

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM
HOTELS MEETING**

MAY 9, 2012

GRANT SAWYER BUILDING

GAMING CONTROL BOARD

555 E. WASHINGTON AVENUE, ROOM 2450

LAS VEGAS, NEVADA 89101

VIDEO CONFERENCED TO:

STATE OF NEVADA GAMING CONTROL BOARD

1919 COLLEGE PARKWAY

CARSON CITY, NEVADA 89706

MINUTES

MAY 9, 2012

8:30 A.M.

1-A) Introduction of Commissioners in attendance.

In Las Vegas: Gary Lein, M. Favil West, Robert Schwenk and serving as Commission Counsel Senior Deputy Attorney General Henna Rasul

In Carson City: Marilyn Brainard and Barry Breslow

1-B) Introduction of Division staff in attendance.

In Las Vegas: Gail Anderson, Administrator; Kara Jenkins, Ombudsman; Victoria Broadbent, Program Officer; Joanne Gierer, Legal Administrative Officer; Nicholas Haley, Education Officer; Ken Richardson, Program Training Officer; Senior Deputy Attorney General Michelle Briggs, Division Counsel; Teralyn Thompson, Commission Coordinator; Sonya Meriweather, Administrative Program Officer.

In Carson City: Christopher Cooke, Compliance Investigator.

2) Public Comment

Tim Stebbins, Henderson resident, commented on agenda item 4 which was the workshop for LCB File No. R056-12. Mr. Stebbins stated that the draft available online states that the amendment applies to potential buyers of a new home or unit. Mr. Stebbins stated that the developer would always be the seller. Mr. Stebbins stated that there is confusion as to whether this applies to re-sales where one private owner sells to a private buyer. Mr. Stebbins stated that he hopes that the intent of the proposed regulation is clarified and appropriate word changes be made for clarity.

Mr. Stebbins stated that he is confused on the purpose of the amendment to the regulation. Mr. Stebbins stated that the wording in the amendment duplicates what already exist in NRS 116 in various sections.

Jonathan Friedrich commented on the advisory opinion request dated March 12, 2012 from RMI Management submitted to the Commission as public comment. Mr. Friedrich stated that he and Mr. Stebbins have had requests for advisory opinions submitted to the Division for over two years. Mr. Friedrich stated that they have not had a response. Mr. Friedrich asked if RMI Management gets preferential treatment over homeowners. Mr. Friedrich stated that the statute states that an advisory opinion is supposed to be issued within sixty days.

Sara Barry commented on agenda item 6-B. Ms. Barry stated that there is confusion regarding the reserve study class that Ms. Barry teaches to community managers which is exactly the same reserve study class that Ms. Barry is contracted to teach for the Ombudsman's Office. Ms. Barry stated that she would like for community managers to come to the class being taught through the Ombudsman's Office and receive credits for continuing education since the class has already been approved by the Commission. Ms. Barry stated that she would like board members and community managers to hear the same information at the same time. Ms. Barry stated that the Division's objection might be the thought that money is being made from an Ombudsman's class.

Ms. Barry commented on agenda item 7-4 regarding a class before the Commission for approval. Ms. Barry stated that she submitted this class for law credits but it has been recommended for general credits. Ms. Barry asked if the Commission adopts regulations, how else that information can be taught if educators have to wait every legislative year to do legislative update courses. Ms. Barry stated that this class is the one opportunity that she has to update community managers on the regulations and continual changes. Ms. Barry stated that law classes are scarce. Ms. Barry asked the Commission to approve that course for law credits versus general credits.

5-A) Ombudsman's Report

Kara Jenkins presented this report. Ms. Jenkins stated that she would be reporting on the reporting period of January 1, 2012 to March 31, 2012:

- Program Training Officer Ken Richardson has taught a series of classes including "Intervention Affidavits How To" courses.
- Sixty completed intervention affidavits received
- Thirteen informal conferences held
- Three intervention affidavits withdrawn
- Thirty intervention affidavits forwarded to Compliance because of the potential violations of law
- Conferences are available Tuesdays and Thursdays to the public by appointment

5-B) Program Training Officer's Report

Ken Richardson presented this report.

