

Missouri REALTORS®

Winter Business Conference – January 18, 2024
St. Louis Union Station, St. Louis, MO

Motions & Rationale for the Board of Directors

Noticed January 17, 2024

Finance & Budget Committee

Chair: Brian Jared

Vice Chair: Bobbi Howe

Staff Liaison: Jessi Jordan

MOTION #1: To approve striking all of Section 5 from Policy 471 in the Missouri REALTORS® Bylaws, Interpretations, and Policies. *The Executive Committee recommends approval.*

Rationale: Last year, a change to Policy 444 Section 5 was approved by the Board of Directors, per the recommendation of the Financial Policies Presidential Advisory Group, to exclude travel reimbursements to Missouri REALTORS® members serving as NAR Committee Chairs. This allowed the Finance & Budget Committee to exclude funds from the 2024 budget, which was also approved by the Board of Directors. One related policy was inadvertently excluded from the recommendation, so this recommendation simply removes this outdated language. Further, this section doesn't apply to Policy 471 in general, which pertains to National Directors from Missouri, not general members serving on national committees. These policies can be found in the [Missouri REALTORS® Bylaws, Interpretations, and Policies](#), and page 4 of this motions packet includes the redlines recommended.

Board of Directors Action:

- Approved Referred to _____ for further study
 Postponed until _____ Defeated
 Approved with the following amendment:
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Bylaws & Policy Committee

Chair: Dan Sale

Vice Chair: Chris Martin

Staff Liaison: Steve Graham

MOTION #2: To adopt the amendments to Article XII, Sections 3-5, as previously accepted by the Board of Directors. *The Executive Committee recommends approval.*

Rationale: Last year, these amendments were accepted by the Board of Directors, per the recommendation of the Financial Policies Presidential Advisory Group. This is simply a second reading as required by the Bylaws. This article can be found in the [Missouri REALTORS® Bylaws, Interpretations, and Policies](#) and on pages 5-7 of this motions packet.

Board of Directors Action:

- Approved Referred to _____ for further study
- Postponed until _____ Defeated
- Approved with the following amendment:

MOTION #3: To adopt the new Policy 457 pertaining to Sponsorships and Exhibitors. *The Executive Committee recommends approval.*

Rationale: Adopt a new policy to clarify the process and procedures for securing sponsorships and exhibits at Association events, in general and with specific guidelines for brokerages. This new policy language can be found on page 8 of this motions packet.

Board of Directors Action:

- Approved Referred to _____ for further study
- Postponed until _____ Defeated
- Approved with the following amendment:

For Information Only; Per Article V. Section 1(a) of the Missouri REALTORS® Bylaws: *The purpose of the Executive Committee is “to oversee the affairs of the State Association in accordance with the policies and instruction of the Board of Directors and to serve as a sounding board for the CEO on emerging issues, problems, and initiatives. Except as specifically provided in these Bylaws or the Policy Statement, the Executive Committee may exercise the powers of the Board of Directors between meetings of the Board, except it may not (i) amend or repeal these Bylaws; (ii) amend or repeal the Policy Statement; (iii) approve the State Association’s Annual Budget; or (iv) adopt or amend the State Association’s Strategic Plan. The Executive Committee shall report any action taken to the Board of Directors at its next meeting.”*

The following motions were approved by the Executive Committee prior to this meeting, and do not require approval by the Board of Directors:

That Missouri REALTORS® draft a letter of intent to purchase [REDACTED], and with a 75-day due diligence period, per the recommendation of the Building Committee Task Force. *[NOTE: A portion of this motion has been redacted due to the confidential nature of this process. This policy can be found in the [Missouri REALTORS® Bylaws, Interpretations, and Policies.](#)]*

That Missouri REALTORS® continue its membership in the Missouri Civil Justice Reform Coalition with dues of \$10,000, per the recommendation of the Advocacy Committee.

That Missouri REALTORS® approve up to \$9,000 for a new software subscription service to assist with local and state advocacy.

