

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

**April 19, 2012 Meeting Minutes**

**A. OPENING**

Chairman Brad Moore called to order the April 19, 2012 meeting of the Nebraska Real Property Appraiser Board at 9:00 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 April 17, 2012 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, and Marc Woodle were present. Also present were Director, Tyler Kohtz, and Staff Assistant, Kirsten Casburn. Board Member David Hartman was absent and excused.

**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 Kubert moved to adopt the Agenda as printed. Board Member Barkley seconded the motion. With no further discussion, the motion carried with Barkley, Kubert, Woodle and Moore voting aye.

**WELCOME GUESTS**

No members of the public were present. Chairman Moore brought attention to the guest log available for public members to sign if they arrive while the meeting is in session.

**C. APPROVAL OF THE MINUTES FROM MARCH 15, 2012**

Chairman Moore asked for any additions or corrections to the March 15, 2012 minutes. With no further discussion Board Member Barkley moved to adopt the minutes as presented. Board Member Woodle seconded the motion. The motion carried with Kubert, Woodle, Barkley and Moore voting aye.

#### **D. CHAIRMAN'S REPORT**

Chairman Moore thanked board staff for accommodating the auditors throughout their examination, and made reference to the auditor's findings pertaining to the 2009 Education Tour. Chairman Moore also reported on ASC Compliance Review Report related to the review conducted by the Appraisal Subcommittee in September of 2011. The Appraisal Subcommittee's report indicates that the Nebraska Real Property Appraiser Board is in substantial compliance with Title XI of FIRREA, ASC Policy Statements, and ABQ Criteria.

#### **E. DIRECTOR'S REPORT**

Director Kohtz presented eight charts outlining the number of appraisers and AMCs as of April 19, 2012. The Director summarized each chart and reported the number of appraisers as follows: 86 total Licensed Residential, 79 resident and 7 reciprocal; 204 total Certified Residential, 170 resident and 34 reciprocal; 363 total Certified General, 260 resident and 103 reciprocal; and 16 Registered/Conversion for a total of 669 appraisers. Total number of appraisers is up 1 from March, but significantly down from the 752 in April 2011 due to the drop in the number of Registered/Conversion appraisers. After a drop between December 2011 and January 2012 due to renewals, the number of appraisers is currently trending upwards slowly. Director Kohtz also reported that 66 AMCs are currently registered, and 6 new AMC applications have been submitted since the last meeting.

#### **F. FINANCIAL REPORT – MARCH 2012**

The receipts and expenditures for March were reviewed by the Director by line item with the Board. For the appraiser fund, #25310, a total of \$15,291.57 in expenditures and \$6052.60 in receivables were reported. For the AMC fund, #25320, a total of \$798.00 in expenditures and \$44,426.43 in receivables were reported. Considerations were made for expenditures for monthly obligations. No considerations were made for expenditures other than monthly obligations. As of the end of March, expenses amount to 66 percent of the budgeted expenditures for the fiscal year. Director Kohtz presented three charts outlining the Agency twelve month expenses and revenues, historic cash balance, and twelve month cash balance. Board Member Kubert asked about the increases in agency expenses for the months of September 2011, November 2011, and February 2012. Staff Assistant Casburn will provide a report at the May meeting. Director Kohtz also noted the current upward trend of the agency's cash balance. A copy of the Budget Status Report and Receipt Journal for March is attached and considered part of these minutes.

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

#### **G. BOARD POLICIES AND PROCEDURES**

**1. APRIL 19, 2012 BOARD POLICIES:** Discussion took place regarding four new Board Policies introduced. Board Member Woodle moved to take the following actions as listed:

- 1. Blast Email Policy / Approved**
- 2. Blast Email Request / Approved**
- 3. Requests for Non-NRPAB Information to be Placed on the Website / Approved**
- 4. Definition of Employee / Hold; get Assistant Attorney General Hart's opinion and recommendation before May meeting**