- Survey sent by email to eight hundred constituents in an effort to better serve them
- Out of eight hundred emails sent, Mr. Richardson received fifty-five responses
- Responses suggest offering more classes regarding financial issues such as classes on how to read financial statements and how to interpret the reserve study
- Class scheduling was identified as an area of concern regarding having classes outside of normal business hours. Ombudsman's Office has scheduled evening and Saturday classes throughout the community

Commissioner Lein stated that he attended a program through PBS and their virtual high school. Commissioner Lein stated that the technology that they have to broadcast those classes is something the Ombudsman's Office might want to look into.

Ms. Jenkins stated that the Ombudsman's Office is looking at interactive teaching and updating the Ombudsman's DVD.

Commissioner West suggested that some of the Ombudsman's classes be scheduled in Henderson since a large percentage of the intervention affidavits come from Henderson.

Mr. Richardson stated that there is a class scheduled on May 31, 2012 at Paseo Verde Library but there will be more classes scheduled in Henderson.

5-C-1) Administrative Program Officer's report on the intervention program

Sonya Meriweather presented this report.

- Compared to the number of active cases from July 1, 2009 to March 31, 2010; the number of active cases has increased by fifty percent
- Majority of active cases are from the Henderson and Reno area

5-C-2) Administrative Program Officer's report on number and types of associations registered within the State

Sonya Meriweather presented this report.

- In fiscal year 2012 there have been thirteen additional associations that have registered with the Division
- An additional four thousand units reported
- Majority of associations fall into the range of one to five hundred units which makes up sixty-five percent of the total number of associations registered with the Division.

5-C-3) Administrative Program Officer's report on homeowner association and compliance audits

Sonya Meriweather presented this report.

- As of March 31, 2012 there were two hundred eleven associations that initially registered with the Division and have failed to continue to register annually
- Of the two hundred eleven delinquent associations, seventy-five associations are in Northern Nevada and one hundred thirty-six are in Southern Nevada.
- Staff continues to work to bring associations into compliance

5-C-4) Administrative Program Officer's report on alternative dispute resolution filings and subsidy claims.

Sonya Meriweather presented this report.

- Number of alternative dispute resolution claims filed in 2012 has doubled
- One factor contributing to the increase is the number of claims filed relating to collection of fees improperly which is basically the super priority lien

3) Regulation workshop for LCB File No. R204-09

Commissioners in attendance in Las Vegas:

M. Favil West, Gary Lein, Robert Schwenk and Senior Deputy Attorney General Henna Rasul serving as Commission Counsel

Commissioners in attendance in Carson City:

Marilyn Brainard and Barry Breslow

Division staff in attendance in Las Vegas:

Gail Anderson, Administrator; Kara Jenkins, Ombudsman; Victoria Broadbent, Program Officer; Joanne Gierer, Legal Administrative Officer; Nicholas Haley, Education Officer; Ken Richardson, Program Training Officer; Senior Deputy Attorney General Michelle Briggs, Division Counsel; Terilyn Thompson, Commission Coordinator; Sonya Meriweather, Administrative Program Officer.

Division staff in attendance in Carson City:

Christopher Cooke, Compliance Investigator

Workshop started on May 9, 2012 at 9:00am. Workshop closed on May 9, 2012 at 9:21am.

5-C-5) Administrative Program Officer's report on notices of sales.

Sonya presented this report.

- As of March 31, 2012 the Division received two thousand two hundred and forty-one notices of sales
- Of those received, five hundred and fifty-two sales were cancelled
- Six hundred and four sales were postponed
- One hundred and thirty-seven homes were re-sold

5-D) Compliance Section's current caseload report.

Sonya Meriweather presented this report.

- One hundred and eight open cases pertaining to community managers
- One hundred and twenty-five open cases pertaining to boards and homeowners

5-E) Administrative fine report pursuant to NAC 116A.350(4).

No administrative fines to report.

5-F) Licensee and board member discipline report.

Teralyn Thompson presented this report.

- Irene Iwanylo has been added to the Commission's report.
- Ms. Iwanylo's fine is due July 19, 2012

5-G-1) Administrator's report on personnel.

Gail Anderson presented this report

- One vacancy in the Auditor II position. Waiting for a certified list from the Division of Human Resources

Commissioner Lein requested a Division organizational chart.

5-G-2) Administrator's report on the status of LCB File No. R009-10 concerning the ADR process.

Gail Anderson presented this report. Ms. Anderson stated that she will consult with the governor's office to see if she can proceed with the regulation. Ms. Anderson stated that she intends on scheduling a workshop for this regulation around June 2012.

