

**FINAL MINUTES OF THE
REGULAR BOARD MEETING
May 17, 2013 8:30 A.M.**

Call to order and roll call

The meeting was called to order by Kevin Yeanoplos, Chairman at 8:35 a.m.

Those board members present at roll call:

Frank Ugenti

James Heaslet

Jeff Nolan

Erik Clinite

Joe Stroud

Kevin Yeanoplos, Chairman

Michael Petrus, Vice Chairman

Staff Attendance:

Debra Rudd, Executive Director

Jeanne Galvin, Assistant Attorney General

Nancy Inserra, Compliance Officer

Pledge of Allegiance, Approval of the Minutes

After the pledge of allegiance, Kevin Yeanoplos announced that the agenda would be rearranged for next month's meeting, with Initial File Review to be at the beginning of the meeting and Informal Hearings to be scheduled for the afternoon. He will call the cases in order of appearance, unless there are extenuating circumstances. He thought this would benefit the public, the appraisers who were on the agenda and their attorneys.

The minutes of the meeting for March 4th, 2013 were discussed. James Heaslet motioned to approve the minutes and Erik Clinite seconded the motion. All voted in favor of the motion.

The minutes of the April 19th, 2013 meeting were discussed. Mike Petrus motioned to approve the minutes of the meeting. Erik Clinite seconded the motion. Joe Stroud and James Heaslet abstained as they were not in attendance for the full meeting. The remainder of the board members voted in favor of the motion.

Erik Clinite moved that the minutes of the May 7th, 2013 board meeting be approved. Jeff Nolan seconded the motion. All voted in favor of the motion.

Compliance File Review – Case # 3357, James Osgood

The respondent was not present for this matter regarding his request for termination of his probation. After a brief discussion, James Heaslet motioned to approve the request. Joe Stroud seconded the motion. All voted in favor of the motion.

Initial File Review – Case # 3531, Julie Burdick

The respondent was not present for this matter. Kevin Yeanoplos read the board summary into the record. The complainant was the buyer of the single family residence in Tucson. Allegations were the appraiser did not visit or inspect the subject property and inaccurately reported features of the home. Specifically, the property did not have an A/C unit and has only three bedrooms, not four. The respondent in her reply to the board stated that she confirmed with the listing agent that the subject was vacant and on lockbox. She attested to the fact that she used her personal keysafe to gain access to the property and had two of her colleagues affirm that fact. Ms. Burdick stated that she may have identified a den as a bedroom and due to the climate was unable to verify if the A/C was functioning properly. Discussion between the board members included their comments that her failure to note the missing ground mounted A/C unit while her report showed all systems were working was an error that rose to the level of a USPAP violation. James Heaslet motioned to find a Level 1 Letter of Concern for the violation of USPAP 1-1(b). Frank Ugenti seconded the motion. The motion was approved unanimously.

Initial File Review – Case 3523, Morris Williams

The respondent and complainant were both present. Erik Clinite read the summary of the complaint into the record. The subject property is a residence in Payson. The complainant is the homeowner who alleged that the appraiser inaccurately reported the square footage of his home, relied upon improper comparables of lesser quality and failed to identify pertinent features. The respondent replied that he verified his measurements against the floor plans provided for review and that his sketch is accurate. He further stated that the comparable sales used were the best data available at the time of the appraisal and that the alternative comparables provided were in superior areas. The board members asked questions of the respondent about his market research and why he thought there was a difference between the floor plans and his measurements. He answered to the board's satisfaction. They then heard from the complainants who noted that Comparable 4 used in the report had a problem with the property lines and that this property is still up for sale today. Additionally, Comparable 5 was not a single family residence but really an income producing property. Other items discussed included the size of Comparable 6 being so much smaller than the subject, and whether Comparables 1, 2 & 3 actually closed, whether the comparables were in the flood zone or not, and that one of the sales had an adjacent parcel included in the transaction. The respondent offered satisfactory explanations to some of the questions, but with the uncertainty about a few of the answers the board discussed sending it out for investigation. James Heaslet motioned to send an investigator who is familiar with the Payson market out to see the subject and sales used, and report the findings to the board. Joe Stroud seconded the motion. All but Erik Clinite voted in favor of the motion. Erik Clinite voted against the motion.