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

2. **DOCUMENTS OF GOOD STANDING AND FEE:** Discussion took place regarding requests made for a Document of Good Standing by individuals no longer credentialed by the Board. After discussion, the Board agreed that individuals no longer credentialed by the Board have no standing with the Board, and a Document of Good Standing should not be provided for those individuals. Director Kohtz also brought attention to the Board's authority to charge a fee not to exceed \$10.00 for a certificate of good standing. Currently no fee is being charged. The fee for a Document of Good Standing will be placed on the May agenda for a vote.
3. **REPORTING INVESTIGATIVE INFORMATION TO PROFESSIONAL ORGANIZATIONS:** Discussion took place regarding board member responsibility to maintain confidentiality regarding grievances filed with the Board and the obligation as a member of an appraiser professional organization to report appraiser violations as required by that professional organization's bylaws. Board Member Kubert will research this matter further, and get a copy of a professional organization's complaint form.
4. **AMC APPLICATION PROCEDURES:** Director Kohtz requested clarification as to how the Board would like to proceed with AMC application approvals. Based on the discussion, Director Kohtz will develop a procedure in which the AMC application will go before the Board for approval after all required documentation has been received at the Board's office. The procedure will be placed on the Board's agenda for review once completed.
5. **AMC APPLICATION CHANGES:** Director Kohtz presented the AMC application to the Board for review with additional questions pertaining to disciplinary action against the applicant. With no further discussion Board Member Kubert moved to approve the AMC application as presented. Board Member Barkley seconded the motion. The motion carried with Barkley, Kubert, Woodle and Moore voting aye.
6. **CHANGE IN CONTROLLING PERSON FOR AMC:** Board staff is often asked what the procedure is for change in an AMC's controlling person. Currently the AMC is requested to send a letter explaining the circumstances surrounding the change, and include the signatures of the incoming and outgoing controlling person. The Board charged Director Kohtz with creating a Change of Information form for AMCs. The form will be placed on the Board's agenda for review once completed.

#### **H. UNFINISHED BUSINESS**

1. **2012 REAL PROPERTY APPRAISER ACT – LB714 UPDATE:** No new information. This item will be removed from the agenda until additional information is available.
2. **RULES AND REGULATIONS – TITLE 297 AND TITLE 298 UPDATE:** Director Kohtz followed up with the Governor's Policy Research Office. The Policy Advisor assigned to the Board indicated that the Board's Rules and Regulations have not been reviewed because the legislature is in session. Title 297 and Title 298 will be reviewed during the next three to four weeks. This item will be removed from the agenda until additional information is available.

3. **2012 AUDIT UPDATE:** Director Kohtz reported that the auditor's examination has been completed. The exit interview should take place in three to four weeks, and the Board will receive a copy of the auditor's findings a few days prior to the exit interview. The Board will have ten days from the date of the exit interview to provide a response to the auditor's findings. Director Kohtz also reported that no fees will be charged to the Board for the audit.

The Board discussed the findings in the July 1, 2005 through February 9, 2007 Attestation Report. Specifically, the findings pertaining to internal controls and the excessive fund balance were discussed. Many of the items found in that report will also be included in upcoming report. Director Kohtz informed the Board that the payroll and timesheet issues found in the report have recently been corrected.

4. **APPRAISER RESPONSIBILITY CONCERNING AMC REGISTRATION:** Chairman Moore asked if this is still an issue. Board Member Barkley indicated that the issue has resolved itself in time. The advisory letter to appraisers will be shelved, and the Director will draft an update to appraisers regarding AMCs to be delivered as a blast email. The Illinois Department of Financial and Professional Regulation's Appraiser/AMC Newsletter was mentioned as a good source for information regarding AMCs.
5. **STATE AGENCY RESPONSES TO MULTIPLE INSTRUCTOR APPLICATIONS:** Discussion took place regarding the responses received from other agencies to questions pertaining to how the agency addresses continuing education courses with multiple instructors. The discussion lead to the question of who is considered to be an instructor. Director Kohtz will follow up with the responding agencies to find out how an instructor is defined by each agency.
6. **NEW CREDENTIAL UPDATE – TOM KUBERT:** No new information.
7. **ON-LINE RENEWALS:** Director Kohtz met with Nebraska.gov to discuss implementing online credential renewals. The Director reported that Nebraska.gov can provide cost estimates for the project once an initial project questionnaire is completed, which will include online renewals, new resident and reciprocal credential applications, course and instructor approval applications, AMC applications, and temporary permits. The cost estimates will help determine if any other application processes may be cost effective to offer online in addition to credential renewals. Director Kohtz also explained the potential cost structures and timing for the project to the Board. The cost estimates will be placed on the Board's agenda once received.