Ms. Anderson stated that this regulation is concerning NAC 38 and was started in November of 2010.

Ms. Anderson stated that the Commission will be notified when a workshop is noticed.

5-G-3) Administrator's report on advisory opinions issued by Administrator.

Gail Anderson presented this report. Ms. Anderson stated that the Division receives requests addressed to the Division and the Commission. Ms. Anderson stated that when requests come addressed to the Commission, requests are placed in the Commission meeting packet for the next Commission meeting. Ms. Anderson stated that it would be helpful if the requesters would understand that the Division and the Commission are two different entities.

Ms. Anderson stated that advisory opinion requests are with the Real Estate Division Administrator's Office. Ms. Anderson stated that she is working with Ms. Brigg, counsel for the State, on several responses which are a priority along with the caseload in the compliance section. Ms. Anderson stated that requests will be responded to.

Commissioner Lein asked if people who submit a request for an advisory opinion receive a letter acknowledging receipt of that request.

Ms. Anderson stated that they do not receive letters.

Commissioner Lein stated that it would be helpful to acknowledge that it has been received. Commissioner Lein asked if there were guidelines to requesting an advisory opinion.

Ms. Anderson answered that only what is in statute about how to request an advisory of the administrator. Ms. Anderson stated that there is nothing in statute or regulation about addressing an advisory opinion to the Commission.

Commissioner West suggested placing an insertion in the manual.

Ms. Anderson stated that if the Division receives advisory requests for a recurring issue, the Division would bring a proposal for a regulation to clarify something that is not clear. Ms. Anderson stated that an advisory opinion is asking for an interpretation of existing law. Ms. Anderson stated that sometimes the advisory opinion requests are very fact specific where an advisory opinion is not fact specific.

Ms. Anderson stated that the backlog for advisory opinion requests is about 30 and some requests contain multiple questions. Ms. Anderson stated that not all advisory opinion requests will be responded to by an advisory opinion.

5-G-4) Administrator's report on status of solicitation for qualifications for a new panel of arbitrators and mediators for the Alternative Dispute Resolution program.

Gail Anderson presented this report. Ms. Anderson stated that this agenda item is regarding LCB File No. R099-10. Ms. Anderson stated that the Division is going ahead with solicitation for qualifications for arbitrators. Ms. Anderson stated that mediators will have a request for proposal. Ms. Anderson stated that the Division would like a larger panel in the north and south. Ms. Anderson stated that it involves going through a contract process after the solicitation.

Ms. Anderson stated that the solicitation will be posted on the Division's website and mailed to a number of individuals who have expressed an interest. Ms. Anderson stated that the Commission will be notified when it is posted.

5-H) Discussion regarding proposal for Commission meeting documentation to be provided in electronic flash drive format rather than paper format, which would require commissioners to have access to and use of personal laptop computer or notebook at Commission meetings.

Gail Anderson stated that the Real Estate Commission and Appraisal Commission have used the electronic flash drive for one to two meetings. Ms. Anderson stated that the meeting packets for Commissioners are prepared on a flash drive that is mailed to Commissioners. Ms. Anderson stated that flash drives would be returned to the Commission Coordinator after the meeting. Ms. Anderson stated that there will be additional documents that are presented at the meeting or emailed separately later.

Ms. Anderson stated that this would save paper and postage. Ms. Anderson stated that the Division does not have laptop computers or devices to issue to the Commissioners.

Ms. Anderson stated that this format has worked well for the Real Estate Commission. Ms. Anderson stated that the Commission does not always meet in a room with wireless internet available. Ms. Anderson stated that this is why the Division has decided not to make the access to meeting packets web based.

4) Regulation workshop for LCB File No. R056-12

Commissioners in attendance in Las Vegas:

M. Favil West, Gary Lein, Robert Schwenk and Senior Deputy Attorney General Henna Rasul serving as Commission Counsel

Commissioners in attendance in Carson City:

Marilyn Brainard and Barry Breslow

Division staff in attendance in Las Vegas:

Gail Anderson, Administrator; Kara Jenkins, Ombudsman; Victoria Broadbent, Program Officer; Joanne Gierer, Legal Administrative Officer; Nicholas Haley, Education Officer; Ken Richardson, Program Training Officer; Senior Deputy Attorney General Michelle Briggs, Division Counsel; Terilyn Thompson, Commission Coordinator; Sonya Meriweather, Administrative Program Officer.

