

**Arizona Department of Real Estate (ADRE)
Real Estate Advisory Board
Minutes
Meeting Held December 2, 2015
at ADRE, 2910 N. 44th Street
Phoenix, AZ 85018**

I. CALL TO ORDER

Chair Clifton excused. Vice-Chair Frank Dickens called the meeting to order at 10:00 a.m.

MEMBERS PRESENT

Frank Dickens
Karen Bohler
Charlie Bowles
Carla Bowen
Nedra Halley
Bruce Jacobs
Nicole LaSlavic

ABSENT

Kim Clifton/Chair
Bill Gray
Scott Peterson

ADRE REPRESENTATIVES PRESENT

Judy Lowe, Commissioner
Louis Dettorre, Assistant Commissioner Operations/Legislative Affairs
Carla Randolph, Assistant Commissioner Licensing/Education/Development Services
Danielle Hazeltine, Assistant Commissioner Compliance/Investigations/Auditing
Linda Panattoni, Taking Minutes of Meeting

PUBLIC PRESENT

Scott Drucker, Arizona Association of Realtors®
Jake Hinman, Capitol Consulting

II. INTRODUCTION AND WELCOME

Vice-Chair Dickens asked that all new members introduce themselves verbally to the Board. The new members were Bruce Jacobs and Nicole LaSlavic who introduced themselves.

Vice-Chair Dickens then asked all Board members to introduce themselves to the two newest members.

III. APPROVAL OF OCTOBER 14, 2015 MEETING MINUTES

Vice-Chair Dickens asked for a Motion to approve the October 14, 2015 minutes. The Minutes of October 14, 2015, meeting were unanimously approved.

IV. UPDATE ON THE NATIONAL ASSOCIATION OF REALTORS® CONFERENCE

Vice-Chair Dickens gave his comments on the NAR Conference he attended and stated that the Highway Bill regarding flood issues and land use was discussed and that it was defunded for one (1) year.

Vice-Chair Dickens commented that drone issues for commercial real estate were discussed.

Vice-Chair Dickens commented that U.S. Environmental Protection Agency along with the U.S. Army Corp. wants to police lead paint, wetlands/waterways, ponds and water features. Member Bowles commented that the National Homebuilders Association is fighting to have the EPA/U.S. Army Corp. police those issues.

V. COMMISSIONER'S REPORT – JUDY LOWE, COMMISSIONER

Commissioner Lowe provided an update on ARELLO Meeting (Association of Real Estate Licensed Law Officials). One of the major issues discussed was Property Management. The other issues discussed were:

- Leads by unlicensed companies paid compensation – this does require a license in Arizona;
- Educating the consumer and international companies to understand our real estate rules and regulations
- Forged Deeds which involve absentee owners and vacant properties.

Member Bowles asked the Commissioner, “What reaction have you had from Brokers regarding adding the Broker Management Clinic (BMC) Classes 1, 2, & 3 (raising the Designated Broker continuing education classes from 24 hours to 30 hours)”. Commissioner Lowe replied, “BMC Classes have had a positive reaction from the Brokers”.

Commissioner Lowe advised that there will be changes in Real Estate Closing Statements and that Closing Statements per ADRE Advisory #5 will be accepted. There have been two meetings with Title representatives, Lenders and real estate associations and the next meeting will be scheduled for January 2016.

Commissioner Lowe informed the Board that all ADRE employees are sponsoring a family in need from Adopt-A-Family through the Salvation Army and Those Callaways.

VI. ASSISTANT COMMISSIONER UPDATES

a) Assistant Commissioner Operations/Legislative Affairs – Louis Dettorre:

LEGISLATIVE AFFAIRS:

AC Dettorre shared that legislation has been drafted to reduce Continuing Education hours for real estate brokers and salespersons. AC Dettorre will keep the board up-to-date regarding this issue.

Commissioner Lowe commented that the FTC is looking at Regulatory Boards and Commissions who make regulatory decisions to make sure there are no Anti-Trust issues around minimizing competition. It was stated and agreed the ADRE Advisory Board acts as an Advisory Board.

