

**State of Oregon Real Estate Agency**

**REAL ESTATE BOARD**

**Regular Meeting Minutes  
April 7, 2008**

**MEMBERS PRESENT:** Mike Graeper, Chair  
Troy Costales, Vice Chair  
Marianne Wood  
Lee Dunn  
Chris Hermanski  
Art Kegler  
Kim Medford  
Bob LeFeber  
Byron Hendricks

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Gene Bentley, Commissioner  
Dean Owens, Deputy Commissioner  
Selina Barnes, Licensing Division Manager  
Leandra Cooley, Board Liaison

**GUESTS PRESENT:** Andrea Bushnell, OAR  
Jeremy Starr, John L. Scott  
Dave Haverstock, Dave & Nancy Haverstock, D.C

**I. BOARD BUSINESS**

- A. Call to order.** Chair Graeper called meeting to order at 10a.m. at the Eugene Association of Realtors, 2139 Centennial Plaza, Eugene, Oregon.
- B. Roll Call.** All members were present.
- C. Approval of the Agenda and Order of Business.** The amended agenda was approved as submitted.
- D. Approval of the February 4, 2008 regular meeting minutes and March 31, 2008 special meeting minutes.** The February 4, 2008 minutes were approved as submitted. Art Kegler requested modification be made to reflect Oregon Association of Realtor's opposition to civil penalties. The March 31, 2008 minutes were approved as modified.
- E. Date of Next meeting.** June 2, 2008, at 10 a.m. in Florence, Oregon. The location to be announced.

**II. PUBLIC COMMENT.** None.

**III. REQUESTS FOR WAIVER.**

- A. Waiver request log.** The log was included in the board packet. Chair Graeper requested the Board Liaison coordinate with Selina Barnes to expand the waiver log to include the entire history of activity since the log began.
- B. James McNamee requests experience requirement waiver for a sole practitioner license.** Chair Graeper invited Mr. McNamee to address the Board. Mr. McNamee explained that his company has been in the continuing self storage business for over 20 years. He is requesting a broker's license to eliminate the third party broker when trading or selling self storage units. Byron Hendricks asked Mr. McNamee if he had managed units for others or just for his own company. Mr. McNamee responded that he managed for others and he was directly responsible for 125 locations that were owned by the company. Mr. Hendricks asked Mr. McNamee the amount of money that was held in trust. Mr. McNamee replied that the amount was very small and that one of the privately owned storage facilities that he managed was located in Oregon. Mr. Hendricks asked if Mr. McNamee any of his trust accounts were audited by the Oregon or California Real Estate Agencies. Mr. McNamee responded that there was never an audit. Art Kegler asked Mr. McNamee if he felt the sole practitioner broker's license could be narrowed to fit his intent. Mr. McNamee answered that he agreed narrowing the license would be appropriate. Chair Graeper asked Selina Barnes to address the issue of limiting sole practitioners. Ms. Barnes stated that, in the past, the Board has limited sole practitioners to particular activities.

**MOTION TO GRANT WAIVER REQUEST CONTINGENT UPON LIMITING MR. MCNAMEE TO MANAGEMENT AND DEVELOPMENT OF STORAGE UNITS.** Bob LeFeber amended the motion to reflect purchase and sale of storage units. Chair Graeper asked the Board Liaison to provide members with meeting rules regarding motions. Byron Hendricks commented that although he will probably vote in favor of the motion he personally would not have imposed the limitation. Chair Graeper pointed out that in three years Mr. McNamee will be able to revisit the limitation. Lee Dunn asked if this was intended to be a perpetual limitation or would it expire at some point in time. Chair Graeper responded that after three years experience and with a real estate broker's license, Mr. McNamee would qualify for a principal broker's license without a limitation.

**MOTION CARRIED BY UNANIMOUS VOTE**

**MOTION TO REFLECT AN EXPIRATION DATE FOR LIMITATION AFTER THREE YEAR REQUIREMENT IS MET.**

No discussion.

**MOTION CARRIED BY UNANIMOUS VOTE**

- C. Mary Strong requests experience waiver for a sole practitioner license.** Chair Graeper reported that Ms. Strong was unable to attend this Board meeting and requested to appear June 2, 2008 to address her request for waiver at that time.

**IV. BOARD ADVICE/ACTION**

- A. Joint Education Task Force recommendations (provided in packet).** Kim Medford asked about the Board’s role in designing the course. Chair Graeper responded that it would be appropriate to modify the recommendation to reflect that the Board would work with the Commissioner and the Department of Education to develop the course materials. Ms. Medford asked Commissioner Bentley about the Agency’s position. Commissioner Bentley responded that the recommendation moves the authority to approve continuing education from principal brokers to the Board, to approve the school, educator, and the curriculum.

**MOTION BY BYRON HENDRICKS TO SEND JOINT EDUCATION WORK GROUP RECOMMENDATIONS TO OAR WITH DIRECTIVE TO DEVELOP LEGISLATIVE POLICY FOR MODIFICATIONS TO CONTINUING EDUCATION ENCOMPASSING THE ITEMS ENCLOSED.**

Bob LeFeber pointed out that the word “continuing” should be stricken from the motion.

