



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

December 1, 2008

MEMBERS PRESENT:

Michael Graeper, Chair
Troy Costales, Vice-chair
Art Kegler
Warren (Lee) Dunn
Byron Hendricks
Robert LeFeber
Marianne Wood
Kimberly Medford (by phone)
Byron Hendricks
Chris Hermanski

MEMBERS ABSENT:

None

STAFF PRESENT:

Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Kate Nass, Administrative Services Manager
Selina Barnes, Regulations Division Manager
Mesheal Heyman, Education Division Manager
Laurie Hall, Licensing Division Manager
Laurie Skillman, Land Development Division Manager
Leandra Cooley, Board Liaison

GUESTS PRESENT:

Andrea Bushnell, Oregon Realtors® Association

I. BOARD BUSINESS

- A. **Call to Order.** Chair Graeper calls meeting to order.
- B. **Roll Call.** Board Liaison conducts roll call.
- C. **Approval of the Agenda and Order of Business.** Agenda and Order of Business approved as submitted.
- D. **Approval of the October 6, 2008, regular meeting minutes.** October 6, 2008 minutes approved as submitted.



- E. Election of Chair and Vice-chair for 2009.** Chair Graeper opened nominations for Chair and Vice-Chair. Following the election, Art Kegler was elected as chair and Lee Dunn as vice-chair for 2009.
- F. Date of Next Meeting. February 2, 2009 in Salem, Oregon.**

II. PUBLIC COMMENT. None.

III. REQUESTS FOR WAIVER

- A. Waiver request log.** Byron Hendricks suggested that board members keep past history of waiver request log in handbooks and add current updates as provided.
- B. Kimberly Fuller requests experience requirements waiver for a principal broker license (included in packet).** Ms. Fuller clarified that she received her property manager's license in February of 2008 and explained her request for experience waiver was based on the fact that she has worked for over 15 years in the commercial real estate industry and has worked with licensed principal brokers and brokers. She also stated that she has transactional and supervisory experience as well as a law degree.

MOTION TO APPROVE WAIVER REQUEST BY BYRON HENDRICKS

MOTION CARRIED BY UNANIMOUS VOTE.

- C. Rene Nelson requests experience requirements waiver for a principal broker license (included in packet).** Ms. Nelson explained her request for experience waiver is based on her husband's health issues and would like the ability to practice as a principal broker in the event that her husband could not. She stated that she currently handles many of the principal broker responsibilities. Commissioner Bentley asked Ms. Nelson to explain the process involved in obtaining a CCIM (Certified Commercial Investment Member) designation. Ms. Nelson explained she took a total of over 200 hours of educational classes, traveled across the United States, sold \$10 million dollars worth of commercial real estate, put together a comprehensive portfolio demonstrating her capacity and experience, sat for a 3 day comprehensive exam, and followed up with 6 hour exam.

MOTION BY ART KEGLER TO APPROVE WAIVER REQUEST

MOTION CARRIED BY UNANIMOUS VOTE

- D. Robert Reid requests experience for a principal broker license (included in packet.)** Mr. Reid explained that he received his designated broker's license in November of 2007 in the State of Washington and if his waiver manages four realtors, experienced in management of office, manage property for 5 years, corporate world sales teams, references from previous brokers and partners.

MOTION BY TROY COSTALES TO APPROVE WAIVER REQUEST

MOTION CARRIED BY MAJORITY VOTE, 7 AYES AND 2 NAYES (MARIANNE WOOD AND WARREN (LEE) DUNN)

IV. BOARD ADVICE/ACTION

A. Revision of Waiver Request Application re: helpful documents and required documents (handout included in packet.) The board members made the following suggested modifications for the application:

- Inform applicants that they will be required to answer questions at the meeting
- Provide information that will assist applicants in determining what type of waiver they need
- Inform applicants that limited license is an option

Chair Graeper asked Laurie Hall, Licensing Division Manager, to take note of these recommendations.

B. Final approval of rules from the rule review for permanent filing (report provided in packet). Laurie Skillman, Land Development Division Manager and Policy Coordination, presented an overview of the rule review process up to date and indicated that she is putting final packages together for rules to be filed on December 15, 2008. Ms. Skillman also stated that agency staff will be participating in training sessions regarding new/changes to rules and currently available on the Oregon Real Estate Agency website, are the proposed rules, clean and redlined versions of every division.

MOTION BY CHRIS HERMANSKI TO RECOMMEND RULES FROM THE RULE REVIEW BE SUBMITTED FOR PERMANENT FILING.

MOTION CARRIED BY UNANIMOUS VOTE.

C. Board members to visit Land Development and Administration divisions immediately following the December 1, 2008 meeting (1 hour estimated time length). Land Development and Administrative Services Divisions will meet with board members in the hearings room immediately following board meeting for division presentations.

V. COMMUNICATIONS- Administrative Action Summary (included in packet).

Chair Graeper asked for clarification regarding the reason for civil penalties and the formula that is used to calculate the sanction. Selina Barnes responded that licensees receive civil penalties for conducting unlicensed activity and are penalized anywhere from \$100 to \$500 for the first 30 day period and then \$500 to \$1000 for each 30 day period thereafter. Art Kegler asked for more detail regarding the circumstances surrounding the civil penalty imposed on Leo Orozco Murr. Ms. Barnes responded that a commission check was not processed through Mr. Murr's principal broker. Ms. Barnes

also indicated that the complete order would be published in the OREN-J. Troy Costales suggested that the summary include an explanation regarding the reason and formula for sanctions used when imposing civil penalties and Ms. Barnes indicated that she would make that modification to the summary form.