That Missouri REALTORS® donate \$10,000 from the Issues Mobilization Reserve Fund to the Kansas City Regional Association of REALTORS® to fight Ordinance 231019.

That Missouri REALTORS® approve up to \$3,000 from the Member Engagement Committee funds, to host a leadership development session at a business conference this year.

That Missouri REALTORS® approve up to \$7,500 from the Member Engagement Committee funds, to host a REALTOR® Volunteer Days campaign promoting offices and Local Board/Associations across the state to plan a volunteer activity, June 1-9, 2024.

That Missouri REALTORS® draft a contract to purchase [REDACTED], with a 75-day due diligence period and all other applicable terms as outlined in the previously approved Letter of Intent, per the recommendation of the Building Committee Task Force. *[NOTE: A portion of this motion has been redacted due to confidential nature of this process. The Building Committee is subject to Policy 419, with their actions subject to approval of the Executive Committee. This policy can be found in the [Missouri REALTORS® Bylaws, Interpretations, and Policies.](#)]*

Policy 471 – Meeting Attendance by National Directors

Section 1. In addition to the eligibility requirements set forth in Policy 470, every State Association National Director must satisfy all performance expectations attendant to serving as a National Director as may be required by NAR from time to time (e.g., service and meeting attendance requirements). Any State Association Elected National Director vacancy that may arise as a result of a failure to comply with any NAR performance expectation requirement shall be filled in accordance with the provisions of Policy 470. (2022)

Section 2. All State Association National Directors are expected to monitor other committees as requested by the State Association. (2022)

Section 3. All State Association National Directors shall be required to attend all Missouri caucus meetings at NAR Meetings, together with any NAR Director Meeting called during any State Association meeting, unless an Excused Absence Report is approved of by the Leadership Team pursuant to the procedures set forth at §7 of Article VI. (2022)

Section 4. All State Association National Directors shall be reimbursed for attending and voting at duly called NAR meetings upon receipt of a completed State Association National Committee Report form and itemized request for reimbursement with supporting receipts. Travel related costs will not be reimbursed for those attending virtually. Said amount of reimbursement shall be subject to a maximum trip limit (approved annually by the State Association Board of Directors) and otherwise as set forth in Policy 444. (2022)

~~**Section 5.** State Association Members serving as Chair or Vice Chair of a NAR Committee shall be reimbursed for attendance and voting at duly called NAR meetings upon receipt of a completed State Association National Committee Report form and itemized request for reimbursement with supporting receipts. Travel related costs will not be reimbursed for those attending virtually. Said amount of reimbursement shall be subject to a maximum trip limit (approved annually by the State Association Board of Directors) and otherwise as set forth in Policy 444. (2022)~~

Article XII. Reserves

Section 1. Legal Action Reserve Fund.

- (a) The State Association shall maintain a Legal Action Reserve Fund (the "LA Reserve"), the specific purpose of which shall be to provide a means to fund the implementation of the State Association's Legal Action Program as set forth in Policy 425.
- (b) Unless otherwise determined by the Board of Directors, if the LA Reserve falls below \$350,000 (the "LA Reserve Target"), the annual budget in the calendar year following such event shall include an allocation of \$25,000 or such lesser amount that would be necessary to replenish the LA Reserve to the LA Reserve Target. The Board of Directors may, at any time, allocate additional funds to the LA Reserve up to or over the LA Reserve Target. Any funds in the LA Reserve over the LA Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) The Executive Committee shall have the authority to approve withdrawals from the LA Reserve in furtherance of Policy 425 as long as the balance of the LA Reserve after such withdrawal is not less than \$300,000 (the "Fund Floor"). Any withdrawal that would leave the balance of the LA Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.

Section 2. Building/Facilities Repair and Replacement Reserve Fund.

