

Officers:

President
Craig Sommers

President-Elect
Terry Leibel

Secretary
Paul Reisch, ARA

Treasurer
Paul Sickler, AFM

Past President
Ron Ensz, ARA

Directors:

Jeff Barker (2016)
Jim Dunlap, ARA-AFM (2017)
Brian Gatzke, ARA (2018)
Jay Knappe (2018)
Loy Matthes, ARA (2016)
Don Threadgold, AFM (2016)

Committee Chairs:

Membership
Paul Reisch, ARA

Social
Jeff Barker

East River Breakfast
Barb Hegerfeld

West River Breakfast
Norm Edwards, ARA

Education
Scott Heimes

SDSU Relationships – Reisch
Career Days – Jay Knappe
Curriculum – Gatzke / Janssen
Network Event
– Brian Gatzke, ARA
Scholarship - Jay Knappe
Student Involvement- Jesse Ball

Assessors Conference
Ryon Rypkema

Education Foundation Auction
Ron Ensz, ARA

Government Relations
Terry Leibel

Appraisal Review & Ethics
Jerald A. Hulm, ARA

Mentor
Jim Dunlap, ARA

Kjerstad Member Scholarship
Craig Sommers

Nominating Committee
Ron Ensz, ARA

Communication
Paul Reisch, ARA
Newsletter – Paul Reisch
Website – Adam Nelson

www.asfmra-sd.com



SOUTH DAKOTA CHAPTER

12 / 2015

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

January 27-29–Winter Education & Joint Meeting W/PAASD - Chamberlain
March 10 - West River Breakfast Meeting – Rapid City
March 18 - East River Breakfast Meeting – Sioux Falls
April 22 – SDSU Network Event – Brookings
May 12 - West River Breakfast Meeting – Rapid City
May 20 - East River Breakfast Meeting – Sioux Falls
May 20 – SD Chapter Board Meeting – Sioux Falls
June 25 – July 1 – Summer Education Week – Des Moines, IA
July 14 - West River Breakfast Meeting – Rapid City
July 22 - East River Breakfast Meeting – Sioux Falls
September 8 - West River Breakfast Meeting – Rapid City
September 12-16 - Leadership Institute – Washington, DC
September 16 - East River Breakfast Meeting – Sioux Falls
October 12-14 – Yellow Book Seminar – Deadwood
October 27 or 28 - West River Breakfast Meeting – Rapid City
October 27 or 28 - SD Chapter Board Meeting – Rapid City
November 7-11 - 87th ASFMRA Annual Meeting – Indian Wells, CA
November 18 - East River Breakfast Meeting – Sioux Falls
December 10 - West River Breakfast Meeting – Rapid City

CHAPTER MEMBER ANNIVERSARIES

Member	Join Date	Years
Geoff Oliver	1-22-1993	23
David Baker	1-13-2003	13
Jay Knappe	1-01-2009	7
Adam Nelson	1-01-2010	6
Kim Larson	1-20-2014	2
Ron Dunker	1-23-2015	1
Jim Jansen	1-23-2015	1

Thank you for your support!!

PRESIDENT'S MESSAGE

Our education committee has done an excellent job of nailing down the CE for the January meetings in Chamberlain. A special thanks to Scott Heimes who was key in getting all of this done. I'm looking forward to visiting with each of you, both at the classes and at our annual meeting on Wednesday, January 27th. We will have few visitors this year. Our District VP, Dave Englund has said he plans to attend, as does Barry Wilfhart. Please make plans to come and support the Chapter, gain some great continuing education, all while having fun and connecting with friends from our Chapter and our friends from PAASD.

Longtime Chapter member Jorge Vicuna was seriously hurt while cutting trees. The accident occurred just before Thanksgiving. He has a crushed right foot and leg, and he is on the mend. Our best wishes go out to Jorge for a speedy recovery!

2015 has gone by in a hurry. Time passes more quickly than it used to..... I'm reasonably certain that I have less time than I used to have! I've been President of this Chapter for about 11 months, but it seems like 11 weeks. As I was attempting to come up with an article that had some substance, I found that there really is no message better than that of Christmas.

I hope that each of you enjoyed a wonderful Christmas. This is a joyous season to take a step back from our busy lives and enjoy time with our loved ones. Best wishes to you and your family, and Happy New Year! Let's make it the best year we can!

