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Brian Gatzke

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Jeff Barker (2013)

Terry Leibel (2014)

Paul T. Sickler, AFM (2013)

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Membership
Paul T. Reisch, ARA

East River Breakfast
Scott Heimes

West River Breakfast
Ryon Rypkema

SDSU Relationships
Thomas Jass, AFM

Assessors Conference
Charles Doom

Education Foundation
Geoff Oliver, ARA

Government Relations
Terry Leibel

Technology
Allan Husby, ARA

Education
Jim Hollenbeck

Mentor
Ron Ensz, ARA

Social
Craig Sommers

Appraisal Review & Ethics
Jerald A. Hulm, ARA

Scholarship Fundraising
Brian Gatzke

Newsletter Editor:
Paul Reisch, ARA

SOUTH DAKOTA CHAPTER
AMERICAN SOCIETY FARM MANAGERS & RURAL APPRAISERS
THE MOST TRUSTED RURAL PROPERTY PROFESSIONALS

1 / 2011



*Enhancing Our Members' Ability to Succeed
in Their Rural & Agriculturally Related Professions!*

DATES TO REMEMBER!

February 10 - West River Breakfast Meeting - 9 A.M.
Rapid City Marlin's Roadhouse Grill

March 18 - East River Breakfast Meeting - 9 A.M.
Sioux Falls Roll'N Pin

May - Board Meeting in Pierre?

June 16-17, 2011 – Fun Networking Event – Huron / Brookings

July 11 thru 15 – ASFMRA Summer Education Week – Omaha

September 11-15 - Leadership Institute – Washington, DC

October 22 thru 28 – 82nd ASFMRA Annual Meeting – Scottsdale, AZ

January 18-20–Winter Education & Joint Meeting W/PAASD - Chamberlain

PRESIDENT'S MESSAGE

One of my first duties as the new president is to write my first article for the newsletter. I was contemplating a theme for the first article and had chosen a theme of change, for obvious reasons, but also have added one of thanks.

First, I want to thank Tom for his excellent service these past two years as President along with all the other officers and the board members. Good decisions have been made and we have a chapter that is in excellent condition to help its members. Thanks also to the committee members that have served when needed, especially the education committee and its chair, Jim Hollenbeck. Great selections have been made for continuing ed offerings which have been popular and well attended.

A special congratulations and thanks to Paul Reisch who was awarded the outstanding Chapter member for the year by Tom. Paul gives his expertise and uncanny memory of the chapter history for guidance on numerous occasions that is real helpful to the officers and board.

Now, on to change. Personally, I have gone through numerous changes over the past few years, from dealing with the death of my wife to retiring in the past year and starting a new business. My wife's death forced a lot of change to my life and family's life and it wasn't welcome, but I learned to move on and go forward with the changes.

Most of you know I am now engaged and planning to get married sometime this year. I met Linda through e Harmony. Never in a million years did I ever see myself using this site but it obviously turned out to be a good experience.

PRESIDENT'S MESSAGE CONTINUED

My second big change was more voluntary when I took my retirement as soon as I was eligible. My retirement was always with the idea that I would start my own business and I have no regrets on that decision. Now I get to pay my travel, supplies, and any other work bills from my own credit card- yippee! The work assignments and clients vary, which is refreshing and challenging, but it also gives me a different perspective on what some of our members deal with in their businesses.

The point of all this is we all have to deal with change all of the time. On the voluntary side, I encourage you as members to bring forward different ideas, or any ideas, on how we can operate, even if it means some changes. We sometimes get in the rut of structuring meetings the same or having the same events because that's how it's always been done.

On the involuntary side, there will be events or changes that happen both professionally and personally, that we have no control over. Professionally, we as a chapter have tried to support members through education offerings that bring them up to date on what items are affecting their work. The chapter has tried to keep members informed and has been supportive of legislative positions that protect our members. The chapter also tries to be supportive of members to the extent possible when personal losses / changes occur.

