

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

May 17, 2007

OPENING

Vice Chairman Joe Wilson called to order the May 17, 2007, meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m., in the Liquor Control Hearing Room, 5th Floor, Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska. Board Members, Mathew 'Joe' Wilson, Timothy Kalkowski, James Bain, and R. Gregg Mitchell were present. Board Member and Chairman Sheila Newell was absent and excused. Director Kitty Policky, was also present.

NOTICE OF MEETING

Vice Chair Wilson announced notice of the meeting was duly given, posted, published and tendered in compliance with the Open Meetings Law, and all Board members received notice simultaneously by e-mail. The agenda was kept current in the Nebraska Real Property Appraiser Board Office and on the Board's website. Materials generally used by the Board for this meeting are available in the public folder for inspection. A copy of the Open Meetings Law is available for the duration of the meeting.

ADOPTION OF THE AGENDA

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

WELCOME AND GUEST SPEAKERS

Vice Chair Wilson welcomed the guests to the meeting and asked them to please sign the guest log. Signing the guest log were Diane Moore, The Moore Group and Cay Lacey, Certified General Appraiser, Lincoln.

APPROVAL OF THE MINUTES AND HEARING MINUTES FROM APRIL 19, 2007

Vice Chair Wilson asked for any additions or corrections to the April 19, 2007 minutes of the Rule Hearing. Without correction, Board Member Mitchell moved to approve and Board Member Bain seconded. The motion carried with Bain, Mitchell, Kalkowski, and Wilson voting aye.

Vice Chair Wilson asked for any additions or corrections to the minutes of the April 19, 2007 meeting of the Board. Without correction, Board Member Bain moved to approve and Board Member Mitchell seconded. The motion carried with Mitchell, Kalkowski, Bain, and Wilson voting aye.

DIRECTOR'S REPORT

Director Policky reported the number of credential to date was 278 Registered and Conversions; 159 Licensed credentials and 9 reciprocity for a total of 168 Licensed credentials; 100 Certified Residential and 43 Reciprocity Certified Residential for a total of 143; 229 Certified General and 99 Reciprocity Certified General for a total of 328. Nebraska

totals 917 appraisers. The accuracy of the reporting mechanism from the website is questionable according to Policky.

CHAIR REPORT

Vice Chair Wilson addressed the issue of the workload that will be generated by the applicant crunch. Wilson requested that members consider the options for addressing the issue. Perhaps inviting reviewers for a scheduled day or adding a special meeting to assist with the process would alleviate the workload. Vice Chair Wilson asked members to consider the options and make suggestions at the next meeting.

Vice Chair Wilson addressed the workload of the Board members and suggested thinking about expanding the Board an additional member or two. The increase in formal and informal hearings and reviews, in addition to the appointed responsibilities is a consideration. Perhaps after the 2008 criteria are implemented and a new routine is established for the profession, the workload may subside. The request for additional Board members would require a change in the law. The estimated cost of additional members is generated primarily by location as the cost of transportation, lodging, and additional expenses is added to the per diem payment when allocating funds.

RECEIPTS & EXPENDITURES/FEBRUARY

Vice Chair Wilson directed the Board's attention to the April expense report. All expenses and receipts for April are correct. Discussion concerning the increase in monies collected and a negative amount in the receivables ensued. Director Policky explained that the negative number in the receivables is prompted by the refund of monies before the end of the fiscal year for credentials who overpaid. For instance, a registered appraiser who inadvertently paid the federal fees generated a refund. Because the monies collected were not originally returned and the correct amount requested, it was necessary to generate a refund from this fiscal year. Although sufficient receivables exist, the number appears negative simply because this is a monthly budget status report and each category of appraiser did not collect enough receivables to cover the amount of refunds of overpayments in the month of April.

Board Member Kalkowski continued with questions concerning the amount of collections. Director Policky explained that receivables cannot be accounted for in the same manner as expenditures. An increase in temporary assignments; an increase in applications due to the crunch imposed by the 2008 criteria; the additional fees collected for the repetitive review of reports; there are many contributing factors to the increase in receivables from the projected amount.

Board Member Kalkowski moved to file the April 2007 Receipts and Expenditures report for audit understanding that the bottom line is not balanced but the receipts and expenditures are correct. Board Member Bain seconded. The motion carried with Mitchell, Kalkowski, Bain and Wilson voting aye.

UNFINISHED BUSINESS

The Board continued the discussion of representation by the legal firm of Remboldt & Ludtke as appointed by the Attorney General's office. The Board had requested that Director Policky draw up correspondence to inform the Attorney General's office, Remboldt & Ludtke and Charlie Lowe of our decision to terminate the services of Remboldt & Ludtke and to request

all files belonging to the Real Property Appraiser Board be return to the Appraiser Board office in a timely manner. The letter terminating service by Director Policky was accepted emphasizing that the Attorney General's office should not appoint new counsel as amended by Board Member Mitchell to the original motion.