Division staff in attendance in Carson City:

Christopher Cooke, Compliance Investigator

Workshop started on May 9, 2012 at 10:00am. Workshop closed on May 9, 2012 at 10:48am.

5-H) Discussion regarding proposal for Commission meeting documentation to be provided in electronic flash drive format rather than paper format, which would require commissioners to have access to and use of personal laptop computer or notebook at Commission meetings.

Commissioner Lein suggested that the Division provide the Commission with a hardcopy version of the meeting packet and on the USB flash drive at the next Commission meeting.

Gail Anderson stated that she wanted the Commission's input as to whether they would like to try this. Ms. Anderson stated that this is an administrative item for the Commission's input.

Commissioner West requested that Chairman Watkins and Commissioner Sibley be notified and this matter be placed on the next meeting agenda as an action item.

Commissioner Schwenk stated that he would like a rough estimate of what the savings would be by eliminating paper Commissioner meeting packets.

Commissioner Lein stated that a long term benefit would be that the information could be stored and the electronic format could be accessed.

5-I) Discussion regarding whether the requirement of NAC 116.405(8)(d) for the board to "obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association" applies to the consideration of renewal of a contract.

Commissioner West stated that the Commission has discussed this several times and have not felt that three bids are necessary for the renewal of a contract.

Commissioner Breslow stated that three bids are too many for renewing contracts and for obtaining initial contracts. Commissioner Breslow stated that on a renewal contract, two bids are fine.

Commissioner Schwenk stated that bids are not needed to purchase paper clips or renewing a landscaping contract. Commissioner Schwenk stated that if the contract exceeds ten percent of the association's budget, three bids should be required.

Commissioner Lein stated that he feels it is at the discretion of the board of directors. Commissioner Lein stated that he encourages his boards to obtain competitive bids. Commissioner Lein stated that he thinks it is healthy and should not be mandated. Commissioner Lein stated that if an association is satisfied with the services and professionalism received, then it should not be required to obtain additional bids.

The Commission agreed that three bids are not required for the renewal of a contract.

6-A) Attorney General's case status report.

Gail Anderson stated that since this is Senior Deputy Attorney General Henna Rasul's first meeting, she will provide the Commission with a report at their next meeting.

6-B) Discussion concerning whether it is appropriate for certain classes to educate board members and units' owners which are offered by the Ombudsman or funded under the education outreach program of the Ombudsman should be considered for approved continuing education for licensed community managers.

Nicholas Haley stated that there are three types of classes and two of which come before the Commission for approval. Mr. Haley stated that pre-certification classes are classes that are taught to beginning managers. Mr. Haley stated that the process by which these classes are approved is in NAC 116A. Mr. Haley stated that these are classes that would be submitted to the Division and are approved for post secondary education. Mr. Haley stated that when this type of course is approved, it is under the heading of whoever submitted that application.

Mr. Haley stated that continuing education classes are comparable to the pre-certification classes except the Commission does not have a role in post- secondary education. Mr. Haley stated that continuing education classes are recommended by the Division, go before the Commission for approval and if approved would be under the heading of whoever submitted the application.

Mr. Haley stated that the third category of classes do not come before the Commission. Mr. Haley stated that these classes are specifically for homeowners and authorized under NRS 116.625 and NRS 116.630. Mr. Haley stated that these are classes intended solely for homeowners. Mr. Haley stated that it is in the statute that the Ombudsman's Office may spend unit owner money because these are classes funded by unit owners' entirely.

Mr. Haley stated that the issue is whether or not classes can be piggy backed. Mr. Haley stated that there are some pre-certification classes and continuing education classes that piggy back. Mr. Haley stated that an experienced manager might take a pre-certification class for continuing education credit.

Mr. Haley stated that the problem is that the homeowner classes and continuing education classes are approved under different chapters of law and have different approval processes. Mr. Haley stated that these classes have different ownership. Ms. Haley stated that the classes from the Ombudsman are the Ombudsman's classes taught on the Ombudsman's behalf. Mr. Haley stated that the legal requirements for these two different types of classes are different. Mr. Haley stated that a continuing education class is entirely under the control, within regulation, of the sponsor. Mr. Haley stated that the sponsor determines when and where the class is held. Mr. Haley stated that homeowner classes are under the control of the Division and legal consequence includes insurance requirements.

