



## PROFESSIONAL APPRAISERS ASSOCIATION OF SOUTH DAKOTA

### Minutes Tuesday, January 14, 2020 Board of Directors Meeting Chamberlain, SD

#### **Call to Order**

President Mary Houk called the meeting to order at 5:25pm Central Time, noting that a quorum was present.

#### **Roll Call**

##### **Members present:**

Mary Houk, Adam Lalim, Bill Bear, Craig Steinley, Allan Hall, Paul Joerger, Brian Schmidt, Marvin Siebrecht, Charlotte Deaver, Sandra Gresh, and Peggy Kalt.

##### **Guests:**

Sherry Bren, Executive Director of the SD Appraiser Certification Program.

Barry Wilfahrt, lobbyist for PAASD and the SD Chapter of ASFMRA.

PAASD Member - Amy Frink.

##### **Staff:**

Bev Luke, PAASD Executive Secretary.

#### **Approval of Minutes**

Motion: (Allan Hall) To approve the minutes of the October 3, 2019, PAASD Board of Directors' meeting. Seconded by Bill Bear.

**Motion passed.**

Motion: (Adam Lalim) To approve the minutes of the November 18, 2019, PAASD Board of Directors' Special Conference Call meeting. Seconded by Paul Joerger.

**Motion passed.**

#### **Standing Committee Reports**

##### **Financial Report**

Craig Steinley presented the 2019 year-to-date Financial Reports and the 2020 Budget. An error was corrected on line 1 of the 2019 YTD Financials "Dues Income for 2019".

Motion: (Adam Lalim) To approve the 2019 Financial Reports as corrected. Seconded by Sandra Gresh.

**Motion passed.**

Motion: (Allan Hall) To approve the 2020 Budget as submitted. Seconded by Adam Lalim.

**Motion passed.**

##### **Membership Report**

As of January 14, 2020, there are 90+ PAASD members. 2019 membership was 142 members.

##### **2019 Education Update:**

In 2019 there were a total of 13 in attendance for the **Training Course for Supervisory Appraisers and State-Registered Appraisers** courses. There was one offering in Pierre and one in Sioux Falls.

The Rapid City continuing education class on October 4, 2019, had sixty individuals registered. The Appraisal Institute seminar, **Rural Area Appraisals: Freddie Mac Guidelines and Property Eligibility Requirements**, co-written and instructed by Craig Steinley, SRA, AI-RRS, was held at The Alex Johnson Hotel and was an Appraisal Institute premiere offering.

The 2020-2021 7-Hour National USPAP Update Course offered in Sioux Falls on November 8, 2019 had 34 registered attendees.

January 2020 preliminary class attendance:

Wednesday, January 15, 2020:

There are 38 registered for this 7-hour day; a 4-hour morning class, **VA Home Loan Guaranty Program for Real Estate Professionals** which features speakers from St. Paul, MN Veterans Administration Office and a 3-hour afternoon class, **The Residential Marketplace - Expectations in Appraisals, Evaluations, & Alternatives**, presented by Douglas A. Potts, MAI.

Thursday, January 16, 2020:

There are 85 registered for **2020-2021 7-hour National USPAP Update Course** which is sponsored by the South Dakota Chapter of the ASFMRA and PAASD. The will be instructed by Craig Steinley, SRA, AI-RRS.

A May 1, 2020, class is scheduled to be held in Deadwood, SD. Douglas A. Potts, MAI, will present an enhanced 7-hour version of the 3-hour seminar to be offered on Wednesday, January 15<sup>th</sup>. The May 1 class will be co-sponsored with The Wyoming and Western South Dakota Chapter of the Appraisal Institute.

Brian Schmidt proposed offering the **Rural Area Appraisals: Freddie Mac Guidelines and Property Eligibility Requirements** seminar east river. This seminar was offered in Rapid City as an Appraisal Institute premiere in October of 2019. It is felt that there are many appraisers east river that did not attend the class and that an offering in Sioux Falls or Mitchell would be well attended. We could possibly check with RASE to use their classroom to keep expenses low. The only problem with RASE is the limited seating. Since this is an Appraisal Institute seminar and it is east river, we will have to negotiate with the North Star Chapter to co-sponsor the class. Craig will work with the Chapter to create a memorandum of understanding.

