AGENDA ITEM NO. I.E.

OREGON REAL ESTATE BOARD
Regular Meeting Minutes
October 5, 2015

BOARD MEMBERS PRESENT: Chris Hermanski, Board Chair
Byron Hendricks
Alex MacLean
Lawnae Hunter
Jef Farley
Pat Ihnat

BOARD MEMBERS ABSENT: Coni Rathbone, Vice-Chair, excused
Marcia Edwards, excused
Joann Hansen, excused

OREA STAFF PRESENT: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulations Division Manager

GUESTS: Christine Tyler
Jeanne Jackson-Heim, Idaho Real Estate Commission
Rod Panike, Select Properties, LLC
Dan Coleman, Silverhawk Realty
Francene Hickey, Select Properties, LLC
Marcee Rynedison, Silverhawk Realty
Marlys Lein, John J. Howard & Associates
Sheri Fouts, John J. Howard & Associates
Andrew Bryan, Baker City Realty
Carol Eldred, Waldo R.E.
Ann Mehaffy, Baker City Realty
Lisa Kerby, Premier Group Realty West
Teresa Uriarte, Teresa Uriarte Realty
Stacey Harrison, A 1 Superior Schools
Thomas Phillips, Tom Phillips Agency
Patricia Phillips, Tom Phillips Agency
Becky Johnson, Four Star Real Estate
Rashelle Boyer, Premier Group Realty
Rosemary Knapp, Silverhawk Realty
Kim Bruce, Silverhawk Realty
John Faw, Waldo Real Estate
Martin Justus, 4 Star Real Estate
David Thomas, Mel Beck Real Estate
Ken Freese, Waldo Real Estate
I. BOARD BUSINESS – Chair Hermanski
   A. Call to Order
   B. Guest Introductions/Commissioner Bentley. Commissioner Bentley introduced Jeannie Jackson-Heim, Executive Director of the Idaho Real Estate Commission and the President of ARELLO (Association of Real Estate Licensing Law Officials), which is an organization/network for those in the real estate licensing and regulation business.
   C. Roll Call/Chair Hermanski comments. Chair Hermanski asked for roll call and explained the role/function of the OREA board. Chair Hermanski asked the board members to introduce themselves to the audience.
   D. Approval of the Agenda and Order of Business. Agenda and Order of Business approved. Discussion: Mr. Hendricks cited one correction to the Agenda under item “I. BOARD BUSINESS – Chair Hendricks”. This item should read “I. BOARD BUSINESS – Chair Hermanski”.

MOTION TO APPROVE AGENDA (CORRECTION TO AGENDA ITEM, I. BOARD BUSINESS – CHAIR HENDRICKS TO CHAIR HERMANSKI) AND ORDER OF BUSINESS BY BYRON HENDRICKS
SECOND BY JEF FARLEY
MOTION CARRIED BY UNANIMOUS VOTE

E. Approval of 8.3.15, regular meeting minutes. The minutes were approved as submitted.

MOTION TO APPROVE 8.3.15 REGULAR MEETING MINUTES BY AS SUBMITTED BY LAWNAE HUNTER.
SECOND BY BYRON HENDRICKS
MOTION CARRIED BY UNANIMOUS VOTE

F. Date of the Next Meeting: December 7, 2015 to begin at 10am at the Red Lion Hotel, 1313 N. Bayshore Dr., Coos Bay, OR 97420.

II. PUBLIC COMMENT
   • This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
   • The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
   • Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
   • If no one wishes to comment, the next scheduled agenda item will be considered.

III. REQUEST FOR WAIVERS – None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER – Approval of petition log.
   A. Larry Johnson, will appear by phone. Chair Hermanski explained that he has a business/professional relationship with Mr. Johnson and inquired if it would be appropriate for him to be excluded from the voting process on this item. Mr. Hendricks responded that although he has also had a professional relationship with Mr. Johnson’s company, disclosure of contact is sufficient. Mr. Johnson was unavailable for the teleconference and the matter was tabled until the next board meeting. Deputy Commissioner Owens asked if Mr. Johnson was aware of the one hour time difference and Chair Hermanski responded that Mr. Johnson was not aware of the time change.

MOTION TO AMEND ORDER OF BUSINESS AND REVISIT AGENDA ITEM IV. A., LARRY JOHNSON DUE TO THE TIME DIFFERENCE.
SECOND BY ALEX MACLEAN
MOTION CARRIED BY UNANIMOUS VOTE

Mr. Johnson appeared by phone and Chair Hermanski asked Mr. Johnson to provide any additional information he felt would pertain to his petition. Mr. Johnson responded that his petition was self-explanatory and summarized his qualifications for the board. He also explained the topics his courses cover include risk management and real estate contracts, which are considered acceptable course topics. Mr. Johnson explained that his intention was to offer property management courses at a central location or multiple property management companies. Discussion: Mr. Hendricks spoke in favor of this motion because Mr. Johnson had four areas of topics that are beneficial to consumers.
and to real estate practitioners. Lawnae Hunter asked for clarification that approval of Mr. Johnson’s petition, would open up the ability for him to teach all subject matter. Chair Hermanski replied that approval of the petition would allow him to teach on all subject matters.

