

**ARIZONA DEPARTMENT OF REAL ESTATE  
REAL ESTATE ADVISORY BOARD  
MINUTES  
April 27, 2009**

The Arizona Real Estate Advisory Board met on Thursday, April 27, 2009 at the Arizona Department of Real Estate (ADRE), 2910 N. 44<sup>th</sup> Street, First Floor Conference Room, in Phoenix, Arizona.

**I. CALL TO ORDER**

Chair Frank Dickens called the meeting to order at approximately 10:21 a.m.

Members present:

- Frank Dickens, Chair, Phoenix
- Kathy Howe, Vice-Chair, Sedona
- Lisa Suarez, Member, Tucson
- Ann White, Member, Tucson
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Attending via phone:

- Gary Brasher, Member, Tubac
- Patti Shaw, Member, Phoenix
- Tom Pancrazi, Member, Yuma
- Patti Shaw, Member, Phoenix
- Bruce Mosley, Member, Phoenix
- Jack Jackson Jr., Member, Phoenix

ADRE representatives present:

- Jerome Jordan, Interim Commissioner
- Janet Blair, Assistant Commissioner, Licensing, Investigations, Auditing and Development Services
- Vicky Rokkos, Executive Staff Assistant, Personnel & Public Records

No Public

**II. MINUTES**

Upon a motion by Ann White, seconded by Jack Jackson Jr. the Minutes of the January 8, 2009 meeting were unanimously approved.

**III. Facilitator Report from Advisory Board Members**

Patti Shaw stated that she had received some phone call regarding leasing and she referred these calls to Kathy Howe. Tom Pancrazi received phone calls from an individual who was trying to get his license renewed and that he had one issue which necessitated him having to attend a meeting with the Department. He was frustrated with

the Department because he felt he wasn't getting the right information from the Department regarding the meeting. Assistant Commissioner Janet Blair, explained that this individual did have a disclosure and explained the process and time element. This matter is currently with Enforcement and Compliance. Assistant Commissioner Blair reported that the Department had responded to him both via phone and he should get a response by the end of the week.

Ann White stated that she received a call regarding licensing and she referred them to the Department website.

Lisa Suarez stated that she received a phone call regarding rental proceeds.

Chair Frank Dickens stated that he received the same phone call from the same frustrated individual. Chair Dickens made numerous attempts to return the phone calls. The Chair stated that he would have advised the individual that he just needs to wait out the process.

#### **IV. Commissioner's Report- Jerome Jordan Interim Commissioner**

Interim Commissioner Jordan stated that Commissioner Sam Wercinski had resigned contingent upon Governor Napolitano resigning. Jerome Jordan reported that he became Interim Commissioner on January 20, 2009. One of the first things he had to deal with was the huge budget reduction. He stated that there had been a special legislative session with the Governor to close the gap in FY 2009 budget. The Department's appropriated budget at the beginning of this FY2009 budget was approximately \$4.2 million. In February the Department's budget was reduced by \$549,000 which is a huge amount to deal with when you are seven months into the fiscal year and more than 10% of your budget.

Three different steps were taken. Interim Commissioner Jordan reported that Sam, Tory and himself anticipated a budget reduction at the beginning of the fiscal year. They made sure they saved over \$350,000 or a little bit more. They did most of it through position vacancy savings.

Another step was the implementation of an employee work furlough. Everyone's hours were reduced and everyone worked a 32 hour work week. By doing so, everyone could keep their job and there were no layoffs. Other agencies had to do lay-offs up to 30%. Agency has been running smoothly despite the furloughs. One positive, the Enforcement and Compliance back log is being greatly reduced. Two years ago the backlog was over 400 cases, now it is 200 cases. Line staff managers have been empowered through our Empowerment Initiative to make most of the decisions thus eliminating the need for the decision to move up the chain. By doing so, we save time. We are looking at other new ways to address the workload whether by cross-training, change in policy or how we address certain cases. Other than that, things have been going very well.

One of the biggest challenges is that we don't have the staff to address the large number of consumer calls and licensing calls. We have solicited more people to email us. Still waiting to hear for next year's budget appropriation and assuming it is going to be a large reduction. Depending on how severe it is, we will have to adjust in some dramatic ways such as larger layoffs. There are currently 48 staff positions. Tom Adams is retiring this week. The Department is appropriated 74 staff positions. Interim Commissioner Jordan stated he is proud of all the staff.

Chair Dickens stated that phone calls are minimal and he is not hearing anything negative on the Department. He stated that it is a compliment to the Department that things are running smoothly.

Tom Pancrazi asks if the budget is \$3.7 million for the Department. Interim Commissioner responds that it is for this fiscal year and that going into the next fiscal year it will be the baseline that they reduce from. Mr. Pancrazi asks what revenues the Department generates. Interim Commissioner Jordan states 4 to 5 million and only a million over our appropriation. Mr. Jackson asks if fees with less licensees show a decline in the revenue. Interim Commissioner states no. We will see a decline in the revenue as a result of the 4 year license. We won't have as many renewals this year. That will be a huge decline in the revenue. The other thing that the Governor's office is aware of is the 95/110 provision that states that licensing fees are adjusted based on our appropriations. Fees can't be 95% under our appropriations or more than 110% so the total amount that we receive in fees can't be higher than 110% or lower than 95%.

Depending on what our appropriations are, they probably will have to make some adjustments in statutes to suspend it for the fiscal year. As to licensees, we are still getting a good amount who continue to renew and a good flood of new applicants which doesn't affect our workload. What we are seeing is a lot more who are going inactive.

Discussion occurred on an open investigation and Assistant Commissioner Blair explained the process.

At 10:30 am a call is placed to Bruce Mosley, member, to join the meeting. Mr. Mosley did not have anything to share regarding facilitator report.

Interim Commissioner Jordan requested the Board for help with suggestions on how the Department can do things differently by its Rules and statute changes.

Ann White inquired about vacancies on the Board. She asked for an email for getting information on vacancies. Interim Commission Jordan requests that names be submitted for Governor's appointment.

**V. Other Matters**

None

**VI. Adjournment**

On a motion to adjourn by Lisa Suarez; seconded by Ann White and approved by the Board, Chair Dickens adjourned the meeting at 11:45 am.

**DATED THIS 15<sup>TH</sup> DAY OF JULY, 2009  
ARIZONA REAL ESTATE ADVISORY BOARD**

BY: \_\_\_\_\_

**Frank Dickens, Chair**