CALIFORNIA ASSOCIATION OF REALTORS®

Minutes

www.car.org

October 10 – 13, 2007

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CALIFORNIA ASSOCIATION OF REALTORS® EXECUTIVE COMMITTEE
Anaheim Marriott Hotel
Anaheim, California

CALL TO ORDER

The meeting was called to order by President Colleen Badagliacco at 10:00 a.m. on October 10, 2007.

ATTENDANCE

Members Present: President Colleen Badagliacco, President-Elect Bill Brown, Treasurer James Liptak, Kevin Brown, Phyllis Carmichael, Virginia Field, Heath Hilgenberg, Beverly James, Vince Malta, Lisa Muetterties, Leslie Munger, Joel Singer (Ex-Officio), Dave Tanner, Steve White, Kelvin Wong

Excused Absence: Liz Fitzgerald

Also Present: 2007 Regional Chairs, 2007 Committee Liaisons

Parliamentarian: Tim Hegstrom

Staff Present: Lynette Flores, Helen Parrino, Rick Shumacher

Association Executive Dale Gray has resigned.

APPROVAL OF MINUTES

It was Moved, Seconded and CARRIED to approve the minutes of the June 6 - 9, 2007 meeting in Sacramento, California.

REPORT OF THE PRESIDENT

President Badagliacco reported on some of the key issues and Task Forces which are expected to come forward at these meetings. She noted that some guest room attrition was occurring at the Sheraton Anaheim Hotel, and that C.A.R. may be charged liquidated damages. EXPO Attendance was expected to be strong.

REPORT OF THE PRESIDENT-ELECT

President-Elect Bill Brown provided an overview of the items on the Regional Chairs Committee agenda, and spoke about the C.A.R. committee selection process for 2008.

REPORT OF THE TREASURER

Treasurer James Liptak, Chair of the Strategic Planning and Finance Committee, reported that the Executive Committee had previously taken action on the following recommendations at their September meeting.

Strategic Planning and Finance

To approve a 2008-2010 strategic plan and 2008 budget with the following criteria:

A. C.A.R. Revenue $29,078,600,
C.A.R. Cost $27,655,300
Net Surplus $1,423,300

B. Political Activities Fund Revenue $1,604,000

C. Issues Action Fund Revenue $1,604,000
Issues Action Fund Transfer to IMPAC $689,200

D. 116 budgeted C.A.R. staff positions

E. Membership dues, including $115 for operating programs, $10 for the Political Activities Fund and $10 for the Issues Action Fund, are set at a total of $135 per member (predicated on 2008 year-end membership of 172,200)

F. New member fee be set as $100 per new member

G. A 2008 Capital Budget (funded with Association reserves) totaling $146,400

An amendment to the previous motion was Moved by Steve White, Seconded and CARRIED, to change item F. to read, “New member fee continues to be at $30 per new member (unchanged).”

A vote on the Main Motion, as amended, CARRIED, to approve a 2008-2010 strategic plan and 2008 budget with the following criteria:

A. C.A.R. Revenue $29,078,600,
C.A.R. Cost $27,655,300
Net Surplus $1,423,300

B. Political Activities Fund Revenue $1,604,000

C. Issues Action Fund Revenue $1,604,000
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D. 116 budgeted C.A.R. staff positions

E. Membership dues, including $115 for operating programs, $10 for the Political Activities Fund and $10 for the Issues Action Fund, are set at a total of $135 per member (predicated on 2008 year-end membership of 172,200)

F. New member fee continues to be at $30 per new member (unchanged)

G. A 2008 Capital Budget (funded with Association reserves) totaling $146,400

Action of Directors: Approved

To approve for members in areas not serviced by local associations an additional $30 in membership dues. This amount would be in excess of the dues approved for members coming through the local associations.

Action of Directors: Approved

To approve a 2007 budget augmentation to develop and promote a commercial website for REALTOR® members who practice commercial real estate with a total revenue of $28,800, a total expenses of $14,200 and a capital budget of $5,000.

Action of Directors: Approved

That $100,000 be approved to conduct consumer research to determine possible features of a consumer website.

Action of Directors: Approved

That $360,000 be approved for an additional 4 percent pension contribution to the C.A.R. and REBS employee pension plan for 2007, augmenting the previously approved budget of ten percent.

