



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

February 2, 2009

- MEMBERS PRESENT:** Art Kegler, Chair
Warren (Lee) Dunn, Vice-Chair
Chris Hermanski
Robert LeFeber
Marianne Wood
Michael Graeper
Byron Hendricks
Troy Costales
Kimberly Medford (by phone)
- MEMBERS ABSENT:** None
- STAFF PRESENT:** Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulation Division Manager
Laurie Skillman, Land Development Division Manager
Kate Nass, Administrative Services Division Manager
Laurie Hall, Licensing Division Manager
Leandra Cooley, Board Liaison
- GUESTS PRESENT:** Paul Simmons
Jinean Florom, Property Management Services of Oregon, Inc.
Jana Jarvis, Oregon Association of Realtors
Kellie Sams

I. BOARD BUSINESS

- A. **Commissioner Bentley welcomes new Chair and Vice-Chair**
- B. **Call to Order.** Chair Kegler called meeting to order.
- C. **Roll Call.** Board Liaison conducts roll call.
- D. **Approval of the Agenda and Order of Business.** Agenda and Order of Business approved as submitted.
- E. **Approval of December 1, 2008, regular meeting minutes.** December 1, 2008 minutes approved with one correction (add Chris Hermanski as being present at December 1, 2008 meeting).

AK
4.6.09



- F. Date of Next Meeting: April 6, 2009 in Salem, Oregon.** Meeting scheduled for June 1, 2008 will be held in Baker City, Oregon.
- G. Recognition of Michael Graeper for service as Board Chair.** Chair Graeper turned the meeting over to Commissioner Bentley at this time. Commissioner Bentley presented Michael Graeper with a plaque from the Agency and letter of appreciation from Governor Kulongowski for his service as the Oregon Real Estate Board Chairperson. Mr. Graeper expressed his pleasure of serving as board chairperson.

II. PUBLIC COMMENT. None.

III. REQUESTS FOR WAIVERS

- A. Waiver Request Log.** Michael Graeper asked Chair Kegler if it would be possible to include the reasons for denial and/or approval of waiver requests. Laurie Hall, Licensing Division Manager, responded that she would include this information in future waiver request logs.
- B. Jinean Florum requests experience requirements waiver for a sole practitioner license (included in packet).** Chair Kegler invited Ms. Florum to address her waiver request. Ms. Florum explained that she has been working as a property manager in La Grande, Oregon for three years. Chair Kegler asked Ms. Florum if she has had any involvement with the Real Estate Agency at any time and she responded that she was audited by the Real Estate Agency in November of 2007. Chair Kegler also asked Ms. Florum if she was currently involved with the Real Estate Agency and she responded that to her knowledge nothing was currently pending with the Real Estate Agency. Michael Graeper asked Ms. Florum to clarify the amount of time she is asking to be waived and how long has she been licensed. Ms. Florum responded that she applied for a property manager's license in 2005 and began practicing in 2006 and if she had any sales experience. Ms. Florum responded that she does not have sales experience however, she does own a mobile notary service and eighteen years of experience working with contracts of sales of new homes. Commissioner Bentley explained that typically a sole practitioner is a person who has had a minimum of three years of experience as a licensed broker and asked Ms. Florum if she was requesting to have all three required years waived. Ms. Florum indicated that she was requesting to have all three years waived because she believes she has enough experience based on her involvement with refinancing loans activities which have been strictly from a notary perspective.

MOTION TO DENY WAIVER REQUEST BY BYRON HENDRICKS

MOTION CARRIED BY UNANIMOUS VOTE. Chair Kegler encouraged Ms. Florum to obtain a brokers' license, practice under a principal broker to gain some experience and possibly apply for another waiver request at a later date.

C. Paul Simmons requests experience requirements waiver for a sole practitioner license (included in packet). Chair Kegler asked Mr. Simmons to give a brief introduction regarding his waiver request. Mr. Simmons provided a brief history of his background, which included twenty years of experience in the retail real estate development industry. Bob LeFeber recused himself from voting on Mr. Simmons waiver request due to conflict of interest. Chair Kegler asked Mr. Simmons to explain what direction he would take if the waiver request was to be allowed. Mr. Simmons responded that he is interested strictly in commercial real estate activity. Byron Hendricks asked Mr. Simmons to explain why he chose not to obtain a brokers' license prior to submitting his waiver request and Mr. Simmons indicated that he did not want to go through the process when his ultimate goal is to become a sole practitioner. Marianne Wood stated that Mr. Simmons' references were impeccable and she did not doubt his qualifications, however, she indicated her concern was setting precedent with waiving the entire three year requirement.

MOTION TO DENY WAIVER REQUEST BY BYRON HENDRICKS

MOTION CARRIED BY UNANIMOUS VOTE WITH ONE ABSTENTION (LEFEBER). Byron Hendricks encouraged Mr. Simmons to submit another waiver request after one year.

D. Waiver requests packets

- 1. Return packets to Agency at conclusion of meetings-Chair Kegler.** Chair Kegler asked board members to submit all waiver request packets to the Agency for disposal.
- 2. Documents posted to Agency Website-Deputy Commissioner Owens.** Deputy Commissioner Owens explained that due to some of the personal information provided to the Agency in the wavier requests applications, the Agency has decided to only form that will be posted as part of the board packet on the Agency web site will be the "Experience Requirement Waiver Request Agency Synopsis" form.

BOARD ADVICE/ACTION-Kate Nass. Make recommendations to the Agency for filing on proposal rule. (memo and draft rule included in packet). Kate Nass clarified that the handout provided in the packed was the incorrect handout. The rule being addressed at this time relates to potential employees of the Oregon Real Estate Agency.