Informal Hearing – Case 3450 and Compliance File Review Case 3175, James Gonzalez

The respondent and his attorney, Tina Ezzell, were present. The board had opened the complaint for Case 3450 regarding an appraisal review that the respondent completed. This review had been submitted by the lender as evidence that the appraisal Mr. Gonzalez had reviewed was flawed. The board believed after reading the original report that there were more problems with the review than the original appraisal, as it appeared the reviewer missed the additional parcels that the original appraiser had included. The board questioned the respondent about his statewide area of coverage for his reviews. He responded with the recent rules resulting from the Dodd-Frank Act his company

is now limiting the geographic areas for their employees. He now has a more limited review area and that 99% of the reviews are compliance reviews, not associated with value credibility. It was noted by the board that this review was completed prior to the probation and geographic restrictions that he is currently subject to. The board then discussed Case 3175, which was a request to terminate his probation after the board audited his files. The audit of the files revealed no issues. Although he has been on probation and changed his geographic area of coverage, the board discussed the need to show the findings and then deal with the possible additional discipline. Mike Petrus motioned to find a Level III for violations of USPAP in the areas of Competency, Scope of Work, 3-2(d) for failure to adequately define the subject, and 3-4(a) for providing a misleading review. Recognition was given for the probation and classes that he has taken, thus no further discipline would be offered. Included in this motion was to release the respondent from probation accepting his offer to limit his coverage of the state to Maricopa/Pinal and Pima counties. Frank Ugenti seconded the motion. The motion carried unanimously.

Initial File Review – Case 3534, Jarold Droegkamp

The respondent and complainants were present. Joe Stroud read the board summary into the record. The subject property was appraised in May, 2012 and is a manufactured home in Marana. The complainant is the homeowner/seller who alleged that the sale of their home fell through as a result of a low and inaccurate appraisal. The complaint also alleged that the respondent misidentified the features of the property and had a negative bias toward manufactured homes. The respondent replied that he used the best available data at the time of the appraisal and that when he notified the lender that the comparables did not support the purchase price (invoking VA Tidewater), the additional sales provided by the listing agent were either older, over 60 miles away or site built and thus were not considered comparable. After a brief deliberation, the complainants testified that they had a contract for \$290,000 on this multi-acre parcel with out buildings. They reported that they had recently sold 6 of the acres for \$55,000 thus they did not understand how the appraised value of the entire site was so low. After discussing the case, Mike Petrus motioned to order additional research to be completed by the investigator, including site valuation, inspection of outbuildings, and the subject manufactured home. James Heaslet seconded the motion. The motion was approved unanimously.

Investigative Review – Case 3284, Mark Smith

The respondent and his attorney, Tina Ezzell was present. Mike Petrus made the motion to accept the new investigators report and Erik Clinite seconded the motion. All voted in favor of the motion. After discussion between the attorney, respondent and the board about the vagueness of some of the items that were noted in the investigator's report, Mike Petrus made the motion to offer a non-disciplinary Letter of Concern, Level 1 for the respondent's failure to keep the original version of his report that had been revised and for the lack of a statement in the report regarding exposure time. James Heaslet seconded the motion. Erik Clinite voted no. The remainder of the members voted to approve the motion 6 to 1.

Compliance File Review – Case 3428, Mark Reed

The respondent and his attorney, Tina Ezzell was present for the continuation of this matter from the last board meeting. At the last meeting some additional information had been given to the board less than 24 hours prior to the meeting. The members tabled the matter to allow them a sufficient amount of time to review the information. Discussion continued regarding the complexity of the subject property (single

family residence adjacent to a busy street, largest livable area and site in the subdivision, and it has a basement). After the members questioned the respondent, and given the respondent's answers, James Heaslet made a motion to dismiss the case. Frank Ugenti seconded and the motion was unanimously approved.

Compliance File Review – Case 2984/3241, Kyle Lindsey

This matter was before the board to discuss the respondent's request for termination of his probation. Kevin Yeanoplos noted that the audit of the recent files revealed no issues. James Heaslet motioned to terminate probation. Joe Stroud seconded the motion and it subsequently passed unanimously.