Craig Sommers craig.sommers@fcsamerica.com

ELECTIONS TO BE HELD JANUARY 27, 2016

Nominating Committee Chair Ron Ensz and committee members David Baker and Tom Jass have secured nominations for the 2016 elections to be held on January 27th at the chapter membership meeting at Cedar Shores Resort in Chamberlain beginning at 5:15 p.m.

Chapter Officer Nominations:

President	Craig Sommers	President Elect	Terry Leibel
Secretary	Paul Reisch	Treasurer	Paul Sickler

Board Member Nominations:

Jeff Barker
Loy Matthes
Don Threadgold

2017 Nominating Committee Member: Tom Jass - Will join Past President Ron Ensz as Chair and a member to be appointed by President and / or board.

Other nominations can be made at the meeting on January 27th.

CHAMBERLAIN ANNUAL MEETING AND CONTINUING EDUCATION

As of December 28th, registrations for the classes were:

- 26 for Wednesday afternoon
- 51 for Thursday
- 25 for Friday morning

Wednesday Jan 27th 1:00 - 5:00

- Corn Production Costs – Jack Davis
- Pasture and Range Management – Alexander Smart
- PRF Insurance & NAP - Matt Diersen
- Crop Basis - Lisa Elliot

This ½ day seminar will inform and update appraisers and farm managers on cropland and pasture management issues that impact real estate values.

Wednesday Night Membership meeting – 5:30 p.m.

Thursday Jan 28th 8:00- 5:00 - USPAP – Craig Steinley, SRA, AI-RRS

Thursday evening Joint SD ASFMRA – PAASD pizza social

Jan 29th. Fri. 8:00-12:00 – Using Excel in Specific Appraisal Applications, Excel for Managers – Ann Roehm - This ½ day seminar will cover:

- The User Interface: Data Entry and Editing, Key-board shortcuts, Ribbon and Menus,
- Functions and Formulas: Absolute and relative references, functions of a dollar, trend analysis, simple statistics, regression (light)
- Graphs: Generating scatterplots, line of best fit
- Applications for the Approaches: Soils adjustments for sales and subject analysis, soils adjustments for income analysis
- Incorporating Data into Reports: Formatting and generating tables and graphs

8 Hours of CE Credit with SD Appraiser Certification Program & RE Commission Credit for Wednesday afternoon and Thursday morning.

Registration Fees (Includes Lunch and Snacks):

Wednesday – \$100 early / \$125 after Jan. 18, 2016 for members; \$150 and \$175 non-members

Thursday – \$175 early / \$200 after Jan. 18, 2016 for members; \$275 and \$300 non-members

Friday – \$100 early / \$125 after Jan. 18, 2016 for members; \$150 and \$175 non-members

Register at www.paasd.com

Call 605-734-6376 for hotel reservations - Room Block under APPRAISERS by Dec. 28, 2015

For More Information: Bev Luke – PAASD Executive Secretary - 605-716-9011, bkluke@rushmore.com

or Scott Heimes- Education Chairman, SD Chapter ASFMRA

- 605-254-5863 or scott.heimes@fcsamerica.com

SUPERVISION INCENTIVE TASK FORCE UPDATE

By Jim Dunlap, ARA

The Supervisory Incentive Task Force was created in 2014 to discuss the possibilities and various ideas that could be implemented by the SD Department of Labor & Regulation, Appraiser Certification Program to encourage certified appraisers to become supervisory appraisers. This was quickly expanded in scope to seek practical ways for entry level appraisers to gain experience other than the traditional supervisor / trainee scenario.

This same question is being raised by the AQB in a Concept Paper on Alternative Track to the Experience Requirements in the *Real Property Appraiser Qualification Criteria*. Again, South Dakota appears to be a couple of years ahead of everyone else in addressing appraiser problems on the horizon.

At this point, the Task Force activity has basically been suspended, but not disbanded, following our last meeting. Discussions and work product of the Task Force has resulted in several suggestions being brought forward for the consideration of the SD Appraiser Advisory Council and the Department, and with the AQB taking up some of these same issues, we may be making changes that will be legislated in the future. The considerations forwarded to the Advisory Council and Department included the following:

- Department to actively promote non-client experience for a portion of total experience requirements to upgrade.
- Department to consider promulgating rules to allow entry level appraisers the opportunity to submit work product for compliance review midway through the experience requirement so problems may be identified and corrected prior to the end of the supervisory training period.
- Department with implementation of the previous bullet recommendation, would refrain from any disciplinary action against a supervisor or the entry level appraiser as a result of midway review.
- Task Force also discussed in some depth the possibility of a model contract for supervisors / trainees. The issue this contract is addressing is often heard as, "I don't want to train my competition". This is an excuse many times used to avoid taking on a trainee. While this is certainly a possibility, perhaps a non-compete contract could be developed to mitigate some of these problems.

