



To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

Minutes

Board of Directors Meeting

September 14, 2017 2:15 PM

Ramkota Inn, Dakota Room AB

Aberdeen, SD

Present: Lyn Dwyer, President; Ben Schroeder, President-elect; Amy Hullet, Vice-President; Jill Kjorstad, Director-At-Large; Cindy Harvey, Past President; Daryl Braham, NAR Director; Vicki Roller, NAR Director; Nicole Schoeder; Ninetta Wandler; Kristin Oban (for Tricia Schlosser); Judy Maslowski; Jamie McLean; Desri Neether; Mary Shelkey-Miller; Jodi Tollefson; Shane Cullen; Chris Feickert; Kevin Fisher; Emily Johnson; Vicky Matson; Shawn Ostlie; LuAnn White; Lynda Hartmann; Ruth Ann Halvorson; David Blumkin; Diann Loper; Sue Heth; Shari Anhorn and Mitzi Bestall. Staff: Jill Beck, Jane Marum, Nancy R. Willis.

Guests: Tom Riley, NAR Treasurer; Don Marple, Region 8, RVP; Roger Cymbaluk, ND Real Estate Commissioner; Pat Jergenson, ND Real Estate Commission Executive Director; Casey Chapman, NDAR General Counsel; Al Jaeger, ND Secretary of State; John Colter; Nancy Deichert; Marti Kaiser; Barb Lupo; Beth Mayer; Scot Nething; Arlin Fisher; Sarah Stock; Heidi Hilzendeger; Lorrie Nantt; Mary Splichal; Steve Diedrick; Rochelle Eick; Laurie Burkholder; Cheryl Croonquist; Scott Breidenbach; Phil Vanyo; Karin Haskell; Rita Schuster; Jeff Botnen; Scott Louser; Tate Cymbaluk; Dewey Uhler; Larry Louser; Diane Louser; Laurie Marple; Arnie Kosobud; Kathryn Kihle; Ryan Mullikin; Angela Cymbaluk

Presiding: Lyn Dwyer, President

1. Lyn Dwyer called the meeting to order at 2:15 p.m. Beck, Willis and Marum kept their cell phones and disclosed per policy of no electronics at the meeting.
2. Everyone was welcomed. Introductions were made.
3. Scott Louser gave the Invocation and led attendees in the Pledge of Allegiance. Attendees recited the REALTOR® Pledge.
4. The consent agenda, consisting of the following, was approved: **M/S/C**
 - a) Minutes from the June 21, 2017 Board of Directors Meeting
 - b) Local Board Reports
 - c) Calendar of Upcoming Events
 - d) NDAR Market Statistics Report
 - e) Life Member Applications – Shirley Dukart, Dickinson; Joe Frenzel, Dickinson, Jim Guttormson, Bismarck; Doris Hoff, Dickinson; Jerry Schlosser, Bismarck; Linda Schlosser, Bismarck;
 - f) Resolution of Appreciation to Aberdeen Area Association of REALTORS® and SDAR
 - g) 2017 RPAC Fundraising Update
 - h) Ratification of Real Estate Trust Account (RETA) appointments - Amy Carroll, Grand Forks & Amy Hullet, Bismarck

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Dwyer recognized Joy Keller from the Minot Board of REALTORS® who invited everyone to the 2018 Convention of the Dakotas to be held in Minot.

Dwyer recognized NAR Treasurer Tom Riley, who talked about the REALTOR® Relief Fund and said \$1.75 million already has been contributed to Hurricane Harvey relief. Relief also will be needed for Hurricane Irma including for Florida and the Virgin Islands. He gave the website address for attendees to contribute. He commended ND for 33% response rate for CFA on reauthorization for the National Flood Insurance Program. He said NAR's goal is a 5-year reauthorization of 21st Century Flood Insurance Program and they will be working on it.

He talked about the new CEO and said NAR has 23 affiliates \$500 million dollar budget. Candidates were considered from all over the world. The committee narrowed down the number of applicants to 15 then to 3. The person selected, Bob Goldberg, has been with NAR for 22 years. He ran the business program and other programs. Goldberg is encouraging everyone to become involved and is asking all NAR leadership to get out, spend a day with a REALTOR® and visit associations around the country. Riley encouraged everyone to attend the annual Conference & Expo in Chicago. NAR is very strong financially with a \$243+ million operating budget for 2017 and a \$6 billion brand. Total net value is \$200 million dollars, not including buildings, which are valued at \$150 million. Reserves have been dwindling, but there will be no dues increase in 2018. He said he can't make the same promise for 2019 and will keep members posted. NAR President Bill Brown's status was updated. Riley said he contracted an infection which developed into septicemia which affected his lungs requiring a double lung transplant which has resulted in success and better health. He still is recuperating.