Mr. Haley stated that homeowner classes are funded by unit owners'. Mr. Haley stated that if a class were to serve as a homeowner and continuing education classes, that class would be a class that is one hundred percent funded by unit owners' with a private sponsor being offered to community managers.

Mr. Haley stated that because the Ombudsman's classes belong to the Ombudsman's Office, they are advertised on the Division's website, emails and flyers. Mr. Haley stated that the Ombudsman's Office would not promote this class for continuing education through a private sponsor.

Commissioner West stated that because of the difference in funding and in law, the Commission could not approve Ombudsman classes as continuing education. Commissioner West requested that this agenda item be removed because it is not applicable and the Commission can not address it.

6-C) Discussion and possible action concerning a request by Aaron Campillo that the Commission reviews for compliance with Chapter 116 his proposal for "HOA-Sponsored Membership Benefits Programs and Financial Advisory Services."

Commissioner West stated that he requested this agenda item to be added to the agenda. Commissioner West stated that he has read Mr. Campillo's letter addressing this issue. Commissioner West stated that Mr. Campillo is requesting the Commission and Division to support a given benefit program which is not stated in his letter. Commissioner West stated that the State, Commission and Division would not allow for that type of support.

Commissioner Lein requested to hear from Mr. Campillo regarding his background and what is being proposed. Commissioner Lein asked if a benefits program is in the best interest of the association or the members.

Aaron Campillo stated that there is confusion on what the benefit program is and the reason for approaching the State with this initiative. Mr. Campillo stated that he is in financial services and is a broker with Guardian. Mr. Campillo stated that he has been a Nevada resident for nineteen years and has a graduate degree in business administration. Mr. Campillo stated that he has been fully licensed as a financial advisor but currently keeps an insurance license.

Commissioner Lein stated that he is concerned about Mr. Campillo soliciting the membership on behalf of the association. Commissioner Lein stated that there might be some confusion and does not see how it would be in the best interest of the association and its general membership. Commissioner Lein asked if Mr. Campillo planned on paying the association for this affiliation and endorsement.

Mr. Campillo stated that he does not believe that the law allows for the association to be compensated. Mr. Campillo stated that it would be in the best interest of the association for the same reason that thousands of associations throughout America offer benefits' programs to their members. Mr. Campillo stated that the benefits program cannot be determined right now because the program cannot move forward without insurance companies knowing that they can invest time to develop a group benefits product for homeowners in community associations where there is a market for it.

Mr. Campillo stated that he approached Deputy Director of the Department of Business and Industry Ashok Mirchandani with this initiative and Mr. Mirchandani directed Mr. Campillo to the Real Estate Division and the Division of Insurance. Mr. Campillo provided the Commission with an email communication dated April 5, 2012 that was sent to Mark Dickinson from the Division of Insurance. Mr. Campillo stated that this is a very rough outline of what Mr. Campillo is proposing. Mr. Campillo stated that he is proposing that the State of Nevada be the first state in the nation to try to offer voluntary benefits to homeowners through community associations.

Mr. Campillo stated that he sent a letter to Steven Miller who is the Director at the Governor's Office of Economic Development. Mr. Campillo stated that this letter outlined what this initiative could mean for the State of Nevada. Mr. Campillo stated that there have been two trends: the place of community associations in the lives of Nevadans and the trend that benefit programs are going. Mr. Campillo stated

that in the seventies it was common for there to be defined benefits programs. Mr. Campillo stated that benefit programs started getting into defined contributions. Mr. Campillo stated that with the raise in cost of health care plans to employers, what used to be part of a comprehensive benefits plan which was life insurance, disability insurance, long term care, dental and vision have shifted. Mr. Campillo stated that most small business employers have employees pay all voluntary benefits.

Mr. Campillo stated that it would be in the best interest of the association because community associations have a reputation. Mr. Campillo stated that sponsoring a benefits program that does not cost the community association money and is for the benefit of unit owners could help with the reputation of community associations.

Commissioner Breslow stated that he would not be in favor of looking into this item further.

Commissioner Lein moved that the Commission in no way endorse a homeowner association sponsored membership benefits program and financial advisory services. Seconded by Commissioner Schwenk. Unanimous decision.

