

**WRA Executive Committee Meeting
Wednesday, December 8, 2004
Country Springs Hotel - Waukesha**

MINUTES

PRESENT: Steve Beers, Kitty Jedwabny, Jeff Kitchen, Susan Mathews, Kevin McKillip, Roger Rushman, Mike Spranger.

STAFF: Bill Malkasian, Gale Foster, Stephanie Larson, Kitty Kuhl, Rick Staff, Mike Theo, Rob Uhrina and Sandy Bolgrihn.

CALL TO ORDER

Chairman Jedwabny called the meeting to order at 10:00 am.

QUORUM DETERMINATION

President Malkasian determined that a quorum was present.

TREASURERS REPORT

Financial Statements

Treasurer, Roger Rushman gave the Committee a report and overview of the October 31, 2004 Financial Statements.

M/S/C - to accept the General Fund Statements of Financial Position and Activities., the Financial reports for the Legal Action Fund, Wisconsin REALTORS Foundation, RPAC, Private Property Action Fund, Research & Development Fund, Issue Advocacy Funds, as of October 31, 2004 as presented.

Directors will review 12/31/04 statements in January.

2003-2004 Fiscal Year Review

Carl Schultz and Kelly Gustafson from Suby Von Haden and Associates presented the 2003-2004 WRA Consolidated Financial Report, September 30, 2004.

M/S/C - to recommend to the Board of Directors the approval of the WRA and Affiliated Organizations 2003-2004 Fiscal Year Review dated September 30, 2004 as prepared by Suby Von Haden and Associates.

President Malkasian presented the following change to the WRA Bylaws:

Administration of Association funds

The proposal mandates that an audit be conducted annually of all funds versus the option of a review by the outside accounting firm.

Article V, Section 8. (a) The Board of Directors shall administer the finances of the Association including the adoption of the annual budget, establishing Association dues for the various categories of membership and appropriation of funds. (b) The accounts of the Association shall be audited ~~or reviewed~~ annually by a certified public accountant.

M/S/C – to recommend approval of the following change to the WRA Bylaws proposing that an annual audit of all funds be conducted versus the option of a review by an outside accounting firm.

WRA Long-term Investments

Michael Hull from Smith Barney, Inc. presented the investment performance report. Michael also overviewed the Investment Policy and noted a couple of clarifications that were recommended by the WRA auditors.

M/S/C - to accept the November 30, 2004 investment performance report of Smith Barney, Inc.

Reserve Balance/Contingency Expenditures

President Malkasian and Administrative Services Vice President Gale Foster presented the Reserve Balance/Contingency Expenditures Report.

M/S/C – to accept the following Reserve and Contingency Expenditures:

Reserve Expenditures:

\$50,000	- Contribution to Research and Development Fund
\$83,333	- Pay down mortgage (2/05)
\$83,333	- Pay down mortgage (2/06)*
\$83,333	- Pay down mortgage (2/07)*

*A future Board of Directors can rescind the decision at any time if economic time warranted it.

Contingency Expenditures:

\$10,000	- WMC Issue Mobilization Council
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Member Profit Program

Representatives from M&I Bank presented the investment performance report for the Member Profit Program.

M/S/C – to accept the November 30, 2004 investment performance report for the Member Profit Program

WRA Employee Profit Sharing Program

Gale Foster presented the investment report for the WRA Profit Sharing Program and the amendments to the plan.

M/S/C – to recommend approval of the amendments to the Plan.

M/S/C – to accept the October 31, 2004 Report from Johnson Trust.

PRESIDENTS REPORT

WRA Meetings/Events Calendar

A calendar of upcoming WRA meetings and events was distributed to the Committee for their information.

January 20-21, 2005 Board of Director Meeting

A draft agenda was distributed to the Committee and briefly discussed.

Nominating Committee

The Nominating Committee is scheduled to meet on January 20, 2005 to interview candidates for 2006 Chairman-Elect and Treasurer.

REPORT OF THE GENERAL COUNSEL

WRA Bylaw Revision

President Malkasian presented the proposed changes to the WRA Bylaws as follows:

Budget and Investment Committee composition

The proposal changes the Chairman of the Committee to the incumbent Treasurer versus the Treasurer Elect of the Association.

