated without the pressure of federal non-compliance. The Board agreed that this is worth pursuing.
- b. Real Property Appraiser Act:** Director Kohtz informed the Board that it will need to have a USPAP Update Bill introduced during the next session, and brought attention to some other changes that he would like the Board to consider, such as making another attempt at a generic USPAP reference in the Act to limit the need to introduce legislation every other year, removing the temporary permit law review requirement, removing the dead language in 76-2222, and potential changes to the real property qualifications criteria. The Board agreed that all of Director Kohtz's recommendations should be explored.
- c. Appraisal Management Company Registration Act:** Director Kohtz brought attention to LB17, and informed the Board that he was told that it would be on the agenda on the second day of the next session. The Director then added that he hopes that the third plan works better than the first two. Ultimately, LB17 needs to be a high priority for the Board during the next legislative session. There was no further discussion.

**d. Processes and Procedures:** Director Kohtz presented three options to the Board for consideration regarding legislative items for the next session. First, the Board could attach USPAP update and general update language to LB17; second, the Board could start fresh with a new bill; third, LB551 could be amended to include the needed changes. The Director then informed the Board that he is not comfortable with attaching anything to LB17, or continuing work with LB551. The Director mentioned that without Chairperson Langemeier on the Board next year, it would have a better chance of success starting from scratch for any Real Property Appraiser Act related updates. Director Kohtz finished by saying that Bill Marienau, the Banking, Commerce, and Insurance Committee Legal Counsel, recommended that a hearing take place for any new changes to the act. Chairperson Langemeier indicated that a new bill should be introduced for USPAP and another bill for other housecleaning items, such as removing the test and the real property associate. The Chair continued by saying, "Let the committee combine bills if they like the idea." Director Kohtz indicated that he will consult with Mr. Marienau throughout the process to determine what bill structure would be most likely to succeed. The Director informed the Board that bill drafting typically starts in August to be ready in December.

**e. Short and Long Term Goals and Objectives**

Short Term Goals:

- Explore the possibility of including a provision in the Real Property Appraiser Act indicating that a law cannot be out of compliance with the requirements of Title XI and utilizing a generic reference to USPAP in the Real Property Appraiser Act. Complete by December 31, 2017.
- Work with the Banking Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill to be introduced addressing the changes needed in the Real Property Appraiser Act for implementation of the 2018-19 Edition of USPAP. Include removal of the Nebraska Law Review in this bill. Complete by December 31, 2017.
- Remove Real Property Associate from the Real Property Appraiser Act. Include in USPAP update bill, or work with the Banking Commerce and Insurance Legislative Committee's Legal Counsel to draft a separate bill. Complete by December 31, 2017.

Long Term Goals:

- Continue to address federal requirements and guidelines as they become known.

**2. RULES**

**a. Title 297:** Director Kohtz was asked what Title 297 is. Director Kohtz informed the Board that it is the Board's administrative procedures, similar to the Administrative Procedure Act. It has hearing procedures, contested case procedures, negotiated rule-making procedures, declaratory order procedures, and similar items. The Director continued by informing the Board that staff uses it a lot, but there is really nothing in Title 297 that would affect the Board directly. There was no further discussion.

- b. **Title 298:** The Director brought attention to some updates that need to be made in Title 298, such as clarifying representative sampling of experience, clarifying AQB approval for non-core curriculum qualifying education, addressing the gap between renewal due date and expiration date for AMCs, clarifying USPAP update and report writing update submission requirements, the criminal history background check fee increase, and the Nebraska law review requirements for the temporary permits. The Board offered no additional items for consideration.
- c. **Processes and Procedures:** Director Kohtz informed the Board that the intent was for the next update to Title 298 to come after LB17 passed, but with the latest development, the Board needs to consider an update this year to correct or update some important items. Board Member Hynek expressed his desire to let Title 298 sit. Chairperson Langemeier recommended that the Director consult with the Governor's office about the State Patrol fee changes before making a decision on Title 298 updates this year. Director Kohtz informed the Board that he will attempt to have this information by the June meeting.

**d. Short and Long Term Goals and Objectives**

Short Term Goals:

- Obtain Feedback from Governor's Policy and Research Office concerning rule change pertaining to NSP CHRC fee increase.

Long Term Goals:

- Consider update draft for Title 298 to address NSP CHRC fee increase, clarify representative sampling of experience, clarify AQB approval for Non-core Curriculum Qualifying Education, address gap between renewal due date and expiration date for AMCs, clarify USPAP update and Report Writing Update Submission Requirements, remove education activity completion list submission requirement for education providers, and remove Nebraska law review requirement for temporary permit.

**3. GUIDANCE DOCUMENTS**

- a. **Processes and Procedures:** Director Kohtz brought attention to the earlier conversation regarding the drafting of a Guidance Document to address grievances pertaining to reports that are involved in court proceedings. The Director then informed the Board that the process is new, so there may not be much to discuss at this point regarding processes and procedures. The next step in the implementation process is posting the index to the website, then making sure that the Board is meeting the Legislature's Executive Board's reporting requirements. The Board expressed satisfaction with the process as it exists.

**b. Short and Long Term Goals and Objectives**

Short Term Goals:

- Draft Guidance Document to address grievances pertaining to reports that are involved in court proceedings. The Guidance Document should note that all reports involved in the court proceeding shall be reviewed by the Board and that all grievances shall be held until the related court case is resolved.