Early Task Force discussions included a recommendation that the State enforce non-compete agreements between supervisors / trainees based on the fact that a member of the Task Force received advice from an attorney that non-compete agreements are not truly enforceable. The Department's attorney advised that the State would not be in a position to enforce non-compete agreements and the legislature would not approve this action.

Task Force then focused its attention on the suggestion to develop a model contract for supervisors / trainees which would be, as any contract, enforceable. It was decided that the professional appraiser organizations would be the appropriate body to develop a model contract with the help of outside legal counsel. Some of us felt strongly that having the expectations of the Supervisor about what happens at the end of the training period in the hands of the trainee BEFORE training started, has a positive effect upon the overall outcome of the trainee / supervisor relationship.

Outside of the Task Force discussions and after our last meeting, another idea was presented to Sherry Bren by a person seeking to become an appraiser in SD, but having difficulty in finding a supervisor. His idea was more along the model used for student teaching by educators to certify teachers.

Continued

TASK FORCE UPDATE CONTINUED

Once someone had taken the necessary course material for Registered Appraiser and passed the initial test, they would then enter a student appraisal program provided by an educational organization. “Supervisory Appraisers” would be contracted and compensated by this educational organization, and candidates would pay the school for their internship. This would insure a Registered Appraiser would be guaranteed a supervisor or supervisors and the supervisor would be compensated for his time.

Interestingly, this topic was discussed some by the Task Force at our meetings, but never ended up in a recommendation to Council. However, the discussion was never fully fleshed out in anything close to what this individual proposed to Sherry. I personally think this may have some potential, but will require setting up the “educational organization” and hiring supervisors across the state willing to participate as trainers which will be the major speed bumps in implementing this proposal.

The AQB had a public hearing and comment period in October 2015 on the following topics:

- Alternative Experience Options
- Practicum Course. This has been in the AQB Criteria since 2008, but no providers have developed an “off the shelf” course outline to date to be able to do it.
- Number of Hours of Required Experience-Is the current number at each level still relevant? Is there a better way to measure an applicant’s experience?
- Lack of Incentive for Supervisors to Mentor Trainees.

This looks pretty much like what we on the Task Force have discussed for the past two years! Did the AQB have our meeting room bugged???

Interestingly enough, most of the comments and testimony given in October to the AQB did not yield anything more than what we discussed above and presented to the Department. There was one testimony comment that kick started my thinking about the issue raised. This comment indicated the college degree requirement had stopped many competent appraisers from being able to advance to the General Certified or Certified Residential level of licensing, even with the time frame allowing for this to happen.

While many were able to get through the process during the gear up time switching from alternative to a college degree to the degree requirement necessary for a license, some could not complete and upgrade due to a number of reasons. Although the alternative to a degree had stated specific college course work, some of those courses required an additional course be taken before the required course. This added to time and expense and multiplied the problem.

Although the testimony respondent did not suggest this, my own thoughts and our state’s problems of getting supervisors and appraiser’s in the more rural areas of the state, ran toward maybe we need to consider a short moratorium on the college requirement to allow those in the system that have training and experience, but no degree to get certified.

This may be a short term fix of the problem, with the longer term solution being implementation of college courses and degrees that are recognized by the AQB to allow students to come out of college qualified and licensed beyond the trainee level. With some shortages in appraisers in certain locations of our state, this may help the short term fix, with the longer term needs being taken care of by the universities and other changes to our current system.

Bottom line to all of the Task Force efforts is that we recognize we have many bright and capable appraisers in our state. But, without some changes, such as increasing the number of supervisors, or changing the means of gaining experience for new appraisers entering this profession, we will not be able to attract enough new appraisers to provide the future real estate industry needs.

CELEBRATION RECEPTION FOR CHAPTER ACADEMIC MEMBERS

On the afternoon of December 14th a reception was held at the South Dakota Art Museum Gallery for academic members Larry Janssen and Jerry Warmann as well as Burton Pflueger. Larry is retiring at the end of the year and Jerry and Burton retired in 2014.



Those in attendance celebrated the professional careers, accomplishments, and the remarkable contributions of these individuals to the Land Grant Mission, Department of Economics, SDSU, and State of South Dakota. Chapter members present to celebrate with Larry and Jerry were Jack Davis, Jim Dunlap, Brian Gatzke, Paul Reisch, and Travis Shaykett.