6-D-1) Discussion and possible action on proposed changes, additions and deletions to NAC 116, NAC 116A or NAC 116B including amending NAC 116.520 to eliminate the subsidy for binding arbitration and to provide for subsidizing mediation.

Teralyn Thompson stated that Chairman Watkins requested that this item be kept on the agenda for the next Commission meeting since he is not available for discussion.

Gail Anderson stated that by the time the next Commission meeting arrives, it will pass the time where the Commission can submit new requests for regulation files. Ms. Anderson stated that the Commission was given a draft that was submitted with proposed amendments to NAC 116.520 provided by former Chairman Michael Buckley. Ms. Anderson stated that Michael Buckley's proposed amendments change arbitration to mediation.

Ms. Anderson stated that the discussion would be whether the Commission would wish for Ms. Anderson to pursue the potential of a regulation and to submit the document that Mr. Buckley drafted to get a regulation file number.

Commissioner Brainard moved that the Commission move forward so that the Commission does not miss the regulation period. Commissioner Brainard stated that it is important because very few binding arbitrations are ever selected by both sides. Seconded by Commissioner Lein.

Commissioner West stated that he is against any kind of subsidy. Commissioner West stated that his wish is for continuing this agenda item and getting the decision of the entire Commission at a future date. Unanimous decision.

6-D-2) Discussion and possible action on proposed changes, additions and deletions to NAC 116, NAC 116A or NAC 116B including review of public comments from the regulation workshop regarding LCB File No. R204-09 held May 9, 2012.

Commissioner Brainard stated that she would like to include in the proposed regulation that the list of approved foreign financial institutions be posted on the Division's website.

Commissioner West agreed that section eight should be moved to section one or two because it has to do with definitions.

Commissioner Lein moved to proceed with LCB File No. R204-09 with the Commissioners Brainard and West's changes incorporated into the document. Seconded by Commissioner Schwenk. Unanimous decision.

6-D-3) Discussion and possible action on proposed changes, additions and deletions to NAC 116, NAC 116A or NAC 116B including review of public comments from the regulation workshop regarding LCB File No. R056-12 held May 9, 2012.

Commissioner Brainard moved that proposed regulation LCB File No. R056-12 is further reviewed in a properly noticed workgroup opened to interested parties. Seconded by Commissioner Breslow. Unanimous decision.

6-D-4) Discussion and possible action on proposed changes, additions and deletions to NAC 116, NAC 116A or NAC 116B including LCB File No. R121-10 concerning unit owners' complaints; unit owners' the right to counsel; changes to NAC 116.410 and NAC 116.482.

Gail Anderson stated that the language is an agency draft. Ms. Anderson stated that this file was opened in November 2009 after the legislative session.

Joanne Gierer stated that there was a workshop conducted for this regulation on July 13, 2010.

Ms. Anderson asked if this proposed regulation is something that the Commission wishes to move forward. Ms. Anderson stated that this regulation was listed on the Commission's agenda to inform the Commission of its status.

Commissioner Lein stated that it is important that the Commission move forward with this regulation. Commissioner Lein stated that specifically sections 4, 5 and 6. Commissioner Lein stated that he brought these changes forward because section 4 contains language about the guide that no longer exists since September 2010. Commissioner Lein stated that sections 5 and 6 bring in line what was done with NAC 116B.

Commissioner Lein moved to move forward with LCB File R121-10 to the Legislative Counsel Bureau for drafting. Seconded by Commissioner Breslow.

Commissioner West stated that he has a problem with section 2 of the regulation. Commissioner West stated that he has a problem with having an amateur step up to represent a serious problem. Commissioner West stated that if a problem arises that person should get an attorney.

Commissioner Schwenk stated that he thinks that there are very knowledgeable people in this industry. Commissioner Schwenk stated that there are a lot of community managers who could act as a representative within their own association. Commissioner Schwenk stated that he disagrees with Commissioner West regarding section 2.

Unanimous decision.

6-E) Discussion and possible action to approve minutes of the March 6, 2012 Commission meeting.

Commissioner Brainard moved to accept the minutes. Seconded by Commissioner Lein. Unanimous decision.

6-F) Discussion regarding Commissioners' speaking engagement requests.

No request to report.

7-1) Nevada Association Services

“Effective Communications and Public Relations for Community Associations”

Request: 3 hours General Classroom

Nicholas Haley presented this course. Mr. Haley stated that he recommends approval but noted a few concerns. Mr. Haley stated he wanted to see more regarding two way communications because there is more two way communication within a homeowner association than there is in typical corporate communications.