- (a) The State Association shall maintain a Building and Facilities Repair and Replacement Reserve Fund (the "BFRR"), the specific purpose of which shall be to provide a means to fund the repair or replacement of State Association real property, building(s), furniture (but excluding office and other production equipment), fixtures, and to provide for any necessary future expansion of the State Association building(s).
- (b) Unless otherwise determined by the Board of Directors, if the BFRR Reserve falls below \$250,000 (the "BFRR Reserve Target") the annual budget in the calendar year following such event shall include an allocation of \$10,000 or such lesser amount that would be necessary to replenish the BFRR Reserve to the BFRR Reserve Target. The Board of Directors may, at any time, allocate additional funds to the BFRR Reserve up to or over the BFRR Reserve Target. Any funds in the BFRR Reserve over the BFRR Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) The Executive Committee shall have the authority to approve withdrawals from the BFRR Reserve in furtherance of the above purpose as long as the balance of the BFRR Reserve after such withdrawal is not less than \$200,000 (the "Fund Floor"). Any withdrawal that would leave the balance of the LA Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.

Section 3. Operations Reserve Fund.

- (a) The State Association shall maintain an Operations Reserve Fund (the "Operations Reserve"), the specific purpose of which shall be to maintain funds that can be accessed in the event of an emergency or other unexpected circumstance that either materially affects the normal

income of the State Association or requires one or more unbudgeted expenditures.

- (b) Unless otherwise determined by the Board of Directors, if the Operations Reserve Fund (“Operations Reserve”) falls below ~~\$1,000,000~~ twelve (12) months of annual budgeted operating expenses (“Operations Reserve Target”), the annual budget in the calendar year following such event shall include an allocation of ~~\$25,000 or such lesser~~ in the amount that would be necessary to replenish the Operations Reserve to the Operations Reserve Target. The Board of Directors may, at any time, allocate additional funds to the Operations Reserve up to or over the Operations Reserve Target. Any funds in the Operations Reserve over the Operations Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association. (2023)
- (c) The Executive Committee shall have the authority to approve withdrawals from the Operations Reserve in furtherance of the above purpose as long as the balance of the Operations Reserve after such withdrawal is not less than ~~\$750,000~~ six (6) months of annual budgeted operating expenses (the “Fund Floor”). Any withdrawal that would leave the balance of the Operations Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors. (2023)

Section 4. Issues Reserve Fund.

- (a) The State Association shall maintain an Issues Reserve Fund (the “Issues Reserve”), the specific purpose of which shall be to provide a means to fund the Mobilization and Advocacy Program as set forth in Policy 105.
- (b) Unless otherwise determined by the Board of Directors, each annual budget of the State Association shall include a minimum of \$40 per member that is allocated to the Issues Reserve until such time as the balance of the Issues Reserve equals or exceeds ~~\$812,050,000~~ \$812,050,000 (“Issues Reserve Target”). If the Issues Reserve Target is met and then subsequently falls below ~~\$8,012,500,000~~, the annual Issues Reserve allocation shall resume in an amount that is equal to \$40 per member or such lesser amount per member that would be necessary to replenish the Issues Reserve to ~~\$8,012,500,000~~ \$8,012,500,000 (“Issues Reserve Target”). The Board of Directors may, at any time, allocate additional funds to the Issues Reserve up to or over the Issues Reserve Target, and will adjust the Issues Reserve Target amount at least every five (5) years for inflation. Any funds in the Issues Reserve over the Issues Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association. (2023)
- (c) Funds may be withdrawn from the Issues Reserve in furtherance of the above purpose only upon recommendation by two-thirds (2/3) vote of the Advocacy Committee and the approval by the Executive Committee. Funds may be withdrawn from the Issues Reserve for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

Section 5. Strategic Initiatives Reserve Fund.

- (a) The purpose of the Strategic Initiatives Reserve Fund (the “SIRF”) is to provide a means to fund strategically important programs, initiatives, purchases or events that are not otherwise included in the annual budget of the State Association, but are in support of one or more elements of the State Association’s current strategic plan or any business plans. (2023).
- (b) Unless otherwise determined by the Board of Directors, if the SIRF falls below \$500,000 (“SIRF Reserve Target”), the annual budget in the calendar year following

such event shall include an allocation of \$20,000 or such lesser amount that would be necessary to replenish the SIRF to the SIRF Reserve Target. The Board of Directors may, at any time, allocate additional funds to the SIRF up to or over the SIRF Reserve Target. Any funds in the SIRF over the SIRF Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.