Article V, Section 6

Section 6. (a) There shall be an Executive Committee, a Budget & Investment Committee, a Nominating Committee, a Professional Standards Committee and such other committees, councils, panels and forums as the Board of Directors creates from time to time. The Chairman may establish advisory task forces with approval of the Directors. Unless otherwise specified in these bylaws the Chairman shall appoint the members of each committee, council, task force, panel or forum. (b) The Executive Committee shall consist of the Chairman of the Board, Chairman of the Board -Elect, Treasurer and four Vice Presidents. Two of the four Vice Presidents shall be members of the Board of Directors. Removal from the Board of Directors of an ex-officio Vice President shall immediately terminate the ex-officio Vice President's position. The Chairman of the Board shall fill any vacancy of a Vice President's position with a qualified candidate who shall serve for the remainder of the vacated term. The Executive Committee may exercise the powers of the Board of Directors between meetings of the Board, except it may not: amend the bylaws, make rules or regulations governing nominations or elections, or prescribe regulations for professional standards proceedings. The Executive Committee may express a public opinion or position on any matter including legislation of major import to the Members of the Association, but only in extraordinary circumstances where a special meeting of the Board of Directors cannot be convened to provide a timely Association position upon the critical issue at hand. The Board of Directors shall be noticed in the same manner as the Executive Committee of any such meeting of the Executive Committee. The Executive Committee shall report any actions taken to the Board of Directors at its next meeting except that any public opinion or position on any matter including legislation of major import to the Members of the Association shall be reported to the Board of Directors immediately. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken by written action signed by two-thirds of the members of the Executive Committee then in office. (c) The Budget & Investment Committee shall consist of the ~~Treasurer-elect who shall be chairman of the committee~~; the elected officers of the Association, the ~~Treasurer-elect~~ and the Vice Presidents-elect. The Treasurer shall be the chairman of the Budget & Investment Committee. The committee may amend the Association's annual budget and appropriate funds between meetings of the Board. The Budget and Investment Committee shall report any actions taken to the Board at its next meeting. (d) The Nominating Committee shall consist of a Chairman and eleven other members who shall be appointed by the Chairman of the Board. *The Chairman may be the immediate past Chairman of the Board of the WRA.* The balance of the Nominating Committee shall consist of the Chairman of the Board -Elect of the Association, three WRA past Chairman of the Board selected by the WRA Past Chairman of the Board Council and seven Regional Representatives selected by the WRA Chairman of the Board. One Regional Representative shall be selected from each of the seven regions. Each Regional Representative shall be a member in good standing of the WRA. The Board of Directors must confirm all appointments to the Nominating Committee. If a member of the Nominating Committee runs for any position for which the candidates are nominated by the Nominating Committee, he/she shall resign from the Nominating Committee. The Chairman of the Board shall fill any vacancy on the Nominating Committee. (e) The Professional Standards Committee shall consist of at least fifteen REALTOR® Members elected for staggered three year terms by the Board of Directors. No member of the committee may serve more than six consecutive years. (f) All other committees, councils, panels and forums shall be created by the Board of Directors by resolution, which shall include the number and qualification of members, their manner of selection, the purposes for which the committees are created, the term of their existence and any other appropriate matters. Committees may create subcommittees or work groups to assist in their operations. All committees shall be assigned to a Department of the Association for administrative purposes. The Chairman of the Board shall be an ex-officio member of all committees, except the Nominating Committee.

Vice President Responsibilities

The proposal modifies language that was obsolete due to prior language revisions of the bylaws. The language now clarifies who assigns the responsibilities of the Vice Presidents on the Executive Committee.