My goal for my term is to continue having the chapter **be there** for its members. I'm looking forward to a great two years!

PAUL REISCH RECEIVES OUTSTANDING SERVICE TO SD CHAPTER AWARD

At the January 22nd annual membership meeting President Tom Jass presented Paul Reisch with the "Outstanding Service to SD Chapter" award.

The chapter board approved this award at the May 2009 with the board making recommendations of recipients at the fall board meeting with the President making the final selection. It is at the President's discretion whether to give the award and to make the selection. Loy Matthes was the 2010 recipient.



Paul continues as editor of what is an outstanding Chapter newsletter. President Tom and the board consult with Paul on numerous occasions on what has historically been the procedure in the chapter. Paul has given countless hours in promoting expanded appraisal education at SDSU.



He gives a presentation to the appraisal class and management class at SDSU on the appraisal profession. He can be counted upon for support in any chapter endeavor.

This quality and meaningful plaque is a prestigious and meaningful honor to a deserving member. It is an award that recognizes deserving chapter members for outstanding service.

ASFMRA SOUTH DAKOTA CHAPTER AUDIT REPORT

As of January 15, 2011, I have audited the books of the South Dakota Chapter of the American Society of Farm Managers & Rural Appraisers for 2010.

Chapter books are being maintained on Quick Books program which is being balanced directly with the bank statements without maintaining a check register. Audit was of the bookkeeping as it is balanced with the bank statements, but did not include budget documents provided, since this appears to be outside the parameters of an audit.

I did relate the bookkeeping to the Profit/Loss Statement categories and have suggested correction to Brian of some typo items in headings such as “SD State Accessories Donation” to “SD State Assessor’s Donation”. Miscellaneous Administrative expense of \$72 includes a plaque presented a member for recognition of service. I personally would have placed this in the Memorial/Cards/Gifts category, but the Miscellaneous Administrative Expense is also ok for small occasional items such as this and is considered to be appropriate where placed as well. It therefore appears all income and expenses have been accounted for in an appropriate manner in the books as presented.

Respectfully submitted: James R. Dunlap, ARA, MRICS - Chapter Auditing Committee

CHAPTER MEMBERSHIP SHOWS SLIGHT DECLINE FROM 2009

Chapter membership has declined from 58 members to 55 members over the past year.

There have been two new associate member additions (Adam Nelson, Don Threadgold).
Summary of current membership:

11 ARA – 1 retired	5 AFM	28 Associate - one farm manager, balance appraisers
3 Academic	2 Affiliate	2 Student
1 Inactive – had RPRA	1 Partner	2 Honorary

2010 Membership Chair Ted Risty reported at the January 22nd annual meeting that there were three new affiliate applications in process. Six member applications were picked up from the member promotion table at that day’s educational offerings. 2011-2012 Membership Chair Paul Reisch states that communication from members indicates good possibilities of three additional associate members (two appraisers, one farm manager).

DISTRICT VP MICHAEL KRAUSE VISITS CHAPTER

The SD Chapter welcomed their District VI Council Representative Michael J. Krause, AFM with Hertz Farm Management in Omaha, NE to the January 22nd annual meeting. Mike complimented our chapter’s activities and presented some national highlights.

ASFMRA has now had three years in the black financially. On line education will be the future for many offerings as it is cheaper to present and there is no travel cost for the participants. Ag Pro Link will be an important communication tool for the future. Orlando was a successful annual meeting. He urged members to consider participation in the Omaha Summer Education Week, Leadership Institute, and the Phoenix annual meeting. The Omaha event will have a mini-Career Day emphasis for students.

GOOD TURNOUT FOR CHAMBERLAIN EDUCATIONAL OFFERINGS!

Education offerings at Chamberlain all had good attendance and were well received.

On Thursday, 18 appraisers were in attendance for the “The Lending World in Crisis – What Clients Need Their Appraisers to Know Today” Sponsored by PAASD with Rich L. Borges II (MAI, SRA, GRI) instructor. This included 6 chapter members.