- (c) Upon recommendation of the Strategic Planning Committee, the Executive Committee shall have the authority to approve withdrawals from the SIRF in furtherance of the above purpose as long as the balance of the SIRF after such withdrawal is not less than \$250,000 (the "Fund Floor"). Any withdrawal that would leave the balance of the SIRF below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors. For programs, initiatives, purchases, or events that would require ongoing financial support, beyond a one-time withdrawal from the SIRF if implemented, the Finance Committee must also provide a recommendation to the Executive Committee. (2018)(2023)
- (d) Funds may be withdrawn from the SIRF for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

Section 6. Creation of Reserves.

- (a) The creation of permanent or "temporary" Reserves, as recommended by the Finance and Budget Committee, shall require the majority vote of the Board of Directors. The use of Reserves, which restricts the budgetary controls normally exercised in daily accounting and required by Generally Accepted Accounting Standards and Practices, shall be limited. (2018)
- (b) "Temporary" Reserves shall include firm "sunset" provisions as recommended by the Finance and Budget Committee and approved by majority vote of the Executive Committee. (2018)
- (c) The creation of permanent Reserves, as recommended by the Finance and Budget Committee, shall require the majority vote of the Board of Directors. The use of additional permanent Reserves shall be severely limited due to the loss of budgetary controls normally exercised in daily accounting and required by "Generally Accepted Accounting Standards and Practices". (2018)

Section 7. Reserves Funds.

- (a) Funds in the State Association's Reserve shall be maintained in cash or investments as recommended by the Finance and Budget Committee and approved by the Executive Committee.
- (b) Income from the investment of State Association reserve funds shall accrue to and become a part of the State Association's unrestricted net assets.
- (c) The State Association shall not borrow against funds in one or more reserve accounts beyond the amount necessary to preserve the full allocation of such reserve as determined by these policies except where approved by a two-thirds (2/3) vote of the Board of Directors. (2018)

Policy 457 – Sponsorships and Exhibits (2024)

Section 1. Generally. The State Association is authorized to offer sponsorship and exhibit opportunities to its members and affiliates, or entities offering products or services specific to real estate professionals. These opportunities are intended to be beneficial to both the sponsoring and exhibiting organization (the “Client”) and the State Association. All sponsorships and exhibits must be in compliance with all Missouri Real Estate Commission (MREC) and Real Estate Settlement Procedure Act (RESPA) rules and regulations, and any other applicable laws. Except as specifically noted in this Policy 457, all sponsorships and exhibits shall be on such terms and conditions (e.g., pricing and duration) as are set and determined by State Association Staff from time to time.

Section 2. Prohibited Activities. Any sponsorship including but not limited to marketing, promotional, or other materials made available through such activity, and any Client representative at any State Association program or event MAY NOT explicitly or implicitly:

- Recruit State Association members to join Client’s company;
- Compare Client’s company to any other business or company providing similar services;
- Use, duplicate, or alter in any way the State Association logo, branding, or name without the prior express written consent of the State Association’s CEO or Vice President of Communications and Membership Engagement; or
- Suggest that the State Association endorses or supports Client’s organization over another.
- **Specifically for brokerages**, sponsorships may only feature general branding of the brokerage; anything promoting agent services, tools, benefits, fees, splits, or other messages that could be perceived as recruiting, whether explicit or implicit, are not allowed. Further, brokerages **are not** allowed to be exhibitors at any State Association event.

Section 3. Securing Sponsorships and Exhibits. Sponsorship and exhibit opportunities with the State Association are available on a first come, first served basis. All sponsorships and exhibits should be secured through a commitment form as provided by Association Staff, website, or event page. This form may include additional procedures, protocol, and guidelines, all consistent and not in conflict herewith, that are designed to facilitate fair and impartial sponsorship and exhibit opportunities and an equitable application process for all involved with respect to such matters.