



North Dakota Association of REALTORS®

## North Dakota Association of REALTORS®

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### 2016

#### BOARD OF DIRECTORS

##### *PRESIDENT*

Cindy Harvey, CRS, CRB, ABR, ePro

##### *PRESIDENT ELECT*

Lyn Dwyer, GRI

##### *VICE PRESIDENT*

Ben Schroeder

##### *DIRECTOR AT LARGE*

Lorrie Nantt, ABR, SFR

##### *PAST PRESIDENT*

Greg Larson, GRI

##### *NATIONAL DIRECTORS*

Daryl Braham, CRB, GRI

Dewey Uhler, ABR, CRS, GRI

##### *REGIONAL VICE PRESIDENT*

James Cormier

##### *LOCAL BOARD REPS*

###### *Badlands:*

Shirley Dukart, CRS, GRI

Ninetta Wandler, ABR, CRS, GRI

###### *Bismarck-Mandan:*

Amy Hullet

Kristin Oban, GRI, SFR

Judy Maslowski

Tricia Schlosser, CRB, GRI

###### *Fargo-Moorhead:*

Kevin Fisher, CRS, GRI

Peggy Isakson, ABR, CRS

Bob Lee, ePRO, GRI, SFR

Shawn Ostlie, GRI

Jodi Tollefson, GRI

LuAnn White

Jeff Shipley, GRI

Christine Feickert, GRI

###### *Grand Forks:*

David Blumkin, ABR, CRS, GRI

Lynda Hartmann, GRI

###### *Jamestown:*

Kristy Sagaser

###### *Minot:*

Sue Heth

Brad Livesay

###### *Williston:*

Jill Kjorstad, GRI, SFR

##### *STAFF:*

Jill Beck, *Chief Executive Officer*

[jill@ndrealtors.com](mailto:jill@ndrealtors.com)

Jane Marum, *Admin/Membership*

*Services Director*

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Robyn O'Gorman, *Admin Assistant*

[robyn@ndrealtors.com](mailto:robyn@ndrealtors.com)

Nancy Willis, *Gov't Affairs Director*

[nancy@ndrealtors.com](mailto:nancy@ndrealtors.com)



#### Minutes

#### Board of Directors Meeting

June 9, 2016 9:00 a.m.

Baymont Inn and Suites - Mandan

Present: Cindy Harvey, President; Lyn Dwyer, President-Elect; Ben Schroeder, Vice-President; Lorrie Nantt, Director-At-Large; Greg Larson, Past President; Dewey Uhler, NAR Director; Shirley Dukart; Ninetta Wandler; Kristin Oban; Tricia Schlosser; Judy Maslowski; Amy Hullet; Bob Lee; Kevin Fisher; Peggy Isakson; LuAnn White; Christine Feickert; Shane Cullen (for Shawn Ostlie); Scott Breidenbach (for Jeff Shipley); Vicky Matson (for Jodi Tollefson); David Blumkin; Kristy Sagaser (until 10:15; Diann Loper (at 10:15 for Kristy Sagaser) Sue Heth; Brad Livesay; Jill Kjorstad

Absent with prior notice: Daryl Braham, Jodi Tollefson, Shawn Ostlie, Jeff Shipley

Absent: Lynda Hartmann

Guests: John Colter, Nancy Deichert, Marti Kaiser, Barb Lupo, Beth Mayer, Casey Chapman, Deborah Nichols, Nicole Schoeder, Ron Volk, Diann Loper, Mitzi Bestall, Vicki Roller, Clyde Thorne, Lynnell Ussatis

Staff: Jill Beck, Jane Marum, Robyn O'Gorman, Nancy R. Willis

1. Cindy Harvey, President, called the meeting to order and welcomed everyone. Jill Beck and Deborah Nichols kept their cell phones.
2. Board members, guests and staff introduced themselves.
3. Greg Larson, gave the invocation and led those present in the Pledge of Allegiance and the REALTOR® Pledge.
4. Harvey asked Mahlum & Goodhart, PC accountant, Lynnell Ussatis, to present the accountant's review report. Ussatis highlighted certain items from the report. NDAR does not maintain expenses in a functional format as required by the Not-For-Profit Topic of the Financial Accounting Standards Board (FASB) Codification, which is not unusual for small non-profits. Clarified that this is a review not an audit. NDAR is in a good position with \$773,070 in cash and cash equivalents. Furniture and equipment is higher than last year due to the purchase of a new copier. Under Current Liabilities, deferred dues are for 2016 so represent revenue for next year. Membership dues are up due to 80 new members. Operating expenses are up and there is excess revenue over expenses. Measure 2 income and expenses are a one-time occurrence. There is an increase in equity. There is a \$3,000 increase in depreciation due to the new copier. No income tax is required to be paid; however, NDAR should keep a close watch on revenue from the Williston management agreement as this is unrelated business income. NDAR has \$150,000 in reserves which reflects six months of reserves. Salaries and benefits represent 61% of expenses and have remained consistent. Revenues are \$40,000 over budget and expenses are within budget.