On Thursday, 54 appraisers were in attendance for the Appraising Residential Properties in SD-- Those Textbook Examples Don’t Work What Does?” Sponsored by PAASD with Craig Steinley, SRA instructor. This included 10 chapter members. The morning session covered upcoming changes to the Dodd-Frank Act and the Fannie Mae UMDP (Uniform Appraisal Dataset Specification) to be implemented in 2011. The proposed state legislation for appraisal management companies was also addressed. The afternoon session addressed improved methods to address sales comparison approach issues with emphasis on always including narrative for three items:

Selection of Comparables – Convey your scope of work and what was found in order to already have answers for such questions as..Why did you use dated comps? Why were excessive adjustment percentages necessary? Why were excessive distances (subject to comps) required? How was the 1004 MV data analyzed?

Explanation of Adjustments in the Grid – Discuss any subjective lump adjustments, particularly site value, view, location, condition, construction quality, external / functional loss, etc. Discuss how you verified the comp data and information discovered in the verification process. How was effective age opinion accomplished without a thorough viewing? Discuss across the board adjustments. Avoid a narration about obvious adjustments.

Sales Approach Reconciliation – Acknowledge guidelines that are exceeded and remind reader of limited number of comparables. Describe which comps are most reliable and why. Make sure that your explanation of the internal reconciliation of the sales approach produces the conclusion you display on the form. Can the math be repeated by the reviewer?

On Friday, 42 appraisers were in attendance for “Thinking Outside the Form: Tools, Techniques, and Opportunities for Residential Appraisers” Co-sponsored by PAASD and Wyoming Appraisal Institute PAASD with Rich L. Borges II (MAI, SRA, GRI) instructor. This included 1 chapter member.

On Friday, 40 appraisers were in attendance for “Current Environmental Issues” Sponsored by SD ASFMRA with Bernie Gehris instructor. This included 22 chapter members.

When first developed in 1993, this course addressed training related to Phase I assessments. The law now says one needs to be an environmental professional to complete Phase I and Phase II assessments.

Continued



CHAMBERLAIN EDUCATIONAL OFFERINGS CONTINUED!



Because of this, this part of the course has been condensed into a two hour overview familiarizing students to the legislation and court rulings establishing environmental law, many acronyms used, and ASTM due diligence standards.

The afternoon session addressed wetlands from both the Clean Water Act (discharge of pollutant from a point source into the waters of the United States) and government regulation (FSA / NRCS programs). Grassland, wetland, and

conservation easements were discussed. Issues related to endangered species were also covered.

CHAMBERLAIN EVENT INCLUDES MEMBERSHIP & FUNDRAISING DISPLAY

Through the effort of Brian Gatzke, the chapter had an attractive display at the Chamberlain education offerings.

The setup included an attractive table and booth setup for ASFMRA membership promotion.

In front of the quilt for the scholarship raffle was a table with SD chapter design banner used for class registration as well as selling the raffle and Super Bowl board tickets.

The quilts were donated by Paul and Nancy Reisch for the SDSU Scholarship and for the 2011 ASFMRA National Education Foundation auction. The quilts were displayed on the wall for all PAASD and SD Chapter members' enjoyment.

Jim Hollenbeck, Paul Sickler, Michael Braun, Boyd Waara, and Shawn Weishaar provided support, but Brian did most of the manning of the booth area for selling tickets from Thursday morning through early Friday afternoon; his gift of time to the chapter for skipping last year.

This special effort was recognized and appreciated; even more since Brian was not attending classes during the two days. Thank you Brian for your commitment!

QUILT RAFFLE TICKET SALES GO WELL IN CHAMBERLAIN

Ticket sales for the raffle drawing for a quilt made by Nancy Reisch and donated by Paul and Nancy generated \$420 for the SDSU Scholarship.