MOTION TO APPROVE LARRY W. JOHNSON’S PETITION TO QUALIFY AS A CERTIFIED CONTINUING EDUCATION PROVIDER BY BYRON HENDRICKS  
SECOND BY ALEX MACLEAN  
MOTION CARRIED BY UNANIMOUS VOTE

V. BOARD ADVICE/ACTION – Deputy Commissioner Dean Owens. Law and Rule Required Course “LARCC” 2016-2017 Course Outline. Deputy Commissioner Owens personally acknowledged Stacey Harrison, former OREA Education Manager, for her outstanding service with the Agency and her work with licensees, educators and preparing the LARCC course outline. He also explained that the LARCC course contains four required topics: Client trust accounts, advertising under OAR 863-015-0215, common areas of non-compliance by licensees, and initial agency disclosure pamphlet under OAR 863-015-0215. Deputy Commissioner Owens also explained that, while the Agency creates the learning objectives for LARCC, the board approves the topics and he asked that the board recommend the Agency adopt the updated LARCC effective January 1, 2016. Discussion: Mr. Hendricks acknowledged Stacey Harrison for the excellent job she did on the LARCC outline and her outstanding service during her tenure with the Agency. Mr. Hendricks also referred page 9 of the content outline, which states that continuing education providers are required to present the required course topics and learning objectives and asked for clarification as to whether the instructors can be directed to present these topics. He also made the comment that he appreciates the fact that the updated LARCC version will be effective January 2016 – December 2017. Chair Hermanksi acknowledged Stacey Harrison for her work with the Agency, property managers, and preparing the LARCC content outline. Chair Hermanski also spoke in favor of the motion based on his past experience attending the LARCC course and he stated the updated version seems to have more depth.

MOTION TO RECOMMEND THE AGENCY ADOPT THE NEW LARCC 2016/2017 OUTLINE EFFECTIVE JANUARY 1, 2016 AS SUBMITTED BY BYRON HENDRICKS  
SECOND BY ALEX MCLEAN  
MOTION CARRIED BY UNANIMOUS VOTE

VI. COMMUNICATIONS – Administrative Actions Summary. Chair Hermanski encourage audience to sing up to receive the OREN-J (Oregon Real Estate News Journal) as a resource to review the administrative actions taken in more detail.

VII. REPORTS
   A. Commissioner Gene Bentley
      • Housekeeping Issues
         o OREN-J (Oregon Real Estate News Journal) – Board members will be contacted by Mesheal Heyman, Communications Coordinator, regarding submission of articles for the OREN-J for 2016 editions.
         o Farewell Presentation to Byron Hendricks – Commissioner Bentley presented Mr. Byron with a plaque of Appreciation from Governor Brown and Commissioner Bentley, on behalf of the Agency and Board and a letter of Appreciation from Commissioner Bentley on behalf of the Agency and Board.
         o ARELLO Annual Conference – Commissioner Bentley stated that he attended the ARELLO Annual Conference in September at which time he learned that Virginia requires their licensees to complete a self-audit as part of their license renewal process, New Mexico requires licensees to take a 10 hour class above and beyond the required CE as part of their license renewal process, and Washington requires team names to be registered with the state and attached to a brokerage firm.
         o eLicense System – Version upgrade took place mid-August, making the system more user friendly, improving the log in process, and allowing anytime self-reporting of CE hours.
         o Testing Sites – New test site has been implemented in Wilsonville, bringing test sites to a total of 8 in Oregon (Aurora, Baker City, Bend, Eugene, Independence, Medford, and Portland).
         o License Counts – Summary of license counts
         o Budget – Due to current deficit spending status, the Agency will be moving towards fee increases during the 2017-2019 budget.
Cost reduction measures – The Agency has implemented several cost reductions measures such as: smaller office space, less expensive human resource services, 3 vacant employment positions, and eliminated several paper processes.

Statutes and Rule – Board members were asked to review current statutes and rules and provide feedback to Commissioner Bentley regarding any changes or clarifications for the 2017 legislative session.

B. Agency division reports-Oral report by Deputy Commissioner Dean Owens for all divisions.
   - Regulation Division – Selina Barnes. Ms. Barnes reported that the Regulations staff will be participating in an offsite training session in the near future, to identify areas to improve processes. Ms. Barnes also reported that she has been presenting the updated version of the Do’s and Don’ts class, which is now entitled “Tips for Staying Out of Trouble” to a few groups in 2015 and will present immediately following the 12.7.15 board meeting
   - Education Division – written report by Dean Owens. Deputy Commissioner Owens explained that due to deficit spending the Agency eliminated the Education Division Manager position and the duties have been distributed to other OREA staff which has allowed the education processes to continue as usual.
   - Land Development Division – written report by Michael Hanifin. Deputy Commissioner reported that the fee increase for filing reviews has been tabled due to rule making process issues. He also stated that the Agency intends on moving forward rulemaking process in hopes that the fee increase will be effective by January 1, 2016.
   - Business and Licensing Services Division – Deputy Commissioner Dean Owens. Deputy Commissioner Owens reiterated that the Business and Licensing Services Division Manager position remains vacant in support of cost reduction measures. He also explained that the Agency can reasonable project that by the end of this biennium it will not have enough revenue to adequately cover expenses.

C. Discuss the Agency division reports for future meetings/Deputy Commissioner Dean Owens. Deputy Commissioner Owens asked the board members wanted to continue this portion of the Agenda at future meetings. Byron Hendricks, Pat Ihnat, and Lawnae Hunter all responded that the division reports are informative, helpful and beneficial to them.

Chair Hermanski offered a closing comment in which he stated during the 30 plus years he has been a licensee, he was very pleased with the positive transformation the Agency has undergone. He also expressed appreciation of the leadership under Commissioner Bentley and Deputy Commissioner Owens.

VIII. ANNOUNCEMENTS – Next board meeting 12.7.15 to begin at 10 a.m. at the Red Lion Hotel, 1313 N. Bayshore Dr., Coos Bay, Oregon 97420.

IX. ADJOURNMENT

Respectfully submitted by: 

Respectfully submitted by:

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GENE BENTLEY, COMMISSIONER

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CHRIS HERMANSKI, BOARD CHAIR