

Nevada Commission for Common-Interest Communities  
February 1, 2006  
Bradley Building  
2501 E. Sahara Avenue  
2<sup>nd</sup> Floor Conference Room  
Las Vegas, NV 89104

Video-conference to:

Dept. of Business & Industry  
788 Fairview Drive  
Hearing Room  
Carson City, NV 89701

## MINUTES

1:07 p.m.

Wednesday, February 1, 2006

(1) **Commission Division Business:**

Chairman Buckley opened the Commission meeting at 1:07 p.m.

(1-a) **Introduction of Commissioners in attendance:**

Carson City: Michael Buckley, Shari O'Donnell, Karen Brigg and Kateri Cavin,  
Commission Counsel.

Las Vegas: Diane Radunz. Jan Porter arrived while the Workshop was in progress.

(1-b) **Introduction of Division Staff in attendance:**

Carson City: Gail Anderson, Joanne Gierer, Matt DiOrio and Chris Cooke.

Las Vegas: Linda Pierson, Pam Riebe, Susan Clark and Sonya Meriweather.

Chairman Buckley recessed the Commission meeting at 1:10 p.m.

(2) **Regulation Workshop: The Real Estate Division will conduct a workshop to receive public comments on proposed regulations known as LCB File No. R205-05:**

Ms. Anderson opened the workshop at 1:10 p.m. and described the procedure that would be followed and the purpose of the proposed regulations known as LCB File No. R205-05.

Workshop comments are attached to the minutes from today's meeting.

Ms. Anderson thanked those present in Carson City and Las Vegas for their attendance.

The Regulation Workshop ended at 2:45 p.m.

**3:00 p.m.**

**Wednesday, February 1, 2006**

Chairman Buckley called the meeting to order.

Chairman Buckley noted that Commissioner Porter was in attendance.

Chairman Buckley stated the adoption hearing for R205-05 is set for March 28, 2006.

**(3\*) Commission/Division Business:**

**(3-a) Discussion and possible action on proposed changes, additions and deletions to NAC Chapter 116, LCB R-205-05, including review of public comments from regulation workshop held January 17, 2006 and comments from workshop held February 1, 2006:**

**Section 2:**

Commissioner Radunz stated that “cost and fair market values” should be removed from the language.

A lengthy discussion ensued on the definition of financial statements. Chairman Buckley stated that a change needs to be made to the statute defining financial statements.

Chairman Buckley suggested the language should read “the financial statements of an association as required by NRS 116.31142.” Commissioner Radunz agreed.

**Section 3.1:**

Commissioner Radunz stated that associations could be allowed to use a single column format on interim statements only as long as there is a reconciliation of the fund balances on the statement of operation.

After a lengthy discussion, the Commission reached a consensus that the language should read that for interim financial statements associations can use a single column format with certain conditions.

Chairman Buckley stated that the language in the existing LCB draft will be replaced with Commissioner Radunz’s language in sections 2-7.

**Section 4:**

Chairman Buckley stated that 4.3 should say that the financial statements must be prepared by someone with experience in the preparation of financial statements and that the 5 year requirement is not necessary.

**Section 5:**

No further changes to proposed changes.

**Section 6 (of Commissioner Radunz’s revisions, Section 5 of the LCB draft):**

The consensus among the Commissioners was that 6(b) be changed to indicate that the financial statement would be made available to the Division upon request.

**PUBLIC COMMENTS:**

**Mark Kaplinsky:**

Mr. Kaplinsky requested a copy of the letter from Senator Amodei. Mr. Kaplinsky stated that accountants need not be in the same region as the association, but can be anywhere.

Chairman Buckley requested that Commissioner Radunz redo the discussed changes and get them to Joanne Gierer.

**Section 6 – (LCB draft):**

After a lengthy discussion, the Commission reached a consensus stating that in 6.3 the phrase “unit’s owner” will be replaced with “resident.”

**Eldon Hardy:**

Mr. Hardy stated that workshops should be open to all homeowners and residents. Mr. Hardy stated that a notice should be given in an association newsletter.

Commissioner Porter stated that previously the Commission had discussed language in 6.4 that said notice should be posted in a stated public place within the community. Commissioner Porter stated that this could become an issue for communities that don’t have an appropriate location in which to post notices.

The Commissioners agreed to delete all of Section 6.5.