Member Jacobs and Commissioner Lowe discussed Cyber scams surrounding Title companies closing funds.

Next Legislative Session begins the Second Monday in January. The Governor's Executive budget will be released in January 2016.

Member LaSlavic asked if Homeowner's Associations (HOA) are going to be licensed through the ADRE. AC Dettorre stated legislation has been discussed to regulate HOA Managers. AC Dettorre to keep the Board updated.

OPERATIONS:

AC Dettorre informed the Board that the following had occurred:

- ADRE Procedure Manuals updated;
- More training opportunities for employees with monthly training sessions to be implemented;
- Strategic plan for January 1, 2016: increased communications, lean process for every ADRE division.

b) Assistant Commissioner Licensing Services – Carla Randolph:

LICENSING:

AC Randolph gave an update on Licensing Statistics for the month of October and November 2015.

AC Randolph updated the Board on the "Lean Programs" and that the Governor wants the government to be run like a business. She also discussed the "Score Cards" that every agency will be implementing.

AC Randolph updated the Board with the following information:

- AC Randolph currently has a wonderful Licensing Team;
- Name reservations are up;
- The online original real estate application feature is 75% in use;
- Licensing has a new Kiosk to scan new applications;
- Department of Public Safety (DPS) is implementing a new fingerprinting and clearance card program through a company called FIELD PRINT. Once an applicant applies, an expedited decision would be completed from DPS, which now takes 6-8 weeks. Should be completed by end of year.
- New “Dragon Software” for a licensing employee. With this program, the employee can work faster and handle more from our Message Center by Voice Command communications.

EDUCATION:

Jim Williams is the only employee in Education and is handling the workload with “0” weekly pending messages/calls.

AC Randolph discussed Pearson Vue National Exam updates.

Charles Bowles asked, “Is there a focus on education”? AC Randolph commented that there is a focus on exam performance. Commissioner Lowe stated she met with approx. 70 educators to discuss those issues.

DEVELOPMENT SERVICES:

AC Randolph discussed “Lean” focus to reduce processing on Public Reports, ADRE Forms; etc.... There is now a “Learn and Lunch” held monthly for developers, and their servicers. January 21, 2016 is the next Lunch and Learn meeting.

c) Assistant Commissioner Compliance/Investigations/Auditing:

AC Hazeltine gave an update on Compliance/Investigations/Auditing statistics of new, closed and remaining cases for each department.

AC Hazeltine is implementing the “Lean Process” for Investigations and Auditing by using a Gemba Walk for each process, weekly “Huddle Board Meetings”, using visual representation to resolve issues. Enforcement and Compliance department will start their Lean Process next year.

AC Hazeltine discussed a few Compliance cases and their outcome and which ones were referred to the Attorney General’s office for further handling.

VII. ADVISORY BOARD MEMBER FACILITATOR REPORTS

Vice-Chair Dickens asked if there have been any calls to the Advisory Board members from consumers. No calls had been made to any Board members since the last meeting (first time since 2005). Commissioner Lowe suggested that Board members direct consumers to the correct place to get help, but do not try to solve the issues.

Vice-Chair Dickens verbally read the ADRE Advisory Board Policy regarding "Facilitator" to all members of the Board that were present.

VIII. APPROVAL OF 2016 ADVISORY BOARD MEETING SCHEDULE

Vice-Chair Dickens asked for a Motion to approve the 2016 meeting schedule. No motion was forthcoming. All members present in agreement to approve dates.

IX. CALL TO PUBLIC

Vice-Chair Dickens called to the public for comments, etc. No questions/comments from the public.

X. *NEXT REAL ESTATE ADVISORY MEETING: FEBRUARY 10, 2016.

XI. VICE-CHAIR DICKENS CALLED FOR A MOTION TO ADJOURN AT 12:00 P.M., THE MOTION WAS MADE AND SECONDED BY MEMBER, CHARLIE BOWLES.



Vice-Chair Frank Dickens, standing in for Chair Kim Clifton