Action of Directors: Approved

See consent agenda, Attachment A, for additional Strategic Planning and Finance action items approved by the Directors.

REPORT OF THE EXECUTIVE VICE PRESIDENT/STATE SECRETARY

Executive Vice President and State Secretary Joel Singer reported on the progress of the Association's subsidiaries.

Joel Singer recognized the outstanding service of John Liberator as the Chief Deputy Commissioner of the Department of Real Estate on the occasion of his retirement.

It was Moved, Seconded and CARRIED, to approve a Special Resolution to express the appreciation of the Directors to John Liberator. *(See Exhibit B)*

Action of Directors: Approved

CONSENT AGENDA

It was Moved, Seconded and CARRIED to approve the Consent Agenda as presented.

See Consent Agenda Action Items – Attachment A

SPECIAL REPORTS

MLS Working Group
Gary Thomas, Chair

Gary Thomas, Chair of the MLS Working Group, presented a report and recommendation.

It was Moved by Vince Malta, Seconded and CARRIED, that a statewide hybrid MLS with a single data base be created. This system could be used as a primary MLS at a local Association's option, or as an aggregated data base by local Associations or Regional MLSs.

Further that a mutual benefit non profit corporation be chartered for the purpose of overseeing the development and ongoing operations of the hybrid system.

Further that the following be formed
a. An MLS Rules working group of the MLS Committee to recommend statewide rules to be used in either model.
b. An MLS Statewide Governance working group to recommend a specific governance structure.
c. An MLS Standards Subcommittee Group to report through the MLS Committee to recommend data standards.
d. An AE working group to recommend the most efficient and member-oriented approach on which services should be retained at the local level.

These groups will report back to the C.A.R. Board of Directors for review and approval of their recommendations in January.

Finally, that the previously approved $500,000 also fund minor expenses of the working groups. (Note that none of the $500,000 approved at the June 2007 meeting has been used).

Action of Directors: Approved

Jeff Barnett, Chair of the MLS/Computer and Business Technology Committee, presented an alternative recommendation on behalf of the MLS/CBT Committee.

It was Moved by Leslie Munger, and Seconded, to recommend that the MLS/Computer and Business Technology Committee motion be defeated, that the MLS Working Group be authorized to form the following, in conjunction with the appropriate other committees and/or appointments by leadership, to further explore a statewide hybrid MLS with a single database:
a. An MLS Rules working group of the MLS Committee to recommend statewide rules to be used in either model for report in January.
b. An MLS Statewide Governance working group to recommend a specific governance structure for report in January.
c. An MLS Standards Subcommittee Group to report through the MLS Committee to recommend data standards and report in January.
d. An AE working group to recommend the most efficient and member-oriented approach on which services should be retained at the local level.

Upon Completion of the above working groups, the MLS Working Group to return to the Board of Directors with a detailed business plan and budget clearly defining the entity, governance, rules, data standards, and role of the Local Associations/MLS.

Finally that the previously approved $500,000 also fund minor expenses of the working groups. (Note that none of the $500,000 approved at the June 2007 meeting has been used.)

An amendment to the Motion was Moved by Vince Malta, Seconded and CARRIED, to take NO POSITION on the MLS/Computer Business and Technology Committee motion.

A vote on the Main Motion, as amended, CARRIED, to take NO POSITION on the MLS/Computer Business and Technology Committee motion.

Action of Directors: MLS Working Group Motion Approved

Vince Malta, Chair of the Nominating and Elections Process Task Force, presented the report and recommendations from this Task Force.

Nominating and Elections Process Task Force
Vince Malta, Chair

It was Moved by Vince Malta, Seconded and CARRIED to approve the Nominating and Elections Process Task Force Final Report.

Action of Directors: Approved

It was Moved, Seconded and CARRIED, that C.A.R. "SPONSOR" legislation requiring a prominent disclosure by a licensee to all parties whenever a broker, business entity or licensee both represents a buyer and originates a loan in a "1-4" transaction.

Mortgage Broker Licensing Task Force
Heide Wolf-Reid, Chair

Action of Directors: Approved

COMMITTEE REPORTS

Common Interest Development
Steve Delmartini, Chair

It was Moved and Seconded that C.A.R. "SPONSOR" legislation to provide that the rights of an owner in a common interest development to own, occupy, lease or sell his or her ownership interest shall not be changed throughout the duration of such ownership, and such rights of a subsequent owner can only be affected by a 2/3 affirmative vote by the members of the association pursuant to a written ballot.