Commissioner Brainard stated that she is a personal friend of Ms. Behrens. Commissioner Brainard stated that this would be a great class for homeowners and board members.

Commissioner Brainard moved to approve the course. Seconded by Commissioner Schwenk. Unanimous decision.

7-2) Community Associations Institute

“M-100: The Essentials of Community Association Management”

Request: 16 hours General Online/Distance Education

Nicholas Haley presented this course. Mr. Haley stated that he recommends approval.

Commissioners Brainard, Schwenk and Lein disclosed that they are members of the Community Associations Institute but do not think that will influence their vote.

Commissioner Schwenk moved to approve the course. Seconded by Commissioner Brainard. Unanimous decision.

7-3) Community Associations Institute

“M-400: Emerging Technologies for Community Association Management”

Request: 12 hours General Classroom

Nicholas Haley presented this course. Mr. Haley stated that this course does not meet the standards of NAC 116A.232(3)(b). Mr. Haley stated that this class focuses on the use of various types of computer technology and software. Mr. Haley stated that NAC 116A.232(3)(b) precludes a class from being largely regarding the use of computers or computer software. Mr. Haley recommended denial.

Commissioner Brainard stated that she and Commissioner Watkins agreed that the current language in NAC 116A.232(3)(b) limits what topics can and cannot receive continuing education credits. Commissioner Brainard stated that if the Commission wishes to amend the regulation, the Commission can do so. Commissioner Brainard stated that the current regulation may want to distinguish between entry level office skills and knowledge that will greatly enhance the management capabilities of a community association manager.

Gail Anderson stated that the Commission could not approve courses in such topics as Microsoft Word operations or Excel operation. Ms. Anderson stated that the regulation would allow the Commission to approve a course that develops clerical or office business skills relating to the management of a common-interest community.

Commissioner Brainard moved to approve the course. Seconded by Commissioner Schwenk. Unanimous decision.

This course is retroactive.

7-4) Community Association Solutions

“NAC 116, NAC 116A, NRS 116 and NRS 116A (NRS 116B and NAC 116B)”

Request: 3 hours NRS 116/NAC 116 Classroom

Nicholas Haley presented this course. Mr. Haley recommended approving this class for general credit. Mr. Haley stated that this course is one component of what is taught to beginning managers in the pre-certification course. Mr. Haley stated that every two years community managers are to receive a class on updates regarding NRS 116. Mr. Haley stated that the point of the update is to keep community managers current on the law because it changes frequently.

Mr. Haley stated that there was some confusion regarding this issue over the years. Mr. Haley stated that on May 5, 2011 the regulation clarifying this requirement was enacted. Mr. Haley stated that language was added stating that there is an emphasis on recent changes to NRS 116 and NRS 116A. Mr. Haley stated that the Division expects each class with the law designation to emphasize recent changes to the law. Mr. Haley stated that this class does not fit the definition of an NRS 116 update as stated in the regulation. Mr. Haley stated that there is very little of NRS 116 in this class. Mr. Haley stated that the focus is more on regulations and that is why this class has been recommended for general credit.

Commissioner Lein disclosed that he knows a number of the instructors. Commissioner Lein stated that he teaches with Sara Barry on the pre-certification, the Ombudsman’s Fiscal Matters class and provides accountant services to Ms. Barry. Commissioner Lein abstained from voting.

Sara Barry stated that any time a regulation is changed, the material in the class changes. Ms. Barry stated that this class gets taught outside of those sixty hours as well. Ms. Barry stated that teaching this class helps the more seasoned community managers keep up to date with NAC and at times the only way to get them to the class is by offering for law credits. Ms. Barry stated that the Commission had previously approved this course for law credit.

Commissioner Schwenk stated that it is difficult for managers to get law courses. Commissioner Schwenk stated that some of Ms. Barry’s classes are beneficial to older community managers.

Commissioner Schwenk moved to approve the class for law credit designation. Motion died for lack of a second.

Commissioner Schwenk moved to approve the class for general credit designation. Seconded by Commissioner Breslow. Motion carried with Commissioner Lein abstaining.

8) Discussion and possible action on date, time, place and agenda items for upcoming meetings.