**MOTION CARRIED BY UNANIMOUS VOTE**

- B. Approval of Background check rules for public hearing (draft rules and cover memo provided in packet).** Commissioner Bentley summarized the process leading up to the draft of these rules. Byron Hendricks asked for clarification as to when review takes place if there is a conviction. Commissioner Bentley responded that there is a requirement for the Agency to be notified if a conviction of this nature exists. Mr. Hendricks asked if these licensees are flagged. Selina Barnes responded that these requirements specifically apply to applicants for a license.

**MOTION FOR APPROVAL OF BACKGROUND CHECK RULES FOR PUBLIC HEARING BY MARIANNE WOOD**

**MOTION CARRIED BY UNANIMOUS VOTE**

- C. Approval of advertising rule for permanent rulemaking (copy of temporary rule with cover memo provided in packet).** No discussion.

**MOTION FOR APPROVAL OF ADVERTISING RULE FOR PERMANENT RULEMAKING PUBLIC HEARING BY BYRON HENDRICKS**

Chair Graeper asked a clarifying question regarding approval of advertising. Commissioner Bentley responded that it is important that the principal broker is overseeing and approving the advertising. Deputy Commissioner Owens clarified that the temporary advertising rule needs a public hearing prior to becoming a permanent rule.

**MOTION CARRIED BY UNANIMOUS VOTE**

**V. NEW BUSINESS**

- A. Broker Transfers – Byron Hendricks (letter from Mr. Hendricks provided in packet).** Byron Hendricks makes a correction to his letter for the record. Commissioner Bentley indicated that proposed modifications will address the issues that consumers have with broker transfers and specified that two categories are being dealt with, principal broker and principal property manager.
- B. Electronic record keeping – Bob LeFeber.** Mr. LeFeber asked if there is a better way for the Board to authorize electronic record keeping so that it can become a useful tool for the industry. Commissioner Bentley responded that he had sent Mr. LeFeber an email with a link that addressed his question.

## VI. COMMUNICATIONS

Administrative Actions Summary. No discussion.

## VII. REPORTS

### A. Chair Graeper

1. **OREN-J article.** Chair Graeper suggested that Board members each write an article for the newsletter and include bios. Marianne Wood volunteered to write an article on the education recommendations.
2. **Locations for future board meetings.** Chair Graeper asked the Board members their opinion on continuing to have meetings away from Salem. Kimberly Medford indicated that she preferred out-of-Salem scope. Mr. Graeper directed the Board Liaison to send outreach letters.
3. **Commissioner Gene Bentley**
  1. **Rule review update**
    - **Proposed Legislative Concept 919/2 – Property Management licensing and authorization.** Commissioner Bentley summarized the legislative concept and reported the status on other legislative concepts. No discussion.
    - **Board members to visit Agency divisions.** Commissioner Bentley asked Board members if visiting the Agency would be beneficial to them and they all indicated that it would be beneficial.
    - **Governor’s Oregon Food Drive.** Commissioner Bentley reported that the Agency’s fund raising equaled 9,020 pounds of food which exceeded the goal of 8,750. Mr. Bentley thanked the Board members for their participation.
  2. **Agency section/division reports/Dean Owens**
    - **Land Development Division.** Deputy Commissioner Owens distributed **EXHIBIT A** reflecting statistical summary and reviewed the information.
    - **Licensing Division.** Selina Barnes distributed **EXHIBIT B** and reviewed the statistical information provided. Ms. Barnes reported on the Identity Theft Act that was passed by the Legislature and how it impacts the Agency. The requirement of keeping certain information confidential has caused the Agency to review and update forms to comply with this requirement.
    - **Education Division.** Mr. Owens indicated that he would address the Education Division report during the Administrative Division report as **EXHIBIT D** contains Education Division statistical information.
    - **Regulations Division.** Mr. Owens referred to **EXHIBIT C** and summarized the division’s staffing report and statistical information. Chair Graeper asked about the average amount of days to complete an investigation. Mr. Owens explained how the key performance measure currently in place sets the time frame.
    - **Administrative Division.** Mr. Owens refers to **EXHIBIT D** and explained that Division’s primary function is to facilitate the daily operations of the Agency. Mr. Owens reviewed the division over views relating to the Agency budget. Mr. Hendricks asked for explanation of the Board’s position/role regarding the Agency’s budget. Chair Graeper responded that although the Board is advisory, Legislators want to know that the Board is at least reviewing the budget and indicated that the

Board will have more involvement and participation with the Agency Budget beginning with the June Board meeting. Mr. Owens reviewed budget information for each division within the Agency.

**VIII. ANNOUNCEMENTS.** The June 2, 2008 meeting will be held in Florence, Oregon at 10 a.m. Location to be announced.

**IX. ADJOURNMENT**

Respectfully submitted:

Respected submitted:

GENE BENTLEY  
COMMISSIONER

MIKE GRAEPER  
BOARD CHAIR

Exhibits distributed:

- A. Land Development Division Report, *Agenda Item No. VII. C. 1.*
- B. Licensing Division Report, *Agenda Item No. VII. C. 2.*
- C. Regulation Division Report, *Agenda Item No. VII. C. 3.*
- D. Administrative Services Report, *Agenda Item No. VII. C. 4.*