A substitute motion from the Legislative Committee was Moved, Seconded and CARRIED, that C.A.R. "SPONSOR" legislation to provide that the rights of an owner in a common interest development to own, occupy, lease or sell his or her ownership interest shall not be changed throughout the duration of such ownership.

Action of Directors: Approved Legislative Committee Motion

CREPAC Trustees
Chris Osteen, Chair

It was reported for information only that the following slate has been duly noticed for approval in October 2007. Trustees serve for a three-year term. Alternates may be selected to fill the remainder of a vacant term during the year.

<u>NOMINEES FOR CREPAC TRUSTEE</u>
(November 2007- November 20010)

Dawn O'Rourke, Region 1

Humboldt Association of REALTORS®

Dorothy Jackson, Region 06
Bay East Association of REALTORS®

Susan Davis, Region 12
Fresno Association of REALTORS®

Wendy Furth, Region 18
Southland Regional Association of REALTORS®

Candice Carpenter, Region 21
South Bay Association of REALTORS®

NOMINEES FOR CREPAC ALTERNATE
(November 2007 - November 2008)

Terriann McGowan, Region 4
North Bay Association of REALTORS®

Brian Malone, Region 13
Glendale Association of REALTORS®

Nancy Donahue-Jones, Region 14
Association Executive Southwest Riverside County Association of REALTORS®

Mary Funk, Region 18
Southland Regional Association of REALTORS®

Heide Wolfe-Reid, Region 19
Santa Clara County Association of REALTORS®

Jimmy La Peter, Region 23
Pacific West Association of REALTORS®

Susan Marshall, Region 24
San Diego Association of REALTORS®

Cas Pinkowski, Region 32
Orange County Association of REALTORS®

Action of Directors: Approved

It was further reported for information only that the CREPAC Trustees transferred $925,000 to National RPAC, for a total “Fair Share” 2007 contribution of $925,000, and that CREPAC contributed $531,350 to bi-partisan candidates for the Assembly and Senate, as well as to the Democratic and Republican Parties.

It was reported for information only that the following slate has been duly **IMPAC Trustees**

noticed for approval in October 2007. Trustees serve for a three-year term. Alternates may be selected to fill the remainder of a vacant term during the year.

Greg Haas, Chair

NOMINEES FOR IMPAC TRUSTEE
(November 2007- November 2010)

M. Chris Kutzkey, Region 2
Siskiyou Association of REALTORS®

Eva Garcia, Region 3
Sacramento Association of REALTORS®

Mary Chatton Brown, Region 5
Contra Costa Association of REALTORS®

Richard Tegley, Region 14
Inland Valleys Association of REALTORS®

Alice McCain, Region 18
Southland Regional Association of REALTORS®

NOMINEES FOR IMPAC ALTERNATE
(November 2007 - November 2008)

Cynthia Wood, Region 4
North Bay Association of REALTORS®

Michael Godfrey, Region 6
Bay East Association of REALTORS®

Leannah Hunt, Region 9
Silicon Valley Association of REALTORS®

Carol Banner, Region 15
Rim of the World Association of REALTORS®

Richard Stone, Region 16
Arcadia Association of REALTORS®

Rebekah Owen, Region 19
Santa Clara County Association of REALTORS®

Les Fishman, Region 21
Palos Verdes Association of REALTORS®

Vicky Campbell, Region 24
San Diego Association of REALTORS®

Action of Directors: Approved

It was further reported for information only that the State IMPAC Trustees

approved the following contributions:
--$15,000 to the Reason Foundation for a media and government outreach campaign on government barriers to housing production
--$10,000 to the Community Renewal Project to sponsor their annual Community Renewal Summit that provides resources to neighborhood activists who improve their communities through economic development
--$10,000 to the National Association of REALTORS® for a Homeowners Insurance Research study on availability and affordability of insurance in disaster prone areas
--$150,000 to the Plan for the People – No on Measure A campaign to defeat a anti-growth initiative in Monterey County
--$142,723 to the California Association of REALTORS® to fund a paid media and direct mail campaign in support of SB 670 (Correa), a C.A.R. sponsored bill to prohibit Private Transfer Taxes
--$15,000 to No on Measure A, an anti-growth initiative in the City of Solana Beach
--$20,000 to the Residents Against Planning Restrictions - Measure V, an anti-growth initiative in the City of Sierra Madre

Legislative
Steve Goddard, Chair

It was Moved, Seconded and CARRIED that C.A.R. adopt a "NOT REAL ESTATE RELATED" position on Proposition 93, "Limits on Legislators Terms in Office" which will appear on the February 8, 2008 Presidential Primary Ballot.