Tickets are 10 for \$40, 5 for \$20, and 1 for \$5. Those purchasing tickets in Chamberlain also had their name in a drawing for the vase that was holding the sold tickets. Shawn Weishaar was the lucky winner of the vase drawing. The fine vase was hand crafted by local Native Americans.

Ticket sales will continue through the June 2011 Fun Networking Event. Drawing for the quilt will occur at the Fun Networking Event June 17 Brookings breakfast meeting.

Chapter members and SDSU representatives are encouraged to support the scholarship by purchasing tickets. If one wishes to receive credit for an income tax donation, tickets can be purchased by checks payable to SDSU Foundation. **Please write "SDASFMRA Scholarship" in the memorandum section of the check.** Send checks to Brian Gatzke, Gatzke Appraisal, PO Box 63, Brookings, SD 57006-0063. Questions call Brian at 605-691-2119. If you did not attend the annual chapter meeting, your savings of \$100 can be utilized for the quilt raffle.

SUPER BOWL POOL RAISES \$560 SCHOLARSHIPS

Paul Sickler organized this fundraiser and Brian Gatzke spearheaded sales at the Chamberlain ASFMRA-PAASD annual continuing education event. 100 squares were sold for \$10 each with nine chances chance to win.

The square with the right halftime and final score of the Super Bowl wins \$100. Four surrounding squares win \$20 and four surrounding squares win \$10. By Friday lunch, all squares were sold.

After payout to the winners, the project nets \$280 each for the SDSU and Kjerstad Member scholarships.



CHAMBERLAIN ANNUAL MEETING HAS 25 MEMBERS IN ATTENDANCE

Twenty five members were in attendance for the chapter annual meeting on Thursday evening January 22nd.



Membership Meeting Highlights Not Addressed Elsewhere In Newsletter:

Breakfast Meetings: Scott Heimes reported there were 5 East River breakfast meetings that included the SDSU Breakfast in Brookings with 6 to 12 members in attendance at each meeting. Perry Beguin reported a West River breakfast meeting highlight was the November meeting with Pennington County Director of Equalization and Farmers Union representatives speaking.

Assessor's Conference: Ordean Eddy represented the chapter at the South Dakota Association of Assessors Organization Conference banquet that was held in May in Mitchell. In 2011, the conference will be held in Chamberlain May 24 thru 27.

Education:

Chair Jim Hollenbeck reported that the site for the **Chilean Barbeque Social** to be held the evening of June 16th for Fun Networking Event has been secured. It will be held at the Kleinsasser site (Amish barn) about 5 miles north of Riverside Colony near Lake Byron. The committee (in coordination with SDSU Relationships and Social) will be completing plans in the next couple of months including a website registration. Watch for more details in the February newsletter.

The committee will be exploring hosting a review seminar for bankers as several have asked for such education. The committee will also be coordinating with the Wyoming chapter for the joint fall event to be held in Wyoming this time. A cost approach seminar was the top choice in last year's survey and will be looked into for the 2012 Chamberlain offering.

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CHAMBERLAIN ANNUAL MEETING CONTINUED

SDSU Relationships: Paul Reisch reported on several activity areas.

SDSU Scholarship: Four applications was down from nine in 2009. Three interviewed. Winner Maria Skoglund attended May 7th SDSU Network Event. Had indicated she would join as student member, but has not done so. Tom Jass and Jay Knuppe represented chapter at Sept. 22nd Scholarship Banquet. Maria was ill and unable to attend.

SDSU Network Event: The May 7th event had 34 in attendance with 21 members including all three academic members and last year's scholarship winner, 6 other SDSU representatives including acting dean and three department heads for updates, 2010-2011 scholarship winner, Joe Schefers from Monsanto, and four member guests.