Discussion of the options concerning the appoint of new legal counsel began as Board Member Kalkowski summarized the history of the prior events and how enforcements were almost removed completely from the Board. A big concern by the previous Director Ekstein emphasized the role of the Board as judge and jury. Consulting with the Attorney General's office for direction, somewhere along the line Rembolt & Ludtke got involved. The concern for safety and liability, there was a big push for independent counsel to assume enforcements. Somehow the process got out of hand and sidetracked. Unfortunately, errors in reviews, not detected even by legal representation slipped through the system. The Board recognized the lack of knowledge of USPAP by legal counsel was not acceptable for enforcement issues.

Members requested that Director Policky make inquiries and contacts and bring before the Board for presentation candidates for legal counsel. Director expressed to the Board that the legal counsel best equipped for USPAP concerns and who has been to this Board many times representing appraisers was the most prominent candidate. Guest Cay Lacey, a certified general from Great Plains, acknowledged the limitations of individuals who have a grasp of real estate law and the application of USPAP. Director Policky did present to the Board a request for presentation from Bill Blake. Lacey agreed with the fact that Blake did have a grasp of real estate law and USPAP. Policky will request from Blake a proposal for service.

Returning to the issue at hand, Mitchell moved to accept Director Policky's letter, as edited, to the Attorney General's office terminating Remoblt & Ludtke and to emphasize to the Attorney General's office that they should not appoint a replacement at this time; request all Appraiser Board files be return to this office; and to authorize signature by Vice Chairman Wilson. Bain seconded. The motion carried with Kalkowski, Bain, Mitchell and Wilson voting aye.

NEW BUSINESS

Enforcement/NRPAB web page

Director Policky presented to the Board a printed copy of the home page for the Real Property Appraiser Board with the editing on the page to indicate where the "Enforcements" would be added. Board Member Mitchell asked for the acceptable format for electronic reporting. Discussion reminded the Board members that the publishing of enforcements would follow the format approved at the February 21, 2007 meeting as referenced by legal counsel. The selected portion of the minutes of the February 21st meeting were read indicating that the format would be . . . "to simply publish the facts, no narrative or editorializing, to present the case number, case name, agreed settlement or order without editorializing or wavering from the format. Present the applicable statute. Reporting would apply to all appraisers since January 1, 2006."

Kalkowski moved to publish the electronic format of the enforcements and to follow the format as outline in the February 21, 2007 minutes. The enforcements would follow the applicable statute. Mitchell seconded the motion. The motion carried with Bain, Mitchell, Kalkowski and Wilson voting aye.

The Board took a recess at 10:00 a.m.

The Board reconvened at 10:10 a.m.

Registration/Supervisor Form

Director Policky presented to the Board a form to assist the Appraiser Board office in tracking the new appraiser trainee designation for 2008. The form is to merely contemplate and consider accountability for the change in the Scope of Practice. The form was created to expand the Scope of Practice for the Trainee and Registered designation. Guest Cay Lacey explained how the designation of a supervisor would expand the Scope of Practice for the individual to the Scope of Practice of the supervisor. Form was presented for consideration.

Federal Policy for Report Submission

Director Policky presented to the Board a copy of the designated “Work Product Submission Policy.” The purpose of the policy is to bring the Nebraska Real Property Appraiser Board in federal compliance. The parameters set for verifying a log submitted for application is to review, verify and then request appraisals from the log as presented. Although the federal requirements call for verification and request of an appraisal, the state does have the option of requesting one or all reports.

Board Member Mitchell pointed out that the Certified Residential submission policy was missing the words “summary or self-contained format.” The insertion should read as follows: Reports must be complete appraisals in summary or self-contained format. Board Member Mitchell moved to approve the Work Product Submission Policy as presented with the addition of the correction to the Certified Residential to read – reports must be complete appraisals in summary or self-contained format – to appear after the words . . . with an age over 20 years. The submission policy will be effective immediately. Kalkowski seconded the motion. The motion carried with Mitchell, Kalkowski, Bain and Wilson voting aye. A copy of the Work Product Submission Policy is attached and considered a part of these minutes.

Discussion also led to a motion by Board Member Mitchell to change the submission format of reports for the License and Certified Residential to read that one report must be in self-contained or summary format and that two reports include at least two approaches to value. The Certified General submissions will remain the same. Bain seconded. The motion carried with Bain, Mitchell, Kalkowski and Wilson voting aye.