Riley said his and all of NAR's volunteer leaders are available to members so call anytime.

5. Dwyer gave the President's Report. She thanked everyone for their interest in her recent trip to Norway and said it was the trip of a lifetime and she had a marvelous time. Dwyer said she and CEO Jill Beck have done Board visits with the Badlands and Minot boards and have more planned. She will attend the MN Convention on behalf of NDAR the first week in October. Dwyer congratulated everyone on being #1 on the CFA nationally and said she was sorry to have missed President Trump's visit.

Dwyer recognized Al Jaeger, Secretary of State. Jaeger said that 10 years ago the Convention of the Dakotas also was held in Aberdeen. Bob Freeberg was in attendance and he and Al had been roommates at 30+ conferences. In the early 70's, Freeberg had been among the group that hired the first Association AE. After breakfast, 10 years ago, Al left to go back to Bismarck. Bob got into his car and suffered a heart attack and died. He did much for the Association and Al wanted to share that remembrance. John Colter added that Freeberg was from Grand Forks and in his memory, the Grand Forks Board offers a scholarship to a recently licensed REALTOR® to attend the convention. He said there were two REALTORS® from Grand Forks that were attending on scholarship this year.

Dwyer recognized Don Marple, Region 8 RVP. Marple said that in the last six years, ND always has been #1 in the region in a number of areas. Region 8 is a very respected and strong region in NAR. New CEO, Bob Goldberg, wants to be proactive and bring the best minds in membership together to help move NAR forward. NAR is concerned about college

debt for young people and plan to explore different outside-of-the-box ideas to address this. Possibilities include using savings bonds to pay down debt or rolling debt into the mortgage? Goldberg also plans to form a homeowners' coalition to engage homeowners to advocate on issues important to NAR and themselves. Regarding communication – to do a better job communicating the value of local, state and national associations and strengthening live and social media outreach. One example of doing something proactive is VA loans' rules related to radon mitigation. State Associations need to meet with lenders to say this is a usual fee and take to the legislature and veterans administration to change.

6. CEO Jill Beck gave the Staff Report. She talked about a wire fraud incident in ND involving \$279,000 which was caught just prior to the funds going out of the country and reminded members to be vigilant and have policies. She said 19 members and staff attended President Trump's visit by invitation. She encouraged everyone to attend the NAR Conference and Expo in November in Chicago, with John Fogerty as the main entertainment. She said broker meetings in Fargo and Bismarck with NAR staff present were well attended and asked for a motion to approve Rita Berg, Fargo, as a Life Member as her request came in late for the Consent Agenda. A motion was made and approved to that effect. **M/S/C**

Beck also reviewed the Association's financials. On Profit and Loss, dues income for the year has been met and is 10% over due to more members than projected. Management fees are down as the Bismarck-Mandan Board no longer is reimbursing NDAR for use of part of one of NDAR's staff. Education income is down but final CE classes will be in October so the 13% below budget will come up. Other expenses are on par. Travel expenses also will increase after reimbursement for state and NAR conventions. For income, we are at 101% budget and for expenses 54%.

Beck then reviewed the Balance Sheet – The money market savings acct includes \$44,000 for Technology to replace the copy machine as well as computers. One computer is replaced each year. That dollar amount also includes dollars to replace the database system. NDAR is looking to go with RAMCO but wanted to wait until others who adopted it had worked out the kinks. That would be a \$35,000-\$38,000 investment. Money market funds are at \$443,638 as it was built up as NDAR was considering purchase of a building. \$205,000 is needed to get us through expenses through the end of the year, and anything remaining will go into the money market investment. The executive committee has recommended putting \$25,000 aside to create a Building Fund for future building needs. Currently the parking lot is being re-surfaced and new shutters will be going up, so the renovation is almost done. Dwyer asked for a motion to accept the financial report and to approve the executive committee's recommendation to create a building fund with a \$25,000 set aside. A motion to that effect was made and approved. **M/S/C**