Compliance File Review – Case 3262, Edward A. Measel

This matter had been placed on the agenda for the board to possibly take action, with the failure to renew his license. However, the respondent did renew his license within the last couple of weeks, thus no action was taken. The board asked for additional research to be completed by staff to assure that the respondent is now in compliance with the discipline assigned in this case and if found to not be in compliance to return this matter to the board.

Compliance File Review - Case 3507, Robert Nixon

Respondent was present. This matter was before the board for discussion, consideration and possible action following the receipt of additional information from the AMC that ordered the appraisal. Kevin Yeanoplos gave a summary of the case. The respondent completed a 1004 form report for a single family residence and signed the form on the left. He disclosed in the report that he did not inspect the interior of the home, having sent another licensed appraiser to complete this portion of the appraisal. The respondent stated that he had relied on information that he received from a colleague that so long as he was not misleading, this would be allowed. He now knows that this was incorrect and admits he was wrong. Mike Petrus made the motion of a Level IV with a 30-day suspension noting Ethics, 1-1(a), 1-1(c), 1-2 (e)(i), 1-4(a) and (b), 2-1(a), 2-2 and other items noted in the investigative report. He further added a 15-hour USPAP class with exam, no continuing education credit for this class and 6 months to complete. The discipline would not start for 60 days to allow him to clear the schedule for his current business. James Heaslet seconded the motion. On a voice vote, Frank Ugenti – aye; James Heaslet – aye; Jeff Nolan – nay; Erik Clinite – nay; Kevin Yeanoplos – aye; Mike Petrus – aye; Joe Stroud – nay. The motion carried 4 to 3. Kevin Yeanoplos asked the board members to explain their reasons for voting against the measure. After their explanations, James Heaslet made the motion to go into executive session to receive legal advice. Mike Petrus seconded the motion. All voted in favor of the motion.

Upon return from executive session, Joe Stroud explained that previous cases dealing with similar items resulted in probation. He moved to reconsider the vote, and Jeff Nolan seconded the motion. All approved the motion, with the exception of Frank Ugenti. After additional discussion, Joe Stroud motioned to find a Level IV with 6 months probation with mentor certifying that the respondent actually inspected each property, a minimum of 12 reports to be completed, an ethics class with a 3-hour minimum to be completed within 6 months and no continuing education. Kevin Yeanoplos seconded the motion. Upon further discussion, Kevin withdrew his second and the motion died due to a lack of a second. Kevin Yeanoplos then made the motion to have the same findings and discipline as the last motion, but without the mentor. Erik Clinite seconded the motion. On a voice vote, the members voted as follows: Frank Ugenti – no; James Heaslet – no; Kevin Yeanoplos – aye; Erik Clinite – aye; Jeff Nolan – aye; Mike Petrus – aye, and Joe Stroud – no. The motion carried 4 – 3.

Compliance File Review - Case 3457, Michael D. Shores

The Respondent was not present. Kevin Yeanoplos stated that this matter was before the board to discuss and consider the audited files that the board had requested for more recent appraisals than what was before the board originally. The audit revealed no significant errors. Mike Petrus noted that the board still had to deal with the original complaint, noting the findings of USPAP violations but that the discipline could be mitigated now with the results of the audit. He motioned to offer a consent agreement for the items found before on the original appraisal which rose to a Level 2 – offering a Letter of Due Diligence with a 15-hour USPAP class including an exam, no continuing education and six months to complete. Joe Stroud seconded the motion. The motion passed unanimously.

Initial File Review Cases 3521, 3536/3546, 3537/3547 – Steven Slaton

The Respondent was present. Jeff Nolan read the summary of Case 3521 into the records. The subject property is a single family residence located in Happy Jack, and was appraised in September, 2012. The complainant is an appraiser who reviewed the appraisal for the lender. The complainant alleged that the appraiser was not geographically competent in the subject market; that the appraisal had numerous errors; and a poor selection of the comparables. The respondent replied that the complaint is in retaliation for a complaint he filed against the complainant. Mr. Slaton stated that he has been appraising in Happy Jack area for more than 5 years and that he had previously lived in the area, thus he knew it well. He was not aware of the errors that the complainant references. The board summarized that complaints 3536/3547 were on a different property than Case 3521, but both 3536 & 3546 were on the same appraisal that was completed in January, 2013. One of the complainants was a local Realtor (Case 3546) who alleged that the appraiser was unprofessional and did not prepare the appraisal on this single family residence in Happy Jack in a competent manner. The other complainant on this same property was anonymous (Case 3536). Similarly, Cases 3537 and 3547 were on a different single family residence in Happy Jack that had been appraised in November, 2012. Case 3537 was filed anonymously and 3547 was filed by the local Realtor. All alleged unprofessional practice and did not prepare the appraisal in a competent manner. The board noted that there had been an investigation completed on all three appraisals, thus Mike Petrus motioned to send the reports to the respondent and invite him back for an informal hearing. James Heaslet seconded the motion. All approved with the exception of Erik Clinite who abstained