VI. REPORTS

A. Chair Graeper

1. **Discuss criteria for selection of candidate to replace public and industry board members.** Chair Graeper stated that in the past board members have not provided input regarding criteria/qualifications for selection of board members. He also stated that the Commissioner Bentley and Governor Kulongoski would like to have input from the board regarding this matter in future selection processes. Commissioner Bentley outlined the following series of criteria that should be considered:

- Private or public status
- Industry members need to have 5 years of experience as licensee
- Skill sets (residential, commercial, property management, escrow)
- Size of firm
- Geographic location

Chair Graeper concluded that individual discussions between members and Commissioner regarding replacement criteria would be beneficial.

Troy Costales announced that his last meeting as a public board member would be at the April 6, 2009 meeting.

2. **Articles by Chair or designee of Chair for OREN-H for each quarter.** Chair Graeper stated that to date he and Marianne Wood have both submitted articles for publishing in the OREN-J and he volunteered to submit an article for the March issue of the OREN-J, covering the historical perspective of the changes the board has gone through over the years. Byron Hendricks will submit an article for publication in the issue of following the March issue. After a brief discussion, it was agreed that a permanent column should be added to the OREN-J specifically dedicated to board issues. Art Kegler, chair elect, indicated that he would designate members to submit articles in the future.

Chris Hermanski requested permission from Chair Graeper to discuss the possibility of having board meetings on another day besides Monday. After discussion, it was decided that meetings will continue to be held on Mondays due to majority vote.

- B. Commissioner Gene Bentley Board/Industry advice.** Commissioner Bentley addressed the upcoming proposed legislative changes in relation to continuing education, pre licensing and post licensing and the Agency will be implementing education work groups. Chair Graeper recommended those who sat on the education committees would be familiar with the education process, both the

property management level as well as the industry level. Commissioner Bentley stated that brokerage and property management are the two components involved in post licensing education.

Commissioner Bentley provided a hand out entitled Oregon Real Estate Agency Concepts for Licensing and Education Review and Proposed Revisions 2008/09"which summarized, in draft form, the vision for education and asked for feedback. Troy Costales responded that it seemed anywhere from 5 to 10 percent of compliance reviews were ultimately recognized for further review due to error and he also stated that self compliance reviews will be based on "faith" because a verification process would not be in place. Commissioner Bentley responded that the Agency intends to randomly select a few compliance reviews complete a verification process.

2. Education work groups. Commissioner Bentley indicated that the Agency would be implementing education work groups to discuss post license, pre- license, and continuing education issue and that it would be helpful to have two board members participate in the work groups. Chris Hermanski volunteered to participate in property management group, Robert LeFeber volunteered to participate in the continuing education group, Byron Hendricks volunteered to participate in the pre-license group. Art Kegler indicated that he would participate in pre-license group in the event that there was a shortage of volunteers.

Commissioner Bentley reported he attended an All Agency Heads meeting at which time the Governor discussed his proposed his budget. Commissioner Bentley stated that Governor had the following three priorities:

- Job Creation
- Infrastructure
- Education

C. Agency Division reports (reports included in packet) /Deputy Commissioner Dean Owens

- 1. Regulation/Selina Barnes.** Ms. Barnes reviewed the statistic provided in her handout and reported that the division has one Financial Investigator vacancy. Ms. Barnes stated that an internal only data base has been created to store historical administrative action information. She also stated that hearings/meetings were being offered to be held by phone.
- 2. Licensing /Laurie Hall.** Ms. Hall reviewed the statistics provided in her handout and announced the recent hire of a new Compliance Specialist, Lindsey Nunes. Ms. Hall stated that the division is continuing to find ways to improve on the level of customer service provided. She also explained that the test pilot program to accept faxed transfers and exam applications, has been very well received, hopes to expand the acceptance to all documents by the first of 2009.

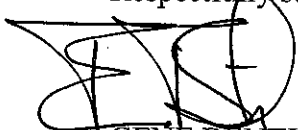
3. **Education /Mesheal Heyman.** Ms. Heyman reviewed the statistics provided in her handout and stated the public inquiry project is still in progress. Ms. Heyman also indicated that the division is currently working on developing a checklist to be used for "self" compliance reviews. Robert LeFeber asked if the board members would be able to see the checklist and Commissioner Bentley responded that a draft of the checklist would be provided to the board members for review prior to finalization. .
4. **Land Development /Laurie Skillman.** Ms. Skillman reviewed the statistics provided in her handout and stated that although condominium filings have decreased the complexity has increased primarily due to financing issues.
 1. **Administration/Information Systems/Kate Nass.** Ms. Nass reviewed information provided in her graph/handout and indicated that revenue is down from previous fiscal years. Ms Nass also reported that a request for proposal for independent consultant to come in and look at our current business practices and help us come up with a new licensing system and six companies responded to the request. A job announcement for a Public Service Representative position recently closed and interviews will be held next week.
 2. **Distribution and discussion of Employee Background Check rules for public hearing (handout included in packet).** Ms. Nass indicated that this issue should be put on the February 2, 2009 agenda for board action at that time.

Chair Graeper thanked the board for allowing him to serve as Chair for the last four years.

VII. ANNOUNCEMENTS-Legislative Session begins Monday, January 12, 2009

VIII. ADJOURNMENT

Respectfully submitted:



GENE BENTLEY
COMMISSIONER

Respectfully submitted:



ART KEGLER
BOARD CHAIR

Exhibits distributed:

- A. Letter of Recommendation re: Kimberly Fuller, *Agenda Item No. III. B.*
- B. Oregon Real Estate Agency Concept for Licensing and Education Review and Proposed Revisions 2008/09, *Agenda Item No. VI. B. 1.*