Article VI, Officers, Section 1(d)

Section 1. (a) The elective officers of the Association shall be a Chairman of the Board, a Chairman of the Board -Elect, a Treasurer and four Vice Presidents, all of whom shall be REALTOR® Members of the Association. (b) The Chairman of the Board and Treasurer shall perform those duties normally incident to such offices and such duties as may be assigned to them by the Board of Directors or required by law. If there is a vacancy in the office of President, the Treasurer shall serve as Secretary-Treasurer and perform the duties normally incident to both offices. (c) The Chairman of the Board -Elect shall perform those duties normally incident to the office of Vice-Chairman of the Board and such duties as may be assigned by the Chairman of the Board, the Board of Directors or required by law. (d) ~~The Vice Presidents shall perform Chairman of the Board and the Board of Directors.~~ The Vice Presidents shall perform those duties assigned to them by the Chairman of the Board and the Board of Directors. (e) The Chairman of the Board may appoint task forces to serve during the term of the Chairman of the Board to investigate and research issues which fall outside the jurisdiction of existing committees, councils, panels and forums.

Nomination of NAR directors

The proposal changes the date that the WRA would forward its recommendations for NAR directors to the May meeting of the Directors versus the current January meeting.

Article VI, Officers

Section 3. (a) The Chairman of the Board -Elect and Treasurer shall be elected at the May meeting. NAR Director nominees shall be voted for recommendation to NAR by the Board of Directors at the ~~January~~ May meeting. ~~If a Chairman of the Board is to be elected that election shall be held at the same meeting.~~ (b) The Vice Presidents shall be elected by the Board of Directors at the August meeting.

Performance Duties of Vice Presidents

Clarification regarding the duties of the Vice Presidents.

Article VI, Officers

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Election of Chairman-elect

Currently the Chairman of the Board elect automatically steps up to Chair unless they are unable or unwilling to do so. If the Chairman-elect is unable to move up, this amendment clarifies when the election of the election would take place to fill such position.

Article VI, Officers

Section 5. (a) An elected officer may be removed from office for cause by the Board of Directors at any regular meeting or a special meeting called for that purpose. (b) A vacancy in any elected office, except for the chairmanship, however caused, shall be filled by the Chairman of the Board. A vacancy in the office of Chairman of the Board shall be filled by the Chairman of the Board -elect serving as acting Chairman of the Board unless the Chairman of the Board -elect is unable or unwilling to do so. If a Chairman of the Board -elect is unable or unwilling to fill the vacancy in the office of the Chairman of the Board an election shall be held at the next meeting of the Board of Directors.

Filling a vacancy of the Chairman of the Board

This proposal clarifies the process of filling a vacancy in the Chairman of the Board position. If a vacancy occurs in the Chairman of the Board position the Chairman of the Board –Elect shall fill the vacancy. If the Chairman of the Board elect is unable or unwilling to do, an election to fill such position will be held at the next meeting of the Board of Directors.

M/S/C – to recommend approval of the proposed changes to the WRA Bylaws.

DEPARTMENT REPORTS

Business Services

Education/Product Update

Kitty gave the committee a summary of 2003-2004 education programs and the growth of distance learning. Educational sales are up 27% and product sales are up 34% from last year.

ZipForm

ZipForms recently released a Beta version of its new e-signature solution for its Desktop and Online programs. The WRA staff currently sees two problems with the software; price and a design flaw in the sequential signing and are working with ZipForms to resolve these issues.

Real Estate Transaction Management System

Kitty also reported on a new product that we are reviewing a real estate transaction management system. The transaction platform integrates with ZipForm and facilitates the rest of the transaction process from listing to close. The WRA, Coldwell Banker The Real Estate Group and the REALTORS Association of Northeast Wisconsin will represent WI. The WRA's role in the testing is to provide legal and ZipForm support for a product that WI brokers could eventually use. President Malkasian has been asked to sit on the Board of Directors of this new company.

New Product Development Timetable

Kitty briefly reviewed the new products and their estimated release date.

Communications/Marketing

Advertising

Rob Uhrina Vice President of Communications and Marketing updated the Committee on the advertising budget.

Wisconsin Real Estate Magazine Survey Results

Rob presented the survey results. A few of the results are: 71% of respondents were agents, 60% of respondents were from non-franchise offices, and 98% of respondents read the magazine.

WRA Editorial Calendar

Rob discussed the editorial calendar for 2005 and briefly overviewed the topics within each issue.