EDUCATION

Board Member Mitchell moved to approve the following:

Appraising Agricultural Land in Transition, C2724, 14 hours, continuing education, and John Widdoss as instructor for the American Society of Farm Managers and Rural Appraisers.

Hold Bobbitt & Company submissions for the Sales Comparison Approach, C2727-I, 7 hours on-line; Residential Cost Approach, C2716-I, 7 hours on-line; and Income Approach, C2726-I, 7 hours on-line until the June meeting. Contact Hondros and get password and permit to enable Board members to review the on-line submissions.

Hold McKissock's application for The Dirty Dozen, C2821-I, 3 hours on-line and send to Chair Newell for review.

Bain seconded the motion. Motion carried with Board members Kalkowski, Bain, Mitchell and Wilson voting aye.

GENERAL PUBLIC COMMENTS

Vice Chair Wilson requested that Cay Lacey, a certified general from Great Plains Appraisal address the Board and give a summary of the article that we requested Richard Keith, a certified general from Great Plains Appraisal submit for the newsletter. Lacey stressed the issue is compensability and non-compensability items. Article addresses scenarios and the manner under which you accept the assignment. Exposure. Exposure. Exposure. Disclose. Disclose. Disclose. The responsibility of the appraiser is to market and disclose and address jurisdictional exceptions.

APPLICANTS / EXECUTIVE SESSION

Vice Chair Wilson moved that the Board go into executive session for the purpose of considering applicants. A closed session is clearly necessary to prevent needless injury to the reputation of individual or individuals relating to applications. The time was 11:25 p.m. Board Member Kalkowski seconded. The motion carried with Bain, Mitchell, Kalkowski and Wilson voting aye.

OPEN SESSION

Vice Chair Wilson moved to come out of executive session at 12:25 p.m. Board Member Bain seconded. The motion carried with Mitchell, Bain, Kalkowski, and Wilson voting aye.

Board Member Mitchell moved to take the following applicant actions:

Ratify the Registered applicants: Kristen Lynette Prickett, R824 and
Gilbert Jordan, R825

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

Board Member Mitchell moved to take the following applicant actions:

Deny L534, request one report;
Deny L536, request one report;
Deny CR143, request three new reports;
Deny CR141, request 2-4 and report for house less than 20 years;
Deny DR142, request three new reports;
Deny CR146, request three new reports;
Deny CR144, request changes to the multiple family report;
Deny CR145, need new multiple family report;
Approve CG402;
Deny CG403, request two additional reports;
Approve CG405;
Approve CG410.

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

ENFORCEMENT MATTERS / EXECUTIVE SESSION

Vice Chair Wilson moved that the Board go into executive session for the purpose of considering written complaints and disciplinary actions. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals involved with alleged violations of real property appraisal practice. The time on the meeting room clock was 12:30 p.m. Board Member Bain seconded. The motion carried with Bain, Mitchell, Kalkowski and Wilson voting aye.

OPEN SESSION

Board Member Mitchell moved to come out of executive session at 1:21 p.m. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Mitchell, and Wilson voting aye.

Board Member Mitchell moved to take the following disciplinary action:

- Case #06-18 – Invite informal conference.
- Case #06-25 – Close
- Case #06-26 – Agreed Settlement to complete a 15 hour National USPAP and 15 hour form report writing class. Appoint vice chair to sign.
- Case #07-01 – Agreed Settlement to complete a 15 hour National USPAP and 15 hour narrative report writing class. Appoint vice chair to sign.
- Case #07-02 – Invite informal conference on Wednesday, June 20th @ 3:00 p.m.
- Case #07-07 – Complete 500 hours experience with a mentor before applying. Submit log and complete by November 1 to come under 2007 criteria. Appoint vice chair to sign.
- Case #07-09 – Send request for appraisals and workfiles.
- Case #07-11 – Send request for appraisal and workfile.
- Case #07-12 – Send request for appraisal and workfile.
- Case #07-13 – Send request for appraisal and workfile.
- Case #07-14 – Close file but recognize additional complaint has been filed. Send letter to complainant acknowledging and to respondent informing the appraiser that an additional case has been filed.
- Case #07-15 – Send request for appraisal and workfile.

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

NEXT MEETING DATE

Vice Chair Wilson stated the next meeting of the Nebraska Real Property Appraiser Board will be Thursday, June 21, 2007 in Lower Level B of the Nebraska State Office Building.

Various subjects were open for discussion by the Board. Vice Chair Wilson requested that additions to the agenda for consideration at the June 21st meeting be made specifically requesting the addition of the reviewer training and the flow chart considerations and changes made by Board Member Bain.

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

The meeting was adjourned at 2:35 p.m.

Respectfully submitted,
Kitty Policky, Director

These minutes were available for public inspection on May 25, 2007, in compliance with Nebraska Statute §84-1413(5).