

**WRA Executive Committee Meeting
Wednesday, December 11, 2002
Country Inn - Waukesha**

MINUTES

PRESENT: Steve Beers, Corky Hellyer, Kitty Jedwabny, Jeff Kitchen, Roger Rushman, Mike Spranger, Bob Weber.

STAFF: Bill Malkasian, Gale Foster, Stephanie Larson, Tom Larson, Kitty Kuhl, Joe Murray, Sonja Penner, Rick Staff, Mike Theo, Sandy Bolgrihn

CALL TO ORDER

Chairman Weber called the meeting to order at 10:10 am.

QUORUM DETERMINATION

President Malkasian determined that a quorum was present.

NEW MEMBER WELCOME

Chairman Weber introduced and welcomed Mike Spranger who replaced Tammy Maddente on the Committee.

PRESIDENTS REPORT

WRA Meetings/Events Calendar

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

January 24th Board of Director Meeting

A draft agenda was distributed to the Committee.

Nominating Committee

The Nominating Committee is scheduled to meet on January 23, 2003 to interview candidates for 2004 chairman-elect and treasurer and to fill an open 2003 NAR Director position.

Caucus Investigation Update

President Malkasian updated the Committee on the Caucus investigation. Brady Williams of LaFollette Godfrey and Kahn will provide an update to Director on January 24, 2003.

REPORT OF THE GENERAL COUNSEL

WRA Bylaw Revision

WRA General Counsel Rick Staff presented the following bylaw change to the Committee:

Proposed Bylaw Revision

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. (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 ~~selected from members of the pool of~~ nominated 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. Any vacancy of a Vice President's position shall be filled by the Chairman of the Board with a qualified candidate who shall serve for the remainder of the vacated term.

M/S/C/ - To approve the proposed Executive Committee language as an amendment to the Bylaws to formalize the procedures for removing ineligible members and filling any vacancies on the Executive Committee.

WRA Records Policy

Rick discussed the following Records Policy:

Wisconsin REALTORS® Association Records Policy

The following shall be the records policy of the Wisconsin REALTORS® Association, Inc. ("WRA").

I. Record keeping policies

- 1. The WRA shall keep as permanent records minutes of all meetings of its members and Board, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board.*
- 2. The WRA shall maintain appropriate accounting records.*
- 3. The WRA shall maintain a record of its members in a form that permits preparation of a list of the name and address of all members, in alphabetical order by class, showing the number of votes each member is entitled to cast.*
- 4. The WRA shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.*
- 5. The WRA shall keep a copy of all of the following records at its headquarters:*
 - (a) Its Articles of Incorporation and all amendments to them currently in effect.*
 - (b) Its Bylaws or restated Bylaws and all amendments to them currently in effect.*
 - (c) Resolutions adopted by the board relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members.*
 - (d) The minutes of all meetings of members and records of all actions approved by the members for the past 3 years.*
 - (e) The financial statements furnished for the past 3 years under Section VI.*
 - (f) A list of the names and business or home addresses of its current directors and officers.*
 - (g) Its most recent annual report delivered to the department of financial institutions.*

II. Inspection of Records by Members.

- 1. Records at principal office. A member is entitled to inspect and copy, at a reasonable time and location specified by the WRA, any of the records of the WRA described in S. I. 5. If the member gives the WRA written notice or a written demand at least 5 business days before the date on which the member wishes to inspect and copy.*
- 2. Other records that may be inspected. A member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the WRA, any of the following records of the WRA if the member meets the requirements of sub. (3) and gives the WRA written notice at least 5 business days before the date on which the member wishes to inspect and copy:*
 - (a) Excerpts from any records required to be maintained under section I 1., to the extent not subject to inspection under 1.*
 - (b) Accounting records of the WRA.*
 - (c) Subject to Section V., the membership list.*
- 3. When other records may be inspected. A member may inspect and copy the records identified in ii. Only if all of the following apply:*
 - (a) The member's demand is made in good faith and for a proper purpose.*
 - (b) The member describes with reasonable particularity the purpose and the records the member desires to inspect.*
 - (c) The records are directly connected with this purpose.*

4. *Applicability. This section does not affect any of the following:*

(a) *The right of a member to inspect records under Wisconsin Stats. § 181.0720 or, if the member is in litigation with the WRA, to the same extent as any other litigant.*