Initial File Review Cases 3519, Dennis Farr and 3520, Michael Klatt

Both respondents were present. Kevin Yeanoplos read the board summary into the record. The subject is a 983-acre proposed master planned golf course community in Bisbee in Cochise County. The complainant is an appraiser who reviewed the appraisal report and provided expert witness testimony against the respondent in a court case concerning the subject property. The complainant concluded that the respondent did not meet the minimum standards of care when completing the assignment. Specific allegations include, but were not limited to: 1) not completing the land residual technique correctly; 2) failing to support assumptions regarding absorption rates, demand and projected home prices; 3) failure to recognize the physical limitations of the site for development; 4) failure to perform a cash flow analysis and apply a discount rate commensurate with the risk of the project; and 5) numerous errors and inconsistencies. The respondent denied the charges and alleged that the lender modified the appraisal without his knowledge. The date on the report was in August of 2006. Jeff Nolan noted that this was an adversarial position, and that the appraisal is over 5 years old, thus to be consistent with other cases that the board has seen on this age of report he motioned to dismiss. Joe Stroud seconded the motion, but then withdrew it when there was discussion that the recordkeeping on appraisals that are subject to litigation require the workfile to be kept for two years following the resolution of the case. After further discussion, Mike Petrus seconded the motion to dismiss and the board voted five to two in favor of motion. Erik Clinite and Kevin Yeanoplos were the two votes that opposed the motion.

Initial File Review – Cases 3540, Hollie Bush and 3541, Thomas Westerfield

The attorney for Hollie Bush and Chase Bank was present, and Thomas Westerfield appeared telephonically. The complainant, John Dingeman was also present. James Heaslet read the board summary into the record. The complaint was filed against an employee of Chase Bank for pressuring him to reply to a retrospective review that was completed in 2011, on his 2007 appraisal. The 2007 appraisal was not completed for Chase Bank, thus Mr. Dingeman refused to reply, citing USPAP confidentiality rules. The respondent's attorney replied the State of Arizona does not have jurisdiction over Ms. Bush and that Certification #21 and #23 in the URAR report allowed Chase Bank to rely upon this report as the successor/assignee/secondary market participant. They were requesting a reply from Mr. Dingeman to allow him an opportunity to dispute the review. When Mr. Dingeman failed to rebut the retrospective review, Chase Bank removed him from their list. The complaint against Thomas Westerfield (Case 3541) was the same as that of Hollie Bush. The respondent, Mr. Westerfield replied that he is no longer employed at Chase Bank, thus cannot respond. He did state that he believes Chase has the right to ask questions referring to information in Certifications 21 & 23 and suggested that the board contact Karen O'Brien-White who is the risk executive who has the authority of the file at Chase. When the staff referred the matter to Ms. O'Brien-White, her attorney replied that the information Chase requested of Mr. Dingeman is not confidential. After testimony was given by both the attorney that was present for Hollie Bush, and by the complainant, a motion was made by Kevin Yeanoplos to go into executive session to receive legal advice. Mike Petrus seconded the motion and the motion carried unanimously.

Upon the return from executive session, Kevin Yeanoplos stated that he did not believe this board had jurisdiction over this matter and that he did not believe the questions being asked of Mr. Dingeman would cause him to reveal confidential information. He then motioned to dismiss the case. James Heaslet seconded the motion. Frank Ugenti said he agreed the board does not have jurisdiction over this matter, but he disagreed that by answering Chase Banks questions, it would not violate USPAP. Joe Stroud agreed with Frank Ugenti. James withdrew his second. Kevin Yeanoplos amended his motion to only include the lack of jurisdiction. James Heaslet then seconded the amended motion. All approved with the exception of Jeff Nolan who voted no. The motion carried 6 to 1.