Break from 2:51 p.m. to 3:00 p.m.

## **P. FINANCIAL**

- 1. REVIEW OF CURRENT FISCAL YEAR:** The Board reviewed the expenses and revenues for the current fiscal year as of April 30, 2017. Director Kohtz informed the Board that he will not provide specific details because this information will also be covered at the regular meeting in two weeks. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$304,976.60 in expenditures and \$323,314.59 in revenues were reported. Expenses amount to 61.68 percent of the budgeted expenditures, and revenues amount to 103.64 percent, for the fiscal year; 83.29 percent of the fiscal year has passed. The Director indicated that that expenditures are below budget and revenues are exceeding projections, so it has been a good financial year. Director Kohtz informed the Board that reviewer fees are currently below the allocation, but that can change quickly as it has in the past. The Board is also right on pace for legal expenditures. The Director indicated that revenues have exceed projections due to a higher number of two-year renewals compared to one-year renewals. Finally, as previously mentioned, no work was completed by CIO on the database, so the full \$79,409.00 allocated for this project remains.
  
- 2. 2017-19 PROJECTIONS:** Director Kohtz presented four graphs outlining revenue and expenditure projections during the next two fiscal years. Director Kohtz informed the Board that the expenditures were based on a seventy-five percent, twenty-five percent split between the Real Property Appraiser Fund and the AMC Fund. The Director informed the Board that the AMC Fund and Appraiser Fund expenditures are getting a little out of balance, so the proposed FY 2017-18 budget includes moving back to a seventy percent, thirty percent split. The Director anticipates a reduction in the overall cash balance of \$26,137.00; not including any potential database expenditures. Director Kohtz finished by informing the Board that new applications have been picking up since the second half of the last fiscal year, which is driving an overall upward trend in projected revenues.
  
- 3. FY 2017-18 BUDGET:** Director Kohtz presented the preliminary FY 2017-18 budget to the Board for review, and highlighted the following items:
  - FY 2017-18 includes a projected appropriation in the amount of \$380,053.00, with a personnel service limit at \$163,942.00.
  - The unexpended Cash Fund appropriation balance, not to exceed \$74,409, existing on June 30, 2017, is reappropriated. Expenditure of reappropriated funds shall be limited to completion of the data base improvement project.
  - AARO Travel (Budget includes funding for 1 Fall and 1 Spring Conference trip).
  - Budget includes McCormick travel (North Platte – Lincoln)
  - Intern/Temporary Employee (\$6,931.00 appropriation)
  - Other Operating Expenses (\$1,000.00 overage coverage)
  - Staff Education (\$1,500.00)
  - Funding for equipment repair and purchase, including software purchase (\$1,250.00)
  - Board Member Per Diem Payments (\$9,500.00)
  - Legal Services (\$35,000.00 currently budgeted)

- Other Contractual Services (Review projections exceed budgeted amount)
- Household & Institutional Expenses and Publication & Print Expenses (Reduced to allow budget to fit allocation)
- Applicant Standard 3 Reviewer Fees/SME Fees are set at:

#### Applicant Reviews

Residential: 4 Hours x \$85.00 = \$340.00

2-4 Family: 6 Hours x \$85.00 = \$510.00

Agriculture: 8 Hours x \$85.00 = \$680.00

Commercial: 10 Hours X \$85.00 = \$850.00

#### SME

Residential: 6 Hours x \$100.00 = \$600.00

2-4 Family: 9 Hours x \$100.00 = \$900.00

Agriculture: 12 Hours x \$100.00 = \$1200.00

Commercial: 15 Hours X \$100.00 = \$1500.00

Director Kohtz asked for any comments or recommendations. Board Member Bloxham indicated that the Board may want to revisit reviewer fees once the new SME program is established. There was no further discussion.

4. **FEES:** Director Kohtz asked if the Board would like to see any fee changes. There was no discussion.

### Q. SWOT ANALYSIS

Director Kohtz informed the Board that he would like the Board to begin performing a SWOT Analysis at each strategic planning meeting. A board member asked what a SWOT Analysis is. Director Kohtz informed the Board that it is listing the strengths, weaknesses, opportunities, and threats. Board Member Bloxham expressed support for this idea. The Board listed the following strengths, weaknesses, opportunities, and threats:

#### STRENGTHS

- Customer Service
- Organization
- Staff Depth
- Staff Knowledge
- Adaptability
- Board diversity

#### WEAKNESSES

- Inability to grow the Industry
- Changing dynamic of the Board
- Efficiency loss due to Database
- Enhancing Board diversity
- Size of Agency
- Regulatory and statutory regulations

## OPPORTUNITIES

- Growth in Appraiser field
- Continually evaluate how the Board and Agency operates

## THREATS

- Board turnover
- Agency turnover
- Federal agency oversight
- State Economic Climate
- Aging appraiser population

## **R. ADJOURNMENT**

Board Member Hynek moved to adjourn the meeting. Board Member Bloxham seconded the motion. Motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

At 3:26 p.m. Chairperson Langemeier adjourned the May 11, 2017 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on May 25, 2017, in compliance with Nebraska Revised Statute §84-1413 (5).