(b) *The power of a court, independently of this chapter, to compel the production of corporate records for examination.*

III. Scope of member inspection rights.

1. *Agents and attorneys. A member's agent or attorney has the same inspection and copying rights as the member who the agent or attorney represents.*

2. *Copies. The right to copy records under section ii. Includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means.*

3. *Reasonable charges. The WRA may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.*

4. *Date of membership list. The WRA may comply with a member's demand to inspect the record of members under section II 2. (c) by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.*

IV. Limitations on use of membership list.

Without consent of the board, a membership list or any part of a membership list may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, without the consent of the board a membership list or any part of a membership list may not be used for any of the following:

1. *Solicitation. To solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the WRA.*

2. *Commercial purposes. For any commercial purpose.*

3. *Sale of list. To be sold to or purchased by any person.*

V. Financial Statements for Members.

(1) *Member may demand. The WRA upon written demand from a member shall furnish that member its latest annual financial statements, which may be the consolidated or combined statements of the WRA and one or more of its subsidiaries or affiliates, as appropriate, that include a balance sheet as of the end of the fiscal year and statement of operations for that year. If financial statements are prepared for the WRA on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.*

(2) *Certified public accountant's report or officer's statement. If annual financial statements are reported upon by a certified public accountant licensed or certified under Ch. 442, the certified public accountant's report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the WRA's financial accounting records that includes all of the following:*

(a) *A statement of the president's or other person's reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation.*

(b) *A description of any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.*

VI. Report of indemnification to members.

If the WRA indemnifies or advances expenses to a director under Wisconsin Stats. §§ 181.0874, 181.0877 or 181.0881 in connection with a proceeding by or in the right of the WRA, the WRA shall report the indemnification or advance in writing to the members with or before the notice of the next meeting of members.

VII. Public access to records

1. Inspection of records. The WRA shall make its records available to the public to the extent required by law. The following records must be available for inspection at the WRA headquarters:

- 1. The WRA's three most recent tax returns (IRS form 990 and attached schedules).*
- 2. The WRA's exempt status application materials.*
- 3. Any reports filed by the WRA under I.R.C. §527(J) relating to expenditures and contributions.*

The person inspecting the records shall be entitled to take notes during the inspection.

2. Copying records. The WRA shall provide a copy of these records to anyone who, either in person or by mail, requests a copy of the records. The fee for providing records shall be the current IRS copying charge plus actual postage. A request made in person shall be complied with immediately (after payment of fees if copies are requested). A request made by mail shall be complied with within 30 days of receipt of all required fees. If a written request does not include the required fees the requester shall be notified within seven days of the prepayment policy and the total fees. Upon consent of the requester records may be provided electronically.

3. Exclusions and limitations. The WRA reserves the right to limit record inspection to the extent allowed by law (e.g. Widely available records or records requested under a campaign of harassment).

M/S/C/ To approve the proposed Wisconsin REALTORS® Association Records Policy as submitted to the Executive Committee. Staff to develop the policy into a working policy for use of staff and leadership maintaining records and responding to requests for records

Conflict of Interest

The bylaws of the WRA require the WRA's conflict of interest policy be distributed to and subscribed by each Director and Officer annually. The conflict of interest policy as set forth in the WRA Bylaws is as follows:

ARTICLE XX Conflicts Of Interest

Section 1. *Officers and Directors shall promptly disclose all material financial interests and any other circumstances, which may result in a material conflict of interest to the President. The disclosure shall be made no later than three days prior to the discussion of any matter relating to the financial interest or other conflict of interest. The WRA President and General Counsel shall determine if a material conflict of interest exists.*

If it is decided that a material conflict of interest exists, the Director or Officer shall be promptly notified of the decision. If the material conflict of interest relates to a matter which is the subject of current or upcoming discussion, the Director or Officer shall not: 1) Participate in the discussion of the matter without full disclosure of the material conflict of interest prior to participation in the discussion; 2) Vote on any matter for which the Director or Officer has a material conflict of interest. The Board may ask Directors with material conflicts of interest to leave the meeting during discussion of the matter giving rise to the conflict. The Board minutes should state which Directors or Officers were present for the discussion, the content of the discussion and any roll call of the vote.

If the material conflict of interest is of an ongoing nature, the Director or Officer shall eliminate the conflict of interest or resign from the Board and/or his or her position as Officer.