Action of Directors: Approved

Membership
West De Young, Chair

See Consent Agenda (Attachment A) for an action item from the Membership Committee.

Standard Forms Advisory
Steve Weiss, Chair

It was reported for information only by Steve Weiss, Chair of the Standard Forms Advisory Committee, that the Standard Forms Advisory Committee received reports from 12 Regional Representatives. The comments were all positive regarding the November 2007 forms release. The Standard Forms Advisory Committee decided to create a joint study group with the WINForms Users Advisory Group to consider electronic forms' impact on the standard forms process. The Standard Forms Advisory Committee recommends that in early 2008 a study group should be formed to propose revisions to the RPA for release in 2010. In response to comments at the Forum on Forms, the Standard Forms Advisory Committee has directed staff to make modifications to the Request for Repair form draft that was presented at the Forum on Forms and will decide by an email vote on Monday, October 15th whether to release the modified form in November. Finally, the committee reviewed all of the 42 comments received.

TAXATION
Robert Kevane, Chair

It was Moved, Seconded and CARRIED that C.A.R. adopt the following positions on February 8, 2008 Ballot Propositions:

-- Proposition 91, "Transportation Funding" – "NEUTRAL"
-- Proposition 92, "Community Colleges Funding, Governance and Fees" – "NOT REAL ESTATE RELATED."

Action of Directors: Approved

It was reported for information only that C.A.R. staff will explore the option of expanding the use of the Mello-Roos Law to allow funding for environmental mitigation and/or affordable housing, while otherwise prohibiting PTTs, and report back to the committee in January of 2008.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:50 a.m. on October 13, 2007.

ATTACHMENT A – CONSENT AGENDA

CONSENT AGENDA

Membership

1. That the following applicants be granted C.A.R. Honorary Member-for-Life status:

Arcadia AOR
Ingeborg Rothschild

Atascadero AOR
Frank Sanchez
Richard Summers

Bakersfield AOR
Tresa Destefani
Ted Hand
Virginia Jeffries
Lloyd Plank
Stan Redmond
Robert Wegis

Bay East AOR
Al Antunes
Audrey Giovanetti
Babe King
Betty McCoy

Beverly Hills/Greater LA AOR
Hjalmar Erickson
Mildred Foreman
Christine Forrest
Samuel Fox
Caroline Lembec

Burbank AOR
Yvonne Falge
Rosemary Forsyth

CA Desert AOR
Peggy Wick
Chopsy Samuelson

Contra Costa AOR
Shirley Amato
Doris Bohren
Patti Compton
Dick Green
Moses Guillory
Bill Kendall
Wally Krivoy
Mary Linney

Janie Olofson
Robert Rose
Lydia Siapno
Jeanne Trambley
Herb Trenbath
Marv Wiegman
Dot Yardley

Downey AOR
Chuck Gugliuzza

East Valley AOR
Robert Ramos

El Dorado AOR
Mary Cox
Corinne Haglund
Wilma Klein

Delta AOR
Sylvia Amaral

Greater Antelope Valley BOR
Bill Proffitt

Marin AOR
Zel Bauer
Berwyn Forsythe
Jeanne Scott

Mariposa AOR
Delores Ann Hahn

Merced AOR
Richard Duewell
Kay Stahl

Monterey County AOR
Emily Stephenson

North Bay AOR
Art Bowen
Jean Delzell
Sarah Gianelli
Harold Griffith
Julian Heckler
Donald Kelly
Cecil Rolls
Willo Rose
Les Ryan
Gilbert Saydah

William Schlangen
Gordon Walker
Walter Walker
Lucy Webb
Marlene Werra
Barbara Whitson
Patricia Williams