Initial File Review – Case 3509, Shannon J. Jonas

The respondent was not present. The complainant was in attendance. Frank Ugenti read the summary into the record. The subject is a single family residence located in Yuma, and completed in August, 2012. The complainant is the homeowner who alleged that the appraiser under valued their property by using comparables that were not similar to their site-built Santa Fe style home. The owners provided the appraiser with additional comparables for reconsideration, but the report was not amended and their refinance could not proceed. The respondent defended the comparable sales used as the most recent sales in the area. She provided analysis to defend why the alternative comparables were not utilized. The complainant stated that they supplied an additional appraisal that had been completed three months after this appraisal and that the refinance was able to proceed. He said that he e-mailed this additional appraisal to the board approximately one week ago. Debra Rudd stated that we were not in receipt of this appraisal, and cautioned that the board's e-mail size was fairly restrictive on the size of files it could accept. The complainant admitted that the e-mails he sends does not show when the recipient cannot receive them. He stated that the subject is on an acre lot in Yuma and that there are only 129 similar sized lots, with only one of these being a stick-built home. Given the failure to receive the additional appraisal that the complainant wanted the board to see, Kevin Yeanoplos asked the complainant to come back next month when they would have time to review the appraisal that he wanted the board to see. The complainant agreed, thus the matter was tabled until next month.

Initial File Review – Case 3510, Frank Rose

The respondent was not present. Kevin Yeanoplos read the summary into the record. The subject property was a single family residence in Yuma. The complainant is the homeowner who paid the respondent to appraise her property on November 28, 2012 and as of December 17th the respondent had not completed the report. She requested that he return the fee. The reply from the respondent was read, and it was noted by Mr. Yeanoplos that the contract investigator had reviewed the complaint. This is in a narrative format, with several issues noted with the report, to and including its lack of format identification (i.e. self contained, summary or restricted), no client or intended use and user identified. Further discussion of the requirements in this report that were lacking resulted in James Heaslet making the motion to offer a consent agreement for a Level III, citing all of the items noted in the investigators review, 15 hours USPAP with test, hours report writing class, 6 months to complete and no continuing education allowed. He further added that he wanted him to complete and pass the current national exam within six months. Frank Ugenti seconded the motion, and the motion passed unanimously.

Initial File Review – Case 3512, Paul B. Johnson

The respondent was not present. Joe Stroud read the summary into the record. The subject property is a single family residence located in Scottsdale and was appraised in December, 2012. The complainant is the chief appraiser for Axis AMC who had the respondent's appraisal reviewed. The reviewer concluded that the original appraiser failed to comply with USPAP due to multiple errors and omissions that resulted in a misleading appraisal. The respondent acknowledged that there were errors in the report due to the result of a quick turnaround required, but these errors were not considered to impact the value conclusion. The appraiser defended the comparable sales and his analysis as fairly representing the market value of the subject.

Kevin Yeanoplos left the meeting momentarily, and Mike Petrus took over the chairman's position. Jeff Nolan noted some problems in the report. Mike Petrus said the respondents reply that he was rushed does not help. MLS photos were used in the report without explanation as to why they were used. Additional items were noted in the investigator's report. James Heaslet motioned to offer a consent agreement noting those items in the investigators report. The violations rose to a Level III, and the discipline offered 6 months probation, no mentorship and a minimum of 12 reports to be completed, 15 hours USPAP with exam and 15 hours complex (residential) assignments, with no continuing education allowed. Frank Ugenti seconded the motion. The motion passed unanimously, with 1 abstention as Kevin Yeanoplos absent.

Initial File Review – Case 3528, Travis Spear

The respondent was not present. Frank Ugenti recused himself from this matter, but a quorum remained. Erik Clinite read the summary into the record. The subject property is a single family residence in Overgaard that was appraised in January, 2013. Complainant is the homeowner who alleged that the appraiser failed to recognize the superior condition of the subject and did not fairly compare his home to similar quality properties, resulting in a low and flawed appraisal. The home owner also notes that he purchased the property in 2010 as a foreclosure for \$190,000 and subsequently spent \$30,000 and 700 man hours to upgrade the property. The respondent stated that the comparable sales are all located in the subject neighborhood and are considered the most relevant, recent and verifiable comparables. Mr. Spear notes that his opinion of value is based on market value, not price plus cost of improvements. After reviewing the investigators report and file, Mike Petrus made a motion to dismiss the case. Joe Stroud seconded the motion. All members except Kevin Yeanoplos voted to approve the motion. Mr. Yeanoplos had returned to the meeting but abstained from the vote as he was not in the room for the entire case.