Prior to the reception, Dr. Janssen presented a seminar, entitled “Reflections on USDA Agricultural Statistics Programs”. Larry presented this at the SD ASFMRA East River Breakfast meeting last spring. See March 2015 newsletter. In addition to the information presented then, Larry shared what he gained from his ASAC (Advisory Committee Agricultural Statistics) service:

- Renewed appreciation for incredible diversity of U.S. agriculture.
- Professionalism of NASS / Census employees.
- Widespread use of USDA statistics outside of traditional agriculture / agribusiness groups and Land Grant Colleges.
- Real world application of statistical methods / survey procedures in making reliable estimates.
- Agricultural data as a “public good”.
- Appreciation of how technology has changed the processes of data collection, data processing, and dissemination to many “publics”.
- Greater knowledge of how organizations can effectively manage major operational changes in relatively short time periods.
- Importance of maintaining public confidence and trust in federal / state statistical programs and the estimates generated.
- The global reach and impact of NASS reports.

SD CHAPTER - KJERSTAD MEMBER SCHOLARSHIP

The scholarship focus:

- A lasting memorial of Jerry's contribution to our chapter.
- A means to generate funds that can allow expansion of chapter support for members in accord with the chapter mission of *Enhancing Our Members' Ability to Succeed in Their Rural & Agriculturally Related Professions!*

Objectives:

1. Encourage potential members to join our chapter and help them with initial ASFMRA education.
2. Encourage members to attend and learn the benefits of the networking and education that take place at national events.
3. Broaden the experience of chapter members, which will in turn, strengthen our chapter member networking opportunities and develop future leadership for the chapter.
4. Encourage members to pursue accreditation and support them in this endeavor.
5. Recognize the member's achievement in gaining his accreditation.
6. Build member loyalty to the chapter.

Funding for this program is handled outside of the normal chapter operating / budgeting process. A separate money market account is dedicated for this program and the scholarships are paid from this account. Chapter fundraising projects and interest accrual on the account pay for the scholarships.

Scholarship opportunities for accredited, associate, and academic members under this program include:

- **\$500 scholarship for Leadership Institute attendance** -- Priority for the scholarship - Chapter President, board member, member who has never attended, member who has attended. Interest to be communicated to Chapter President by August 1st.
- **Pay member registration fee for first time national meeting attendance** - The member planning to attend their first national meeting would inform President and Treasurer.
- **Pay up to two \$500 scholarships annually to attend National Meeting for members who have attended the National meeting in the past.** Scholarships are intended for members that are not reimbursed their costs by their employer. Priority for the two scholarships will go first to younger members that have already used the first time attendance scholarship; then to other members that have gone to national meeting multiple times. Those intending to attend a National Meeting would state their intent to do so and be considered for the scholarship to the President and the Treasurer. In the event more than two members apply, there will be a drawing for the scholarships – first among those in the younger member priority, then to other members who have gone to national meeting multiple times. The scholarship is limited to the same winners once every three years if several members apply and are entered into the drawing.
- **\$500 scholarship for first ASFMRA education course that is a part of obtaining AFM accreditation or certified general appraiser license after becoming a new member.** - Member would inform President and Treasurer of intent to attend. Scholarship paid to member upon confirmation of course enrollment and adequate funds. If inadequate funding, will be reimbursed in future when adequate funding secured.
- **\$500 scholarship for accreditation education for those committed to achieving accreditation.** - Any member can provide written intent for the upcoming calendar year by December 1st to Chapter President. The written intent will convey the member's status regarding educational requirements and his / her personal timeline to achieve completion of educational requirements, demo report, and sitting for the exam. Scholarship approval will be communicated to a member by March 31 of the calendar fiscal year. The member can be paid \$500 toward the cost of a class still needed within 3 years of scholarship approval.
- **Pay for cost of the accrediting exam** - Payable upon application as communicated by member to President and Treasurer. The cost of exam would be paid on a one time only basis.
- **Pay member registration fee when receiving accreditation at national meeting.** The member planning to attend would inform President and Treasurer.

Scholarships related to accreditation address only 1 accreditation per member. I.E. – Would not cover ARA, AFM, RPRA and / or AAC all for one member over time. The Kjerstad Member Scholarship Committee will administer the scholarship. Committee members are President, Past President, President-Elect, Secretary, and Treasurer.