Section 2. *An Officer or Director has a financial interest if that person has, or may acquire as a result of the matter being deliberated, directly or indirectly, through business, investment, or family:*

- An ownership or investment interest in any entity with which the WRA has a transaction or business arrangement.*
- A compensation agreement with the WRA or with any entity or individual with which the WRA has a business arrangement.*

- A potential ownership or investment interest or compensation arrangement with such entity.
- Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3. Material Conflict of Interest. A material conflict of interest is as a situation where a Director or Officer has a financial, personal or other interest, which has a significant likelihood of preventing the Director or Officer from fulfilling his or her fiduciary duties to the WRA.

DISCLOSURE OF CONFLICTS OF INTEREST:

The undersigned WRA officer/director has read the WRA conflict of interest policy and discloses the following conflicts: _____

x) _____
 Signature date

Annual Membership Meeting

Rick also presented the following proposed membership meeting language as an amendment to the Bylaws to formalize the procedures for annual membership meetings:

ARTICLE ?? - MEMBERSHIP MEETINGS

Section 1. Annual Meetings. The WRA shall hold an annual membership meeting on the date of the January Director meeting unless another date is specified in the notice under section 3. The annual membership meeting shall be at the WRA headquarters unless another location is specified in the notice under section 3. At the annual meeting, an officer shall report on the activities and financial condition of the WRA.

Section 2. Special meetings. A special membership meeting shall be held if any of the following occurs:
 (a) A special meeting is called by the board or any person authorized by the articles of incorporation or bylaws to call a special meeting.
 (b) Members holding at least 25% of the voting power of the WRA membership sign, date and deliver to any officer one or more written demands for the meeting describing one or more purposes for which it is to be held.
 (c) The close of business on the 30th day before delivery of the demand for a special meeting to any officer is the record date for determining if the percentage requirement of sub. (b) has been met.
 (d) A special membership meeting shall be held at the WRA headquarters.

Section 3. Notice of meetings. Notice of membership meetings shall be given to all members in the Wisconsin REALTOR® publication. Notices shall include the place, date and time of each membership meeting not more than 60 days and not less than 10 days, or, if notice is mailed by other than first class or registered mail, 30 days, before the meeting date. Notice shall include the meeting agenda the matters for which the meeting is called and indicating any matter that must be approved by the members, if any. Notice shall also specify any matter that a member intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting and the request is received by the WRA secretary or president at least 10 days before the WRA gives notice of the meeting.

Section 4. Record date.
 The record date determining entitlement for notices, voting and for exercise of any rights in respect of any other lawful action shall be 60 days before the meeting or action requiring a determination of members occurs.

M/S/C/ To approve the proposed membership meetings language as an amendment to the Bylaws to formalize the procedures for annual membership meetings.

Legal Action Report

WRA General Counsel Rick Staff updated the Committee on the recent Legal Action Committee conference call. The purpose of the call was to discuss the telemarketing rules, Trans 233 and Campaign Finance Reform. The following motions from the conference call were presented for approval:

M/S/C – The Committee authorizes up to \$45,000 for legal services and expenses necessary to assist in mounting a comprehensive challenge to DATCP's telephone solicitation.

M/S/C – The committee authorizes an additional expenditure of up to \$23,000 in Legal Action funds to challenge the constitutionality of the campaign finance legislation contained in the 2002 state budget repair bill.

M/S/C – The Committee authorizes up to \$13,000 for legal services and expenses necessary to assist in the lawsuit challenging Trans. 233.

M/S/C/ - to approve the expenditures authorized by the Legal Action Committee. Staff to review the need for the WRA to be named as a litigant in the telemarketing lawsuit. The WRA shall be named as a litigant only if it is necessary to materially increase the likelihood of success. Staff was directed to further investigate the status of the Trans 233 litigation and determine the most effective way for the WRA to participate in the action.

V.O.W

Guest speakers Margery Chapman, Kevin King and Peter Shuttleworth along with WRA General Counsel Rick Staff overviewed NAR's proposed policy governing use of MLS data in connection with Internet brokerage services offered by MLS Participants (Virtual Office Websites). After a lengthy discussion, the Committee directed the WRA to draft a letter to NAR's legal staff outlining our concerns.

TREASURERS REPORT

Financial Statements

Treasurer, Kitty Jedwabny gave the Committee a report and overview of the October 31, 2002 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 Committee, Research & Development Fund, Issue Advocacy Funds, as of October 31, 2002 as presented.