North San Diego AOR
Jeanne Bowyer
Bob Zigich

Orange Belt AOR
Barbara Cranmore
Marion Davis

Orange County AOR
Ruth Clark
Margie Harbert
Clare Hoefler
Tom Martin
Lenore Shepardson

Pacific West AOR
Jacqui Graves
James Harvey
Augie Lopez

Palos Verdes Peninsula AOR
Charlene Phelps

Placer AOR
Paula Ahart
Joseph Bruno
John DuPriest
Elsie Feathers
Bill Johnson
Barbara Lee
Wayne Robinson

Rancho Southeast AOR
Philip Tjia

San Mateo AOR
Andrew Breslin
Richard Renwick
George Studle

Santa Clara AOR
John Van Hooser
Walter Sano

Santa Maria AOR
Jean Allen-Faust
Jack Salling
Anna Strawhun

Shasta AOR
Loeta Rhodes

Silicon AOR
Helga Ausman
Donald Bacci
Esmail Essabhoy
Thomas Foy

South Bay AOR
Alpha Wagoner

South Tahoe AOR
Bernie McDonald

Southland Regional AOR
Bess Barber
Judith Ellsworth
Stanley Jones
Rose Keller
Virginia Moscosco
Nadine Mosier
Peggy Skelly
Irene Tomlinson
Lillian Weinstock

Trinity AOR
Audrey Bush Hall
William Derryberry

Ventura AOR
John Bazaldua
Peach Whelchel

CONSENT AGENDA

Strategic Planning and Finance

2. That the Statement of Income and Expenses by program for the eight months ending August 31, 2007 be approved.

Total C.A.R.
Revenue of $28,555,600
Expenses of $ 17,935,600
An excess of income over expenses of $10,620,000

Political Activities Fund
An excess of income over expenses of $1,728,200

Issues Action Fund
An excess of income over expenses of $1,387,400

The C.A.R. Balance Sheet as of August 31, 2007
Total assets of $58,593,800 (of which $41,461,100 are current assets)
Total liabilities of $5,670,200 (of which $4,383,700 are current liabilities)
C.A.R. Fund Balance of $52,923,600

CONSENT AGENDA

Strategic Planning and Finance

3. That the Projected Statement of Income and Expenses by program for the year ending December 31, 2007 be approved.

Total C.A.R.
Revenue of $32,643,700
Expenses of $27,813,500
An excess of income over expenses of $4,830,200

Political Activities Fund
An excess of income over expenses of $1,243,300

Issues Action Fund
An excess of income over expenses of $1,129,100. This amount will be allocated to IMPAC as approved by the Directors.

ATTACHMENT B

CALIFORNIA ASSOCIATION OF REALTORS®
A RESOLUTION OF GRATEFUL APPRECIATION
TO JOHN LIBERATOR
October 13, 2007

BE IT KNOWN: The Board of Directors of the CALIFORNIA ASSOCIATION OF REALTORS® does hereby adopt this Resolution as a means of recording for posterity its appreciation for your outstanding service as the Deputy Commissioner of the California Department of Real Estate.

WHEREAS, John Liberator has established a lengthy and exceptional record of professional commitment and service to the real estate industry; and

WHEREAS, You began your career with the Department of Real Estate in 1970 as a Deputy Real Estate Commissioner in the Los Angeles District Office; and

WHEREAS, In January 1985, you were appointed as Chief Deputy Real Estate Commissioner, and you have served with distinction in this post, and as Interim Real Estate Commissioner in 1991, 1994, 1999, and 2004; and

WHEREAS, With your dedicated support and guidance, the Department of Real Estate has made important strides to provide excellent service to a broad diversity of licensees and California consumers; and

WHEREAS, By virtue of your friendship, loyalty, dedication and commitment to the real estate community and to public service, you leave this State a legacy of leadership and progress that will endure; therefore, be it

RESOLVED, That the officers, directors and members of the CALIFORNIA ASSOCIATION OF REALTORS® do hereby convey to you, John Liberator, our gratitude for your outstanding leadership, and wish you the very best on the occasion of your retirement from public service this year.

(Signature) (Signature)

Colleen Badagliacco, President Joel S. Singer, Executive Vice President

Adopted this 13th day of October, 2007, by a vote of the Board of Directors during its 520th Session in Anaheim, California.