## I. NEW BUSINESS

1. **APPRAISAL SUBCOMMITTEE REPORT:** The Appraisal Subcommittee's findings were discussed in detail. The Appraisal Subcommittee found the Nebraska Real Property Appraiser Board's statutes out of compliance with the Appraiser Qualification Criteria due to the specific edition of USPAP referenced in the statutes that is no longer the most current edition of USPAP. Chairman Moore indicated that the Board has tried to get the statutes changed in the past to use the most recent edition of USPAP and not the specific edition of USPAP. The ASC Compliance Review Report may be a good starting point to attempt a statute change again in the future.

The ASC Compliance Review Report described issues with the Board's application process. Specifically, how the Board validates appraiser qualifying education claims. After discussion it was determined that each applicant must provide a copy of his or her official post-secondary education transcripts.

The Appraisal Subcommittee also found that Board approved appraiser education course were often approved for a period that extends beyond CAP/IDECC approval. In order to prevent this from occurring, a periodic check of the CAP/IDECC and Board approval dates needs to be completed by Board staff. The Board charged Staff Assistant Casburn with this duty, and mentioned that public members Diane Moore and Cay Lacey may be willing to assist with this task.

Chairman Moore stated that despite the minor issues found by the Appraisal Subcommittee, the overall report was very good. The Board was found to be in substantial compliance with Title XI of FIRREA, ASC Policy Statements, and ABQ Criteria.

2. **NEW AMC APPLICATIONS:** Board Member Kubert moved to approve the following AMC registration applications as listed:

**NE2012073 / InHouse, Inc.**

**NE2012074 / The Property Sciences Group, Inc.**

**NE2012075 / Financial Asset Services, Inc.**

**NE2012076 / C2C Appraisal Services, LLC.**

**NE2012077 / Equifax, Inc.**

Second by Woodle. Motion carried with Woodle, Barkley, Kubert and Moore voting aye.

3. **FUTURE OFFICE SPACE NEEDS FOR BOARD STAFF:** Discussion took place regarding current office space and future needs. The board staff does not have sufficient space to conduct Board business in the most efficient manner, and the current space does not allow for a professional organized appearance. Future staffing needs will also require additional office space. Board Member Woodle moved to pursue a new office location for the Board. The Motion was seconded by Board Member Kubert. The motion carried with Kubert, Woodle, Barkley and Moore voting aye.
4. **STRATEGIC PLANNING MEETING – JUNE 2012:** Director Kohtz recommended the Board hold a strategic planning meeting in June to discuss the Board's short and long term goals and objectives. The next biennial budget and future statute and rule changes will also be included on the meeting agenda. The Board is considering June 20<sup>th</sup> as the date to hold the meeting. Director Kohtz will send an email to board members as a reminder to check their calendars for availability.

## **J. GENERAL PUBLIC COMMENTS**

Chair Moore asked for any public comments. With no comments, the Chair proceeded to the education.

## **K. EDUCATION**

- 1. Continuing Education Requests:** None
- 2. Continuing Education Requests:** Board Member Barkley moved to approve the following courses as listed:
  - A. IRWA Association, Gardena, CA:**
    1. “Course 100 Principles of Land Acquisition”/ 30 hours / C21218
  - B. McKissock, LP, Warren, PA:**
    1. “2012-2013 National USPAP Update Equivalent”/ 7 hours / C21201
  - C. Appraisal Institute, Chicago, IL:**
    1. “Appraising the Appraisal: Appraisal Review- Residential”/ 7 hours / C21219
    2. “Marketability Studies: The Six-Step Process & Basic Applications”/ 7 hours / C21223

Seconded by Woodle. Chairman Moore called for the vote. The motion carried with Woodle, Barkley, Kubert and Moore voting aye.