Initial File Review – Case 3532, Matthew Dickson

The respondent was not present. Kevin Yeanoplos read the summary into the records. The subject is a single family residence on Camino Cantil in Tucson that was appraised in September, 2012. The complainant is the

homeowner who alleged that the appraiser did not actually appraise the subject but merely copied an appraisal report completed in 2010 that the owner supplied to the respondent. The respondent replied that he always accepts any information of market data offered by property owners, Realtors, buyers or sellers, though it may not be relevant. However, in no way did he copy the 2-year old appraisal. The subject is identified as a large custom home on acreage with outstanding mountain views. The respondent notes that there is limited inventory for comparison. The comparable sales used in his report closed escrow within 6 months of the date of the appraisal and support his conclusion of market value. Kevin Yeanoplos stated that the investigator found no violations of USPAP in the report. Mike Petrus stated that he agreed with the investigator. James Heaslet also agreed. Mike Petrus made a motion to dismiss. Erik Clinite seconded the motion. All voted in favor of the motion.

Initial File Review – Case 3533, Matthew Dickson

This is the second case on this agenda against the same respondent but is a different complaint. Kevin Yeanoplos read the summary into the records. The subject is a single family residence on Sunrise Mountain Drive in Tucson that was appraised in January, 2013. The complainant is the homeowner/agent who alleged that the appraiser utilized “non-comparable” properties to value their home for a sales transaction. The complainant further alleged that the use of these comparables constitutes negligence or ignorance of property appraisal rules and statutes. The respondent replied that the owner/agent requested that he consider a specific sale within the neighborhood and that he did not consider a single level 1,389 SF home with a pool to be comparable to the subject’s 1,910 SF two-story design without a pool. Mike Petrus stated that like the previous complaint the investigator did not find any violations in this report, and he agreed. James Heaslet also agreed, thus he made a motion to dismiss the case. Joe Stroud seconded the motion. The board voted unanimously in favor of the motion.

Initial File Review – Case 3542, Rodney Martensen

The respondent was not present and did not reply to the complaint. The complaint was filed by a certified appraiser who alleged that the respondent is continuing to represent himself as a licensed appraiser in our state, when he no longer holds a valid license. The license was revoked by the board in 2009. Mike Petrus noted that Mr. Martensen is showing on LinkedIn as the owner of Allied Appraisal in Tucson, which indicates that he is practicing as an appraiser in this state. The complaint included an appraisal that he did in 2011. Kevin Yeanoplos asked what legal actions the board could take. Jeanne Galvin stated that the board could issue a Cease and Desist order; refer to the County Attorney for possible prosecution for holding himself out as an appraiser, which is a class 1 misdemeanor; and to request action for injunctive relief in Superior Court. Kevin Yeanoplos made the motion to have the board pursue all three of the options outlined by counsel. James Heaslet seconded the motion. The motion was approved unanimously. The board asked Debra Rudd to check LinkedIn and forward whatever information she found to Jeanne Galvin the Assistant Attorney General.

12-Month File Review

The board was updated on the 12-month file reviews, noting that 3191 – Stephen M. Steitz is set to go to formal hearing on July 8th.

Matters Dealing with Formal Hearings AMC Complaint – JVI Appraisal Division, LLC

This matter was before the board for discussion, consideration and possible action concerning the 4/09/13 Administrative Law Judge Decision. Jeanne Galvin gave an opening statement that the board had received the ALJ’s decision and noted one typo on Page 3 Line 17 of this decision. She asked the board to consider the findings of fact with this one exception and to refer to the Attorney General’s office for collection of the \$175,000 suggested award from the ALJ. Mike Petrus made the motion to accept the findings of fact. James Heaslet seconded the motion. All voted in favor of the motion.

Mike Petrus then made the motion to adopt the conclusions of law as noted in the decision. James Heaslet seconded the motion. The motion was approved unanimously.