5. Harvey asked for the approval of the consent agenda which contained:

- a. Minutes from the January 28, 2016 meeting
- b. Local Board reports
- c. Life Member Applications for Emmy Amble, Arnie Kuhn

Consent agenda was approved. **M/S/C**

6. Casey Chapman, NDAR legal counsel, addressed issues of note from the Broker Hotline. Advertising – prominence of broker name. Said members should go back to the article written by NDREC legal counsel Connie Hofland in the Summer 2014 NDREC newsletter. To be safe always have a tag on how to reach the broker. Questions about teams are coming in more often. Remember that any promotion should be in the name in which you are licensed. Chapman will be meeting with Pat Jergenson, NDREC Executive Director, to get clarification on the commission's position on teams. Earnest money questions continue to be asked. Money should not be released until the buyer contingency is satisfied. Seller is not obligated to release unless it is in contract or there is an order to release. Brokers are accountable for all monies received, so unless there is a consent order a broker cannot release. Questions have come in about multiple owners. All need to sign listing agreement. Questions have been asked about commissions and purchase offer. Per the Code of Ethics, you cannot use the purchase offer to change the broker commission. If the buyer asks the seller directly about changing the commission back to the buyer's agent, it is permissible, but cannot ask listing broker to reduce commission. Chapman also cautioned members about what is typed in text messages. He urged them to stop and think how messages can be interpreted as all e-mail and text communications are admissible in court. Statute of limitations for purchase agreements is 90 days if uncontested and six years for contracts otherwise, so think twice. Courts have interpreted that statute of limitations to begin when problem is discovered, so may be longer. If a buyer's agent agrees on the listing agreement to take less in commission, there is no requirement of disclosure to other buyers.
7. Harvey gave the President's Report. Said in her Risk Management Committee in D.C. they discussed cyber security and that a recent survey showed that 75% of people believe they are safe from being hacked. Most businesses targeted have 250 or fewer employees and E&O insurance does not cover most cyber attacks. Harvey informed the Board that Zillow has settled with Move/NAR in the lawsuit that was ongoing. Zillow agreed to pay \$130 million in damages rather than going to trial. NAR will receive 10% of the settlement payment after Move deducts its legal fees. When members met with Sen. Heidi Heitkamp in D.C. she asked that we provide information to her about barriers to homeownership. Please think about specific legislative barriers and provide feedback to Harvey or Jill Beck. Harvey and Beck met with the Manitoba Board of REALTORS® delegation in D.C. They are looking for a closer relationship and will invite NDAR staff to attend their events. Harvey said current policy is that members that serve on NAR committees and receive travel reimbursement submit committee reports. She said the executive committee was recommending that all members that represent the state on NAR committees, whether they have their travel reimbursed or not, must submit committee reports and asked for approval for that policy change. The change was approved. **M/S/C** Harvey announced and congratulated Scott Breidenbach for being appointed to the NDREC and announced that Bob Lee will be leaving the association. Bob said he would be moving to Olympia, WA to be closer to family.
8. Staff report – Jill Beck provided the financial report. Under Income: line item 4001 - dues are over budget because of an increase in members. Affiliates are at budget and non-members are at 80% of budget. Line item 4100 – management fees are over budget because payment from Williston needs to be transferred. Line item 4102 -Dakota CRS is at 50%. Line item 4203 – state sponsored education also has transfers coming. Under Expenses – travel appears low because travel reimbursement requests are still coming in. 5400 General and Admin expenses are on par. The 2017 Budget will be presented soon. Beck referred back to the CPA's review and said policy requires that operating reserves be for one year so \$100,000 will be transferred from the money market account to meet policy. Beck said appraisers are working to create a North Dakota Association of Appraisers. She has been in contact with Bill Gion, Cathy Barry and Ross Berg who want to work more closely with REALTORS®. She has offered our assistance with bylaws or anything else they might need. Beck said that although she, Robyn O'Gorman and Jane Marum all are doing work for Williston, she has designated Marum as the AE so that Marum can receive education she needs to do her work. Beck then referred directors to her written report for other information and updates. Harvey asked for approval for an Executive Committee recommendation for NDAR to once again invest in RPAC at the Golden "R" level. The Board approved the recommendation. **M/S/C** Harvey said there also were recommended changes to the Bylaws that needed approval to be forwarded to the membership for approval at the annual meeting in September. Beck presented the recommended changes as follows:

- Article II Membership, Section 1., Member Classifications, E. and Article III Dues, Section 1., The Amount of Dues, E. to change the term “Affiliate Member (s)” in all instances to “Business Partner (s)”.
- Article III Dues, Section 1, The Amount of Dues, D. Institute Affiliate Member, to add the word “each” and to remove the words “..ship in the State Association” to read, “The annual Dues for each Institute Business Partner shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.
- Article III Dues, Section 2 The Payment of Dues delete the line, “Likewise, each member Board shall file with the Association a list of its Institute Affiliate Members and Affiliate Members.
- Article IV Officers and Article V Board of Directors, G. 1., to change the term, “Executive Vice President” to “Chief Executive Officer.” Also in Article V Board of Directors, G. 3. to change the term “Executive Officer” to “Director”.
- Article VI Meetings, A. Absentee Ballots, to add “or special membership meeting called by the President” to read, “Absentee ballots must be received by the Association office 10 days prior to the annual membership meeting or special membership meeting called by the President.
- Article VII Committees, delete Section 1(b), MLS as a Committee of an ALL REALTOR® Board.
- Article XVII Dissolution, Section 1. Dissolution, remove “North Dakota Real Estate Education Foundation” and add “account at the North Dakota Community Foundation” so that it reads: “Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to the account at the North Dakota Community Foundation or within its discretion, to any other non-profit and tax exempt organization.

The Bylaws changes were approved to move forward to the membership for approval at the Annual meeting. **M/S/C**

9. Scott Breidenbach gave an update from the Building Task Force. Bids to remodel came in at around \$228,000 and the committee did not feel it was worth undertaking for a building that is worth about \$400,000. He said the Task Force looked at two existing buildings one with passive income and one without, but the cost to remodel made them prohibitive at this time. He said the Task Force’s work has been challenging as they are dealing with two associations, but the Task Force feels there is interest in continuing to have both boards work together. He said the ideal would be to find a large building with tenants for the Association, so he said that the Task Force is encouraging the Board to establish a building fund and set funds away so that NDAR can be ready to move forward to purchase a building if something that meets our needs becomes available within a 3-5 year timeframe. He said the recommendation is for each association (NDAR and BMBOR) to spend \$25,000 to hire a building contractor and make the renovations needed to accommodate staff and update needed items like the furnace. He asked for approval for NDAR to spend its \$25,000 and the board approved. **M/S/C**

10. Committee Reports were given as follows:

**Technology** - The committee will work on holding a statewide beginner’s Google class (maybe as a caravan) in 2017 and an advanced class in 2018 at the State Convention in Minot. The committee requested approval to change its name to Cyber Alliance. Approved. **M/S/C**

**Nominating** – Greg Larson presented the committee’s nominees for each office. For President-Elect, Ben Schroeder, **M/S/C** For Vice President, Amy Hullet and Lorrie Nantt **M/S/C** For NAR National Director, Vicki Roller **M/S/C** Larson also asked for approval to add the National Director position to the list of offices for which applicants are reviewed and identified as qualified in the Nominating Committee purpose. **M/S/C**

**Government Affairs** – Heard a presentation to standardize recorder fees from a representative of the NDRA and were asked to support, but no position was taken as final fee has yet to be determined. Approved spending funds from the committee budget to print the NDAR Policy Postcard to be used for Legislative Impact Day and to provide to local Boards. Received a Federal update from Karl Eckhart, NAR, including that a Call for Action to the Senate on the Condominium bill H.R.3700 would be initiated Monday, June 13 and run through July prior to Congress adjourning.

**Professional Development-** Daryl Braham will teach a Code of Ethics at state convention in September. A recommendation for a 3-hour mandatory topic of Advertising, Agency and Professional Courtesy was approved by the committee to be suggested to the NDREC. The committee also approved offering the NAR Diversity Class and the Google courses recommended by the Technology Committee in 2017. The committee also approved asking leadership to establish a Presidential Advisory Group (PAG) to explore pre- and post-licensure education needs and provide a recommendation to the board.

A task force continues to look at mandatory broker education.

**Member Involvement** – The committee approved offering *HotelStorm* as a NDAR member benefit. The program is free to NDAR members and provides hotel rooms at an average cost of 30% less than other hotel reservation sites and is better than Priceline and Travelocity.

**RPAC Fundraising** – Bismarck-Mandan has completed the first RPAC Phone Bank in the state and the committee encourages all boards to complete one. The goal is to touch non givers. The committee also approved having staff send out a mass email prior to November encouraging all REALTORS® to vote.

**RPAC Trustees-**Approved dollar amounts for each statewide office and will be meeting in July in Minot to interview candidates.

11. Ben Schroeder reviewed the schedule for the 2016 REALTOR® Convention of the Dakotas in Fargo and encouraged everyone to register and attend. Beck encouraged directors to review the information attached as additional information and reviewed the member demographics for information.

There being no further information, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Jane Marum, Administrative and Membership Services Director and Nancy R. Willis, GAD