The 2020 Fall Conference:

Where and when to offer the October class was discussed. It was decided to have the class on Friday, October 2, 2020, in Deadwood, SD.

The class, **Appraising Real Estate on Tribal Land** was discussed. This is the class that the SD Native Homeownership Coalition would like to see offered to increase the number of appraisers who could appraise on tribal land in South Dakota. It was commented that it may not have a demand that is widespread to PAASD members. Since it is a specialty class, it was suggested to email members to see who is interested in appraising on tribal land. It should be offered to an audience who are really interested in taking the class. Christine Sorensen, USDA Regional Coordinator and a coalition partner, will speak during lunch to the attendees on Wednesday, January 15<sup>th</sup>. There may be more interest after her talk.

The education for October 2, 2020, is yet to be determined.

Discussion then followed regarding the Annual Meeting for 2021. Some would like to see it moved from the Chamberlain site. It was noted that to choose a different site, one would have to start planning at least one year and possibly two years in advance. Some suggestions were to move it to Pierre or Sioux Falls.

Motion: (Marv Siebrecht) To have the Annual Meeting in January 2021 at Arrowwood Cedar Shore in Chamberlain, SD.  
Seconded by Charlotte Deaver.

**Motion passed.**

Amended Motion: (Adam Lalim) To have the Annual Meeting in January 2021 at Arrowwood Cedar Shore in Chamberlain, SD on Thursday and Friday, January 21 and 22. Seconded by Charlotte Deaver.

**Motion passed.**

### **Public Relations/Social Report**

Amy Frink reported that the Scholarship Fundraiser in 2020 was successful in raising funds and had minor expenses. The 2021 fundraiser will again be an auction in conjunction with the SD Chapter of the ASFMRA. It will be Wednesday night, January 15 with Auctioneer Jackson Hegerfeld, a member of the SD Chapter of ASFMRA. The money realized from the fundraiser this year will benefit the Government Relations Fund. As in 2019, proceeds of donated items will go to the organization of the donor – or split between both if the person is a dual member. Dinner (Taco Bar) will again be offered.

We have three sponsors this year that will help defray the cost of lunches for both days and the afternoon break on Thursday during USPAP. SD Native Homeownership Coalition donated \$500, CorTrust Mortgage donated \$500, and Great Western Bank, Aberdeen, donated \$100. An earlier start to secure sponsors will probably result in a better response.

## **Special Committee Reports**

### **Government Affairs**

Craig Steinley updated the Board as to the current Legislative Fund balance. The fund dropped below the minimum level that was previously set by action of the Board of Directors. Therefore, the funds from the fundraiser this year will raise the Legislative Fund balance to the desired amount.

The Network proposal to legally challenge the increase in the appraisal threshold limit to which PAASD pledged to donate \$5,000 failed to raise the necessary pledges to meet the \$350,000 cost of the challenge. Therefore, PAASD did not write the check for the pledged amount.

Craig introduced Barry Wilfahrt, lobbyist for PAASD and the SD Chapter of ASFMRA. Barry noted that the first day of the 2020 Legislative session was today, Tuesday, January 14. Roughly 150 bills were introduced today and none had the word "appraiser" or "appraisal" in them. We are in a monitoring phase.

Craig then introduced guest Sherry Bren, the Executive Director of the SD Appraisal Certification Program (ACP). She offered information to the Board about current statistics and actions in the program. Sherry also informed the Board that the agency has entered into a contract to take credit card payments through the online renewal process which will hopefully be effective July 1, 2020. She stated again that after the online renewal process is up and running for at least a year, they will revisit bi-annual renewal.

Sherry had handouts for each Board member to review regarding evaluations. She noted that no one in South Dakota is permitted to perform an evaluation at this time. She has been working closely with the SD Bankers Association who will be submitting a bill that will allow appraisers to perform evaluations for federally regulated financial institutions. The appraisers would only have to meet the competency and ethics threshold of USPAP.

Through this discussion, it was noted that perhaps the October education could be centered around explaining to appraisers the new rules for evaluations (if the proposed bill passes in the 2020 Session of the Legislature, the rules will become effective July 1, 2020), what an evaluation looks like, and how to provide them. Perhaps having lenders be a part of the education would be helpful as they would be the ones ordering the product. More than one lender would be helpful as each institution may have a different format, template, and requirements. It would be good to cooperate with the SD Bankers Association and the SD REALTOR Association to have some kind of education that would address what the client is actually going to be ordering and how they are going to underwrite evaluations. The drawback is not having the new rules available until July 1, 2020, which makes the timetable short to offer something in October.