7. Dwyer then called on Ben Schroeder to update members on the Trust Funds application. Schroeder said the executive committee had to work on balancing the budget for 2018 because of the loss of shared staff and rental revenue. NDAR dues have not been increased for seven years so the executive committee is proposing a \$35/yr increase. If the MLS' would want to install the Trust Funds app, they would each be charged \$1,000 for

set up. They also would be charged \$8,000/yr. Instead, NDAR negotiated a flat fee of \$48,000/yr which NDAR would pay, which covers the \$1,000 set up and \$8,000/yr. There still would be an average charge of \$39/month per brokerage (based on Fargo's transactions). If NDAR dues are increased, even with the payment to Trust Funds, an additional \$10,000 would be available to go into the building fund. If Board members approve, three boards could be integrated as early as in November, December and January. Wahpeton is considered its own entity. Fargo already paid the \$1,000 set up fee, as their Board has adopted. Even if the number of transactions is more than what was estimated for Fargo (\$39/month/brokerage) charges are capped at \$150/month. In addition there is a \$5 per transaction fee which those currently using Trust Funds are charging to their clients with no push back. In Minneapolis where it began and in Fargo which is just starting, title companies, builders, and brokers are jumping on board. Trust Funds is aware of different MLS vendors and can work with all of them. It will not be available to those members not on an MLS. The money is not held by Trust Funds. The Trust Funds app is a way to make a secure electronic transfer of funds into an account designated by the agent, broker or customer. It is similar to an EFT transfer among lenders but with better reporting. Dwyer asked for a motion for a \$35/yr dues increase with part of the increase going to Trust Funds. A motion to that effect was made and approved. **M/S/C** After the motion was passed, Dwyer said NDAR would facilitate broker education on the Trust Funds' program.

8. Beck reviewed the proposed 2018 Budget. Member projections have been increased by 25. Members should keep in mind that we now have 56 Life Members that don't pay any NDAR dues. Beck said line item 4001 would need to be changed since the Board approved the \$35/yr dues increase. So instead of \$364,000 this total now should be \$422,912. Line item 4103 has come down as Jamestown will do their own NRDS database management and NDAR no longer will be reimbursed for part-time use of staff from BMBOR. Education income is increased as NDAR will be bringing classes in. Dwyer asked for a motion to approve the 2018 budget. A motion to that effect was made and approved. **M/S/C**
9. Schroeder told members the NAR Leadership Summit was well attended and beneficial for all. He said the NDAR Leadership Retreat will be December 7 and 8 in Fargo and the first 2018 Board and Committee meetings will be January 11 and 12, 2018 in Bismarck.
10. Dwyer recognized ND Real Estate Commissioner Roger Cymbaluk to give the Commission update. Cymbaluk said he first wanted to correct an error in the Commission's written report which should show Governor Burgum as having made the most recent appointment, not Governor Dalrymple. Cymbaluk said license fees for 2018 will remain the same. He said ND has roughly 2500 licensees and about 1800 are NDAR members, something NDAR should be very proud of. He said he will be Commission Chair next year and Commissioner Diane Louser will be vice chair. Cymbaluk said the Commission had hired a new staff member, Kristi Haas. In researching database vendors they thought they had found one, but discovered they would not be able to do the job the Commission wants, so research continues. Cymbaluk said the Commission is aware that NDAR has a task force looking at pre- and post-licensing hours and members should keep in mind that changes would need to be done legislatively and that the Commission is pleased to be on the NDAR task force considering proposals.

11. Dwyer called on Shane Cullen to provide a report from the Member Involvement Committee. Cullen said the committee's recommendation was to not adopt TrustStamp as a member benefit, but to recommend adoption of the ApplyConnect program. Dwyer asked for a motion to that effect. A motion was made and approved. **M/S/C**
12. Dwyer called on Casey Chapman, NDAR General Counsel, for a legal update. Chapman said the Legal Hotline is alive and well and recent calls included a question about not selling to someone because of their ethnic background and what happens if a contract needs to be signed by two parties and one refuses. Chapman said if it is commercial property it still can move forward as commercial property transfer only requires one signature. He also talked about wire and email fraud and said he is aware of an incident in North Dakota where the perpetrator was successful. He said NDAR members should be aware of the benefit of NAR's legal staff which always is easily available to Chapman.

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Jane Marum and Nancy R. Willis, NDAR Staff