Summer / Fall – Committee members worked with Education and Social Committees for 2011 Fun Networking Event. Committee member responsibilities:

- Thursday Evening Lodging In Brookings – Brian Gatzke
- Friday Morning Breakfast Arrangements – Brian Gatzke
- SDSU Tours – Jerry Warmann
- Friday Box Lunch Arrangements – Larry Janssen
- Friday Morning Possible Spouse Activities - Brian Gatzke, Larry Janssen, Jerry Warmann

Profession / Scholarship Promotion: Paul Sickler and Paul Reisch gave presentation to Jerry Warmann's Farm and Ranch Management Class in April. Tom Jass and Paul Reisch gave presentation to Nicole Klein's Farm and Ranch Management Class in October 20.

November 1 Career Days - Brian Gatzke handled getting a table cloth with SD chapter designs. Used at Career Days for the first time. Jeff Barker and Jay Knuppe handled booth logistics, \$25 bookstore gift card and candy giveaways. Jay and Don Kinker manned the booth. Brian Gatzke helped them with set up and tear down. Recommendation for next year is \$50 gift card and pens and or rulers with ASFMRA log from national.

SDSU Curriculum: 2011 spring appraisal class has 45 students registered. It will be taught by academic member Larry Janssen along with Plant Science Professor Dr. Doug Malo. John Widdoss and Mark Elder have donated student access to the AgWare database for the class. Jim Hollenbeck contact with Agri-Data resulted in donation of 6 month subscription at no cost to the chapter. Paul Reisch will be guest speaker at one class. Allan Husby helped line up a farm for the class's appraisal project. Brian Gatzke and Paul Reisch will provide comparable sales to the appraisal project farm. Brian Gatzke will sit in on the Wednesday afternoon classes and help with lab work.

A Real Estate Minor proposal was developed in July 2009. Had August 2nd conference call with national about this proposal and national's on line program developments. Brian Gatzke, Larry Janssen, and Jerry Warmann have had further discussions regarding RE Minor including potential helpers-instructors with credentials for non ag appraisal class (50/50) residential and commercial, Real Estate Investment and Analysis class, and Costing class, possibly Ag Engineering.

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CHAMBERLAIN ANNUAL MEETING CONTINUED

Technology: Allan Husby reported that keeping the chapter website current is the committee priority. With Allan becoming Chapter President, a new chair is needed to work with Mark Elder in maintaining the site.

Government Relations: Ron Rucker reported that three bills have been submitted including HB 1033 establishing registration, licensing, and regulation of Appraisal Management Companies. Members are urged to communicate support to their representatives.



SDSU Scholarship Fund:

Account Balance Information:

Endowment principal balance as of 12/31/10	\$ 21,061.47
Endowment market value as of 12/31/10	\$ 18,276.66

When the \$20,000 goal was met in early 2009, it was felt that amount would generate sufficient funds for a \$1,000 scholarship. However, adverse economic realities in recent years have resulted in a market value below the endowment principal and earnings of \$600 to \$750 in recent years instead of \$1,000. Present realities indicate the endowment market value will need to reach about \$25,000 to make the \$1,000 scholarship self sustaining with additional chapter funds.

Bylaw Amendments: Approved as communicated in a December 13, 2010 communication to members by President Tom Jass. A copy of the amended bylaws has been posted on the chapter website.

Nominating Committee Report & Elections: Nominating Committee Chair Ron Rucker presented the committee's report. Other committee members were Jerry Hulm and Craig Sommers. Chapter members approved the nominations and elected the following:

President – Allan Husby
President Elect – Ron Ensz
Secretary - Geoff Oliver
Treasurer – Brian Gatzke
Board Members – Terry Leibel
2012 Nominating Committee – Ted Risty

2011 President Allan Husby Comments: With Ron Ensz the President Elect, Jeff Barker has been appointed to fill Ron Ensz term as Director. Allan presented a plaque to Tom Jass in appreciation for his efforts as President the past two years. Allan stated that the current strong financial position allows the chapter to put on the special Fun Networking event and to perhaps take some additional risk in trying some new education classes.