As a stakeholder, PAASD should be ready to support this bill when it comes before committees in Pierre. PAASD will also be a part of the rule-making process along with the Advisory Council.

Motion: (Adam Lalim) For PAASD to support the bill as it is currently written in the current legislative session, barring any substantial changes. Seconded by Brian Schmidt.

**Motion passed.**

### **Website**

Craig Steinley gave a brief report on the PAASD website. There are some negatives and positives with the upgrade, but overall, it is good.

### **Scholarship Report**

Sandra Gresh updated the Board as to the current balance in the Scholarship Fund.

PAASD awarded one Professional Development Scholarship in January 2019 and it has been paid.

We received three applications for a 2020 **PAASD Professional Development Scholarship** – Brooke Newstrom is a Certified Residential appraiser upgrading to Certified General. Jana Mills is a State-Registered appraiser upgrading to State-Licensed. Dawn Rasmussen is also a State-Registered appraiser upgrading to State-Licensed. Based on the paperwork submitted, the scholarship committee is recommending these three receive a scholarship.

Motion: (Brian Schmidt) To award a \$500 Professional Development Scholarship to Brooke Newstrom, Jana Mills, and Dawn Rasmussen. Seconded by Adam Lalim.

**Motion passed.**

**Old Business**

President Mary Houk thanked the Board for the opportunity to attend the October AARO conference in Washington DC. She then gave the Board an update on her experience at the conference and felt it was very positive.

The Board will meet in Pierre at the Red Rossa Grille Strategic on June 4<sup>th</sup> and 5<sup>th</sup> to continue working on the Strategic Plan. The Summer Board Meeting will also be held on June 5<sup>th</sup>, after the planning meeting.

**New Business:**

Creating a new logo was discussed. The task force, Chuck Ferraro, Bill Bear, Mary Houk, and Adam Lalim will narrow down the choices to two or three to be presented to the Board. They will search out different graphic designers and prices. The general consensus of the Board was to continue to explore options for a new logo.

There are two three-year director positions open for the 2020 election. These positions became available because last year two individuals were elected to one-year directors' terms, to start the three-year rotation of directors under the new bylaws. Allan Hall and Paul Joerger, who could both have run this year for the three-year terms, chose not to be a candidate.

Only two people submitted bios and applications for the positions. Therefore, the proposed slate for 2020-2021 to be presented to the PAASD membership on Thursday, January 16, 2020, during the lunch break of the USPAP Update Course is:

Director (three-year term):	Brooke Newstrom
Director (three-year term):	Charles Ferraro

If there are nominations from the floor to supplement this list of candidates, Mary, Adam, and Bev will count the votes.

Motion: (Sandra Gresh) To approve the proposed 2020-2021 slate of directors and present this slate to the membership at the January 16, 2020, Annual Meeting on behalf of the Board. Seconded by Bill Bear.

**Motion passed.**

The other officers and directors for 2020-2021 are: Mary Houk, President until 01/2021  
Adam Lalim, Vice-President until 01/2021

Craig Steinley,

Secretary/Treasurer until 01/2022

Bill Bear, Past President until 01/2021  
Brian Schmidt, Director until 01/2021  
Marvin Siebrecht, Director until 01/2021  
Charlotte Deaver, Director until 01/2022  
Sandra Gresh, Director until 01/2022  
Peggy Kalt, Director until 01/2022

Due to the late hour, President Mary gave the Board a choice to continue with the agenda and discuss the Strategic Plan update, to meet on Wednesday after class, or to schedule a telephone conference.

Motion: (Adam Lalim) To update the Strategic Plan at a later date. Seconded by Allan Hall.

**Motion passed.**

Amended Motion: (Adam Lalim) to update the Strategic Plan tomorrow, January 15, 2020, after class at 4:15pm. Seconded by Sandy Gresh.

**Motion passed.**

Meeting was adjourned at 8:50 p.m. to conduct an executive session.

Respectfully submitted,

Bev Luke  
PAASD Executive Secretary