MOTION TO RECOMMEND THE AGENCY FILE PERMANENT RULE ON DIVISION 3, EMPLOYEE BACKGROUND CHECK RULES BY BYRON HENDRICKS.

MOTION CARRIED BY UNANIMOUS VOTE WITH ONE ABSTENTION (COSTALES).

IV. NEW BUSINESS-Deputy Commissioner Dean Owens

- A. Updated Agency Organization Chart (included in packet).** The Agency Organization Chart reflects the restructuring that occurred at the Agency in the beginning of January, 2009.
- B. Phone list (included in packet).** The Agency Phone List reflects the most recent phone numbers and extensions assigned to staff.

V. COMMUNICATIONS-Administrative Actions Summary

VI. OREGON REAL ESTATE NEWS JOURNAL-Chair Kegler. The board members who will write articles for the OREN-J in the following order are:

- Michael Graeper
- Byron Hendricks
- Chair Kegler

VII. REPORTS

A. Chair Kegler. Member handbooks (Waiver request log and Administrative Actions Summary). Chair Kegler suggested that board members make good use of their member handbooks that were provided to them by filing board packet documents in the handbooks.

B. Commissioner Gene Bentley

1. Bills carried by the Agency

- **SB 140 (included in packet).** First reading was held on January 15, 2009 and referred to the Business and Transportation Committee. A hearing or work session has not been scheduled at this time.
- **SB 141 (included in packet).** First reading was also held on January 15, 2009 and referred to Consumer Protection and Public Affairs. A public hearing and work session have been scheduled for February 3, 2009 at 3:00 p.m.

2. Bills carried by OAR. OAR has drafted two bills dealing with concepts developed from the Agency rule review. The bills are being drafted and the Agency's input is being implemented in these draft bills.

The Agency's first budget hearing is scheduled for February 10, 2009 at 3:00 p.m. and a work session is scheduled to follow on February 12, 2009 at 3:00 pm.

3. Report on ARELLO Board of Directors Meeting. The Board worked on the updating the strategic plan for ARELLO. The ARELLO Annual Conference will be held in North Carolina in

April of 2009. ARELLO is forming a special committee to review reciprocal licenses for commercial practitioners and Commissioner Bentley indicated that he would be a participant in this committee and provide progress reports.

4. **Governors' Food Drive.** Commissioner Bentley asked the Board members to contribute to the food drive any way they can.
5. **Gold Star Award.** The Agency's fiscal staff earned a state controllers' gold star certificate for fiscal year 2008 for outstanding work.
6. **Agency Head Meeting.** All agency heads met on January 20, 2009 to discuss budget issues. The revenue decrease for 2009-2011 the estimated short fall will be between three hundred and six hundred million dollars and this is in addition to the hundred and forty-two million dollar deficit forecast. As an "other" funded agency, the Real Estate Agency is not anticipating the necessity for employee lay offs.
7. **History of Licensees.** As of December, 2008 the current total number of individual licensees is 23,602 which reflects a 4.1% decrease and Commissioner Bentley refers **Exhibit A**, which reflects this information.

Commissioner Bentley reported that Mr. Joseph Dent is originally licensed in August of 1945. Mr. Dent is currently 80 years old and is a sole practitioner.

C. Deputy Commissioner Dean Owens

1. **Draft of Agency's Strategic and Business Plan (included in packet).** The Strategic Plan memorializes some issues that were addressed at the last legislative session and presents unified view of division components and how the Agency will work towards reaching common goals. The Strategic Plan lays out the history, structure, basic fundamental, four common goals, business plans for each division of the Agency.

D. Agency division reports-Deputy Commissioner Owens (reports included in packet)

1. **Regulation Division-Selina Barnes.** Ms. Barnes reported that the division is focusing on getting back log cases completed within a timely fashion and also reported that the availability of appearing by phone at hearings has received positive feedback.
2. **Licensing Division-Laurie Hall.** Ms Hall reported that there has not been a decrease in existing brokers, however, there is an increase in inactive status licenses. The division is officially accepting documents by fax.
3. **Education Division-Mesheal Heyman.** Deputy Commissioner Owens reports in Mesheal Heyman's absence and as she mentioned earlier, there has been some restructure in the Education Division due to allocation of resources. The division suspended

the client trust account audits temporarily. Deputy Commissioner Owens reviews the handout of statistics.

4. **Land Development Division-Laurie Skillman.** Ms. Skillman reported that decrease is filings continues and reviews the handout of statistics.
5. **Administrative/Information Systems Division-Kate Nass.** Ms. Nass refers to the handout provided that gives an overview of the Governor's Recommended Budget and reviews handouts provided in the board packet.

VIII. ANNOUNCEMENTS

A. 2009 Board meeting schedule

- **April 6, Salem** (Michael Graeper asked to be excused from this meeting)
- **June 1, Baker City**
- **August 3, Salem**
- **October 5, Mid-Columbia**
- **December 7, Portland**

B. Agency's 90th Birthday. Commissioner Bentley extends an invitation to all board members to attend this event.

IX. ADJOURNMENT. Board members to visit the Education and IT Education Divisions immediately following the meeting. Division visits were canceled due to staff scheduling conflicts and new date to be announced.

Exhibits distributed:

- A. History of Licensees, *Agenda Item No. VII. B. 7.*

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Respectfully submitted:



GENE BENTLEY
COMMISSIONER

Respectfully submitted:



ART KEGLER
BOARD CHAIR

Exhibits distributed:

- A. History of Licensees, *Agenda Item No. VII. B. 7.*