Legal Services

Task Force Reports

License Law Task Force is scheduled to meet on December 14th to review the final draft recommendations to clarify the language defining broker/brokerage services. Rick presented the current draft of the task Force's recommendations. The Task Force recommendations will be presented for approval to the Directors at their January meeting.

Risk Reduction Committee

Rick briefly discussed the draft minutes of the November 22nd Risk Reduction Committee meeting. Final minutes will be presented to the Directors in January.

Professional Standards

The Professional Standards Workgroup will meet on December 13th to revise the WRA Professional Standards manual. The Workgroup will prepare a motion for the WRA Director's approval to revise the WRA Manual.

The Workgroup will also submit to the Directors a Board Policy Checklist relating to the administration of professional standards. The Workgroup is also working to modify the Pennsylvania Manual for use by Wisconsin professional standards administrators.

The WRA staff has sent reminder letters and made calls to at large members who have not yet completed quadrennial ethics training. Members have been notified that membership will be suspended if training is not timely completed.

Legal Action Fund

Rick and Tom Larson briefed the Committee on the cases before the Legal Action Committee. More information will be available at the January Director meeting.

Public Affairs

2004 Election Overview

There were a total of 16 State Senate races and 99 State Assembly races, for a total of 115 legislative races statewide. Of this 115 total we had 99 wins and 4 losses. The WRA did not take a positioning 12 race, for a success ratio of 86% (80% in Senate and 98% in Assembly).

RPAC

Mike Theo Vice President of Public Affairs indicated that the 2004 Fundraising Goal is \$400,000 and that as of December 6th we have raised over \$444,072 in RPAC and Direct Giver.

2005 Fundraising Ideas

Mike Theo and Joe Murray met with Kitty Jedwabny and Joan Seramur to establish a plan to increase both total dollars raised and percent of member participation by reenergizing and refocusing RPAC solicitation efforts and to create a permanent two-year fundraising plan to coincide with election cycles and to substantially increase the base (i.e. annual) number of large donors. A statewide membership survey will also be conducted to look for ways to improve participation and total contributions.

2005-07 Legislative Session Issues

Mike overviewed the issues for 2005-07. Legislation ready for drafting include:

- Referral fees – provide brokers with a legal remedy if they want to recourse following a transaction where a third part company demands unearned referral fees.
- Water/shoreland zoning – Ordinary High Water Mark determination – limit the DNR's authority to re-determine the OHWM is such re-determination converts private property to public property.

- Nonconforming structures – Prohibits state agencies and local unites of government from adopting regulations that require legal, nonconforming structures (that are nonconforming due to a change in setback requirements of OHWM) to eventually be brought back into compliance.
- Annexed land – Eliminate the current statutory provision that requires newly annexed land to continue to be regulated by the county shoreland zoning regulations rather than the city/village regulations.
- Limitations on moratoria and allotment ordinances – Limit the ability of local units of government to enact moratoria and place restrictions on the number of building permits to be allocated each year.
- Equitable estoppel/reasonable reliance for permittees – seek legislation that will allow property owners to reasonable rely upon the permits received by government entities.

Tom Larson also updated the Committee on the pier rules, Chapter 30 rules pertaining to regulations of navigable waterways, shoreland zoning rules and the annexation issue and economic development.

Political Fundraising Strategy

Bill reviewed the pros and cons of creating a 501(c)(4). Staff is working on a plan to bring before the Directors. An informational packet will be prepared for the Directors meeting in January with a fiscal report due in May.

NEXT MEETING

The next meeting is scheduled as part of the January 20-21, 2005 Board of Director at the Madison Club in Madison.

EXECUTIVE SESSION

M/S/C – to move into Executive Session at 3:45 pm.

M/S/C – to leave Executive Session at 4:00 pm.

M/S/C - per the recommendation of the Association accountants, Suby Von Haden & Association, to authorize the Chairman of the Board to adopt the amendment to the Deferred Compensation agreement between the President and the Wisconsin REALTORS Association per changes to the recently passed American Jobs Creation Act by Congress. Such amendment to be approved no later than December 31, 2004.

ADJOURNMENT

With no further business the meeting adjourned at 4:00 p.m.

Kitty Jedwabny, CRB, CRS
2004-05 Chairman

William Malkasian, CAE
President