**PUBLIC COMMENT:**

**Mark Kaplinsky:**

Mr. Kaplinsky stated that Section 6.5(a) is important because some committees have jurisdiction over homeowner violation and therefore it would be inappropriate to have the public invited. Mr. Kaplinsky stated that with regard to meeting notices, an e-mail should be the default method of delivery.

Chairman Buckley stated that the type of meeting referenced in Section 6 is not a rules violation meeting.

**Section 7 (LCB draft):**

No further changes.

**Section 8 (LCB draft):**

No further changes.

**Section 9 (LCB draft):**

Chairman Buckley read the revised changes.

**Section 10 (LCB draft):**

No further changes. Chairman Buckley stated that the Commission needs to revisit NRS 116.31185 to clarify the language.

**Section 11 (LCB draft):**

No further changes.

Chairman Buckley stated that the Commission can't tell associations where to keep their money other than that it must be in a federally insured institution.

Chairman Buckley stated that the definition of fiduciary responsibility needs to be addressed.

Chairman Buckley read through written comments from Kevin Ruthe regarding responsibilities of community managers and requested public comment on the issue.

**Public Comment:**

**(name unintelligible)**

Suggested that CAMEO and the Division should work together on this issue at meetings.

Issue 1: NAC 116.120.

Gail Anderson stated the Division attempted to address some of CAMEO's issues with a position statement.

Commissioner O'Donnell stated that an experienced community manager new to the area should not need to be made provisional.

Chairman Buckley asked Commissioner Brigg to work on the language for this section and get it to Joanne Gierer in two days time to meet LCB deadline.

Chairman Buckley stated that that in NAC 116.065 the word "direct" should be removed.

Issue 2 – NAC 116.341  
CAM refusing payments.

**Public Comment:**

**(name unintelligible)**

Stated that if a resident brings in a payment on an account that has gone to collection, it can be forwarded to the agency.

**Kevin Wallace:**

Mr. Wallace stated that since an association can't foreclose on anything not considered an assessment, the owner must have a payment agreement with the collection agency stating all costs, including collection costs, will be paid, in order for the association to recover collection charges.

**Marilyn Brainard:**

Ms. Brainard stated that a payment should be accepted but not processed through the books, but through the collection agency.

Issue 3 – NAC 116.185(2)

Two year requirement for supervising CAM

Consensus among the Commissioners is that one year experience is sufficient.

Issue 4 – NAC 116.185

Supervisory CAM

**Kevin Ruth:**

Mr. Ruth stated that the requirements should be a community manager with the proper experience as delineated in section b.

**Alicia Pienello – RPMG:**

Ms. Pienello stated that if a manager has been permitted for 20 years they should be able to be a super CAM. Ms Pienello further stated that if provisional licenses have been issued she's not aware that anyone is a super CAMs or that one can become a super CAM right now.

Chairman Buckley requested Commissioner Brigg to take a look at NAC 116.185(2) and make sure the Commission has covered the issues of supervisory CAMS.

**(2-b) Discussion and possible action regarding proposed legislative changes for 2007**

**Session:**

Commissioner Porter stated that the portion which says that a person under contract to a house can get a copy of the resale package should be changed to take out language that says "a purchaser to whom unit owner has provided a resale package." Chairman Buckley stated he doesn't want to revisit section 4109 again without consent of real estate agents, and that issue will be added to the list.

**(3-c) Discussion and possible action on date, time, place and agenda items for upcoming meetings:**

Joann Gierer stated the next meeting of the Commission is March 28-30, 2006 in Las Vegas.

Gail Anderson stated she would like to propose a training session for the Commission on March 28, 2006, in the morning, then begin the meeting in the afternoon.

**(d) Commissioner Comments:**

Commissioner Porter stated she was able to renew her license with no trouble at the Division office.

Commissioner O'Donnell thanked those who spent the day at the meeting giving their input.

**(4) Public Comment:**

**Mark Kaplinsky:**

Mr. Kaplinsky stated the audio was cutting in and out during discussion of gifts, and wanted to confirm if section 10, which discusses the aggregate amount of \$250, was going to be deferred or is in the recommended regulations.

**(5) Adjournment:**

Chairman Buckley adjourned the meeting at 5:28 p.m.

Respectfully submitted,

Linda Pierson,  
Commission Coordinator