Teralyn Thompson stated that the next Commission meeting is August 14-16, 2012.

Commissioner Brainard stated that she would like the public comment dated March 12, 2012 from RMI Management added to the next meeting agenda.

Commissioner Breslow asked if it would be possible to change meeting date to August 13-15, 2012.

Gail Anderson stated that if other Commissioners are available, the Division can look into Commissioner Breslow’s request.

9) Public Comment

Tim Stebbins commented on agenda item 5-H regarding electronic documentation for the Commission.

Mr. Stebbins suggested that the electronic format be available to homeowners or any other interested parties.

Mr. Stebbins commented on agenda item 5-I regarding three bids. Mr. Stebbins stated that he likes the three bid idea even for renewals. Mr. Stebbins stated that in the latest legislative session, there was a law added that stated that no vendor contract could be worded in such a way that that vendor gets any kind preferential treatment in the renewal of a contract. Mr. Stebbins stated that the legislative intent was that a vendor would be investigated, looked at and possibly renewed at the discretion of the board.

Mr. Stebbins commented on LCB File No. R121-10. Mr. Stebbins stated that there are people in Las Vegas who might want to have an advocate who is not an attorney. Mr. Stebbins stated that this advocate could include a member of the legislature. Mr. Stebbins stated many legislators are not attorneys but are very knowledgeable in the law, know the intent and can be an advocate to help a homeowner. Mr. Stebbins stated that advocates other than attorneys should be allowed.

George Crocco, homeowner at Canyon Willow Pecos homeowner association, commented on Mr. Richardson and Mr. Haley. Mr. Crocco stated that he went to an Ombudsman's class last month and it was extremely beneficial. Mr. Crocco stated that eighty-five percent of his homeowner association membership is over eighty years old. Mr. Crocco stated that the members are confused but come to Mr. Crocco for assistance. Mr. Crocco stated that Mr. Haley and Mr. Richardson offered to come to his homeowner association to teach a class.

Aaron Campillo commented. Mr. Campillo stated that there seems to be confusion about why he needs to approach the State. Mr. Campillo stated that he is not asking the Commission, Division, Department of Business and Industry or the State to endorse any products, programs or persons. Mr. Campillo stated that he submitted to the Division and Commission a review of the powers granted to community associations and entities of the same type. Mr. Campillo stated that he is asking that the State help assess the regulatory environment and interpret Nevada statutes.

Judi Gesh commented. Ms. Gesh stated that twenty-one Ombudsman's classes are scheduled through June with three outside of Las Vegas and not very far. Ms. Gesh stated that all the homeowner associations in the State pay the same amount to the Ombudsman's Office. Ms. Gesh stated that homeowner associations in the north are not given the opportunities as homeowner associations in the south. Ms. Gesh stated that this is a disservice to many.

Jonathan Friedrich commented on advocates. Mr. Friedrich stated that the Commission needs to consider people who may not speak English and in need of interpreters.

Mr. Friedrich commented on three bids. Mr. Friedrich asked if service includes professional services such as accountants, attorneys and insurance companies or are only vendors such as landscapers considered a service. Mr. Friedrich stated that this should be clarified.

Mr. Friedrich commented on the arbitration program. Mr. Friedrich stated that there is a proposed total revamp of the ADR system whereby outside arbitrators will not be used. Mr. Friedrich stated that it would be a full time State employee that conducts the arbitration sessions. Mr. Friedrich stated that this would stop the abuse and the high cost.

10) Commissioner Comments

Commissioner Brainard stated that the Nevada CAI Chapter's education program for homeowners called the Dedicated Community Association Leader program was given recognition by the National

Organization of Community Associations Institute as an outstanding leadership program across the United States.

Commissioner West stated that there will be many proposals with respect to ADR and all elements of NRS 116. Commissioner West stated that to suggest that one is superior to the other might be premature. Commissioner West stated that last session there was a suggested change to the ADR program that went nowhere. Commissioner West stated that there is reason to believe that the whole justice system should be looked at and not just the ADR program. Commissioner West stated that he has reported on this in the past and will probably report on it in the future.

11) Adjournment, for possible action

Commissioner Brainard moved to adjourn the meeting. Seconded by Commissioner Schwenk. Unanimous decision. The meeting adjourned on May 9, 2012 at 12:36pm.

Respectfully Yours,

Teralyn Thompson
Commission Coordinator