Mike Petrus motioned to accept the recommended order and to direct staff to refer this to the Attorney General's office for collection. James Heaslet seconded the motion, and the motion was voted on unanimously.

The Reports of the Chairperson, Executive Director and Committees:

Debra Rudd stated that her report is very short as most of what she would be talking about is shown under New Business on the agenda. She dispersed the Complaint Statistics (see attached). Nancy Inserra reported that there were no answer dates extended by staff, and Jeanne Galvin reported that her assignments were up to date.

Application Review Committee

James Heaslet reported the recommendations from the committee meeting the day before. (The recommendations are attached at the end of these minutes). Joe Stroud moved to accept the committee's recommendations, and James Heaslet seconded the motion. All voted in favor of the motion.

Education Committee

Mike Petrus reported the committee's recommendations to the board. Joe Stroud moved to accept the recommendations, and James Heaslet seconded the motion. All voted in favor of the motion. (The recommendations are attached at the end of these minutes).

Budget Committee

Kevin Yeanoplos reported the recommendations of the budget committee to the board and asked for a vote to approve their recommendations. Discussion about the agenda items regarding the attendance of Debra Rudd and one or two other board members to Valuation Expo 2013 in Las Vegas on June 18th & 19th resulted in James Heaslet being the only board member that was able to attend with Debra Rudd at this time. Additional discussion regarding staff incentive payments resulted in the recommendation that due to the error reported in the committee meeting the day before, that the spot incentives be increased \$100.00. Frank Ugenti motioned to approve the recommendations and James Heaslet seconded. The motion was approved unanimously.

New Business

Discussion, consideration and possible action regarding the development of written procedures for processing complaints when received against a board member, executive director or staff

The discussion by the board resulted in a consensus that staff and the executive director should be treated no differently than the current procedure for complaints against board members. A written procedure is to be completed by staff.

Discussion, consideration and possible action regarding the Board website and board member input.

Debra Rudd informed the board that it is one out of five state agencies that will be getting a new website at the end of May or in June for free as part of a pilot program from ADOA. She further added that there have been some problems to the website such as a failure to be able to link to the Laws page of the website. This could be due possibly to the transition to the new website, and that a ticket to the help desk was requested over a week ago. Kevin Yeanoplos directed staff to add "Site under construction" to the first page of the website.

Discussion, consideration and possible action concerning scheduling a Board outreach meeting.

Debra Rudd gave the board an update on the plan to have an outreach in September, with Larry Disney and Dennis Badger teaching a four hour course for Supervisors and Trainees with the new AQB Criteria, along

with a three hour class on the ABOA statutes and rules, and that the board would purchase the course to be offered to education providers for free. No action was needed.

Discussion, consideration and possible action concerning the reciprocity policy

Debra Rudd informed the board that she had drafted a Substantive Policy Statement, but that it needed more work before it can come before the board. She explained that the rules could not be altered until after the law is enacted, which will be 90-days after this legislative session ends. Discussion concluded that the executive director could send out a newsletter to explain the current situation and the board's position to those that fall into this category.

Discussion, consideration and possible action regarding communication to be received by the board

There was no action on the discussion regarding communication received by the Board office/Executive Director on when to forward the communication.

Committee assignments

Kevin Yeanoplos reported that there would be no changes to the existing committees, but that he wanted to add 2 more people that were non-board members to the education committee. In addition, he suggested forming a new committee called the Strategic Planning Committee to consist of the Chairman, Vice Chairman and five non-board members. Lengthy discussion about the implementation of this resulted in the matter being tabled until the July meeting.

Old Business – Discussion, consideration and possible action following a request from attorney Felicia Rotellini to amend and approve the August 10, 2012 minutes

Mike Petrus motioned to approve the amended minutes as requested. Erik Clinite seconded the motion. All voted in favor of the motion.

Mr. Ugenti left the meeting at 5:20 p.m. yet a quorum remained.

The board discussed upcoming board meeting dates and the rules committee decided to meet on the same day as the June 13th application and education committees. The rules committee will meet at 10:00 a.m.; Application Review at 1:00 p.m. and Education at 2:00 p.m. The regular board meeting for June is on the 14th and will be held in the basement of this building instead of on the third floor.

Adjournment

The meeting adjourned at 5:30 p.m.

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