- 3. Instructor Approval Requests:** Board Member Barkley moved to approve the following instructors as listed:
  - A. IRWA Association, Gardena, CA:**
    1. Edward D. Opstein – Course 100 Principles of Land Acquisition (C21218)
  - B. Appraisal Institute, Chicago, IL:**
    1. Kenneth Alford – Business Practices and Ethics (C2306)
    2. Craig Harrington - Appraising the Appraisal: Appraisal Review- Residential (C21219)
    3. Richard Parli – The Six-Step Process & Basic Applications (C21223)
  - C. McKissock, LP, Warren, PA:**
    1. Paul Lorenzen – 2012-2013 USPAP Update Equivalent Course (C21201)
    2. Chuck Huntoon - 2012-2013 USPAP Update Equivalent Course (C21201)
    3. Dan Bradley - 2012-2013 USPAP Update Equivalent Course (C21201)
    4. John Willey - 2012-2013 USPAP Update Equivalent Course (C21201)
    5. Ken Guilfoyle - 2012-2013 USPAP Update Equivalent Course (C21201)
    6. Tracy Martin - 2012-2013 USPAP Update Equivalent Course (C21201)
  - D. Nebraska Chapter of the Appraisal Institute, Omaha, NE:**
    1. Rick Muenks – Analyzing Tenant Credit Risk & Commercial Lease Analysis (C21044)

Second by Kubert. With no further discussion, Chairman Moore called for the vote. The motion carried with Barkley, Kubert, Woodle and Moore voting aye.

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

Board Member Barkley moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualifying applicants and relating to the alleged violations of performance in real property appraisal practice. The time on the meeting clock was 2:21 p.m. Board Member Kubert seconded the motion. The motion carried with Kubert, Woodle, Barkley and Moore voting aye.

Board Member Barkley moved to come out of executive session at 4:42 p.m. Board Member Kubert seconded the motion. The motion carried with Kubert, Woodle, Barkley and Moore voting aye.

**L. CONSIDERATION OF APPLICANTS**

Board Member Barkley moved to take the following action for applicant as listed:

**CR357 / Approved for credentialing as Certified Residential Appraiser**

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

Board Member Barkley moved to take the following actions for the applicants as listed:

**CR391 / Hold; request updated log through April 19, 2012**

**CR392 / Hold; request two-to-four unit residential property report for review**

**CR393 / Approved to sit for exam and select reports for review**

**CG634 / Approved for credentialing as Certified General Appraiser**

**CG631 / Hold; request documentation from supervisor to verify attribution**

**CG632 / Approved for credentialing as Certified General Appraiser**

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

**M. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS**

Vice Chair Barkley moved to take the following enforcement actions:

- 11-03 Consent Agreement signed by Board Chair. Send cover letter indicating that effective date for quarterly log submission is April 19, 2012
- 11-04 Hold
- 11-05 Hold; Offer Consent Agreement as drafted. Respondent must sign and return the Consent Agreement prior to May 17, 2012 meeting.
- 11-12 Hold
- 11-13 Hold; Board Member Kubert to follow up with Lancaster County Attorney

- 11-21 Offer Consent Agreement requiring Respondent to complete 15-Hour National USPAP course and 15-Hour Report Writing and Case Studies course within six months of execution of agreement. Beginning six months after execution of the agreement, Respondent shall submit work log for two subsequent quarters.
- 11-22 Offer Consent Agreement requiring Respondent to complete 15-Hour National USPAP course and 15-Hour Report Writing and Case Studies course within six months of execution of agreement. Beginning six months after execution of the agreement, Respondent shall submit work log for two subsequent quarters.
- 11-26 Hold
- 11-27 Authorize Bill Blake to send letter to Respondent
- 12-03 Hold
- 12-04 Dismiss without Prejudice
- 12-05 Hold
- 12-06 Hold
- 12-07 Hold
- 12-09 Hold
- 12-10 Hold

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

**N. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS**

The Board discussed Interim Director Wilson’s compensation through March 15, 2012 in executive session. A motion was made by Board Member Barkley to compensate Interim Director Wilson in the amount of \$3,310.94. The motion was seconded by Board Member Kubert, and carried with Kubert, Woodle, Barkley and Moore.

**O. NEXT MEETING DATE – MAY 17, 2012, LOWER LEVEL “F” NSOB**

**P. ADJOURNMENT**

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

At 4:50 p.m. Chairman Moore adjourned the April 19, 2012 meeting of the Real Property Appraiser Board. The next meeting is scheduled for May 17, 2012 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 April 30, 2012, in compliance with Nebraska Statute §84-1413(5).