2001-2002 Fiscal Year Review

Carl Schultz and Kelly Vowels from Suby Von Haden and Associates presented the 2001-2002 Fiscal Year Review.

M/S/C - to recommend to the Board of Directors the approval of the WRA and Affiliated Organizations 2001-2002 Fiscal Year Audit dated September 30, 2002 as prepared by Suby Von Haden and Associates.

WRA Long-term Investments

Michael Hull from Salomon Smith Barney, Inc. presented the investment performance report.

M/S/C - to accept the WRA fiscal year end investment performance report of Salomon Smith Barney, Inc.

WRA Employee Profit Sharing

President Malkasian distributed a copy of a letter from Johnson Trust regarding one of the funds offered within the Employee Profit Sharing Program. Johnson Trust has been closely monitoring the Vanguard US Growth Fund and is now recommending that the Fund be removed from the plan and replaced with the Goldman Sachs Capital Growth Fund.

M/S/C – to accept the recommendation from Johnson Trust and replace the Vanguard US Growth Fund with the Goldman Sachs Capital Growth Fund.

Reserve Balance/Contingency Expenditures

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

M/S/C – to accept the Reserve Balance/Contingency Expenditures report as presented.

DEPARTMENT REPORTS

Legal Services

Task Force Reports

Rick distributed the minutes from the December 5, 2002 License Law Task Force Meeting and the October 25, 2002 Forms Task Force Meeting. There were no motions to approve.

Business Services

Education/Product Update

Kitty gave the committee a summary of 2002-2002 education programs and the growth of distance learning. She also summarized the 2002 state convention, and updated the group the 2003 state convention.

2005 Convention Site

Kitty also presented the Committee with a proposal to return to the Kalahari Resort in Wisconsin Dells September 14-16, 2005.

M/S/C – to accept the date and site of the 2004 Convention as September 14-16, 2004 at the Kalahari Resort in Wisconsin Dells.

ZipForm Contract

Next Kitty presented the Committee with the proposed ZipForm contract for 2004-2006. Members will receive both the desktop and web versions through 2006. The cost will be: 2004 - \$12.50 for both versions; 2005-\$15.00 for both versions; and 2006 - \$17.50 for both versions.

M/S/C – to accept the ZipForm Contract for 2004-2006 as presented.

Communications/Marketing

Website Online Marketing Plan

Sonja presented the Web Marketing Plan. The objectives of the plan are to: (1) Reinforce member loyalty and value for dues. Raise awareness of WRA activities. (2) Increase traffic to the WRA site and habit-forming usage. (3) Create a mindset among members that the Web site is a viable resources and a first point of contact with the association. (4) Pave the way for electronic delivery options of association information to members.

Broker Survey Results

Sonja presented the results of the recent WRA Broker Survey – www.wra.org, which had a total response of 210.

MyBroker Website Update

The Communications Department has been working on the development of a myBroker page. Brokers are now able to view WRA education history for an individual agent in your firm, view WRA education history for more than on e agent by course type and office location, view a complete roster of agents by firm, ad view a roster of agents based on eight different criteria.

Web Trends

Sonja also distributed the latest Web Site Shopping Basket Activity to the Committee for their review.

Public Affairs

2002 Election Summary

Mike discussed the election outcome and meaning for the WRA and distributed the Summary of the GAD's Post-election Critique.

RPAC

Joe Murray updated the Committee on the 2002 RPAC Fundraising. To date we have raised over \$356,375.

2003 Issues Update

Mike Theo over view the issues for the 2003-04 Legislative session and updated the Committee on the State Budget deficit as well as campaign finance reform and land use issues.

Quality of Life Program

Mike updated the Committee on the progress of the Quality of Life Program and distributed the 2003 Action Plan to the Committee for their information.

Telemarketing

Mike also discussed the development of a public relations/communications plan for the telemarketing issue. The following motion was made:

M/S/C – to approve up to \$15,000 from the WRA Contingency Expenditures to retain Wood Communications to develop a public relations plan regarding the telemarketing lawsuit.

NEXT MEETING

The next meeting is scheduled as part of the January 24, 2003 Board of Director at the WRA Headquarters in Madison.

ADJOURNMENT

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

Robert Weber, CRB
2002-03 Chairman

William Malkasian, CAE
President