Berkshire REALTORS®
And Multiple Listing Service, Inc.

## Governance Report, Maureen McFarland

### *Core Standards Certification / NAR Compliance Levels*

We must meet NAR's Organizational Alignment Core Standards. Our staff works incredibly hard to ensure that we excel in the 6 areas of these standards:

1. Code of Ethics
2. Advocacy
3. Consumer Outreach
4. Unification Efforts and Support of the REALTOR® Organization
5. Technology
6. Financial Solvency

Our association achieved immediate compliance for the first two cycles and will be meeting the additional compliance requirements in 2017. This year, there were 29 requirements that our staff has to complete, document and submit to NAR to keep our national charter.

### *RESO MLS Database Standards*

Staff is also working extensively with a new set of standards for our MLS data, with growing list of changes and adjustments to our backend MLS system so that the data is standardized across the US. These new standards, called RESO are complex and grow each year as well. These requirements can be costly - in both time and our finances, but we've got the right staff in place to handle these new requirements. To handle the financial issues, we have a great Finance Committee, co-chaired by our two Treasurers.

### *Personnel Committee, Sheila Thunfors Chair*

The Personnel Committee conducted its annual extensive review of policies, salaries and benefits in September. We have a phenomenal staff that goes above and beyond for the benefit of all our membership. Thank you to Sandy, Sue and Linda!

### *Strategic Plan Update, Churchwrd Davis, Incoming President*

Now, our last Strategic Plan update that shows how committed we are to creating and maintaining a solid foundation of governance, to have a healthy, vibrant association that enhances industry unity. I will ask our Treasurer Doug Goudy, State Director Barbara Osborne and Personnel Committee chair Sheila Thunfors to come up and give a report.

We remain a strong, thriving, vibrant trade association that is prepared to meet the challenges we face with a legion of volunteers and adept professional staff.

# URGENT

**Mary Jane White, 2015-2016 MLS President**

***What I know, that you should know!***

**Danger Report…** In 2014 NAR commissioned the study and report authored by Stefan Swanepoel, CEO of Swanepoel T3 Group that laid out 50 threats to 5 groups:

**Agents, Brokers, NAR, Local & State Associations & the MLS.**

While initially thought to be alarmist, uncomfortable and negative to our industry after two years many of what was reported is happening right here in our Berkshire County MLS association and pose a real risk to our organization.  The report offers no solutions to the issues….those are for us to adopt and implement.  I encourage you to read this document to help the MLS shape our future!

- Full Danger Report

**FLEX MLS…..** Our life line to successful business. Our staff has put together both printable manuals and video tutorials for every feature needed…there is SO much more you could do beyond looking up a listing!!!

- FLEX Manuals & Tutorials | MLS Rules & Regulations | MLS Policies

**Understanding Upstream…** Working to assist large brokerages with having to enter and upload listing information into multiple MLS's, in-house systems and websites, NAR signed on to serve as the technology vendor for a new project called UPSTREAM™.  It is being designed to create a single entry point for brokers who need wide distribution of their listing data to multiple listing services, publishers and vendors—saving time, effort and expense and ensuring more accurate, consistent data.

- NAR's Blog on this Venture
- Inman News Take on Upstream
- Upstream Latest Status Update

**RPR The REALTOR Property Resources…** What is RPR®?  The site provides REALTORS® with data on more than 166 million parcels of property in the United States, powerful analytics, and client-friendly reports. The system was created by NAR and exclusively for REALTORS®.  With extensive report features and data on homes you might be looking to list, this site is worth investigating as a free member benefit.

- Learn how to use RPR

**Listing Syndication…** Syndication to a third party NON-MLS website (like Zillow, hotpads or even iBerkshires) is a decision needed with every listing signed exclusively. You need to know all you can about the process to educate your sellers.

- Critical information you need readily available for EVERY listing you sign & market:
- Information on the ListHub Syndication Platform in our MLS:
- Great discussion of the pros & cons of syndication from an Inman's survey
- Excellent read on the pros & cons of syndicating (MLS I've become familiar with)

**Reciprocal Agreements…** In addition to syndicating your listings, or as an alternative to syndication, our Berkshire County MLS has Reciprocal agreements with three neighboring MLS's. You can now market your bordering properties in adjacent MLS services.

- How to Create a Reciprocal Listing

**Coming Soon…** The term pocket listing has been around forever but Zillow has made the term "Coming Soon" the threat to our organization and your business. Offering a Seller's package with an open house kit and the national exposure of their house on the site...there is no doubt Zillow's end game is to eliminate the selling agent. Don't be fooled, please understand the issues surrounding Coming Soon listings!

- All About the Legalities and Ethics of Coming Soon Listings
- Consumer Marketing Plan & Think-Tank Report, unanimously approved by MLS Board.
- Updated Delayed or Refusal to List form

**Broker Public Portal (BPP)…** This is a new collaborative venture between brokerages, and MLSs. The concept is to offer an online real estate search experience that is free from ads and paid agent placement. Instead, consumers collaborate with their own agent, or connect instantly to the listing agent, ensuring information and answers from a pro who truly knows the home, neighborhood and local market conditions.

- A summary of the Broker Public Portal
- BPP has chosen Homesnap to launch their portal
- Chicagoland MLS is the first to launch BPP

**Right to Farm…** This does NOT mean your buyer has the right to farm…but you DO have to do something:

- Documents & procedure you need to follow for all sales:

If you would like to have a conversation about, or have questions on, any of the material in this post, please contact me, Sandy Carroll or any member of your MLS Board of Directors. **Remember….knowledge is power and most client decisions are guided by real estate professionals ….. YOU!!**


Respectfully submitted,

*Mary Jane White*

# Technology Report, Sandy Carroll

## Tech Training

Monthly Board Office training is coming back. MLS Board committed to updating our conference room with the wifi capability to train on androids, iphones, tablets and laptops.

We are looking into hiring national speakers, industry experts, producing video training and more. Sue O'Brien has been certified in Ziplogix training and Sandy Carroll has traveled to Fargo North Dakota with President Mary Jane White to learn the latest new developments including agent in-the-field training techniques.

- Check out our calendar of events!

## Security

We are working continually on ensuring our systems are secure and responsive. We had a security audit that identified ways we could protect our member and association electronic data better and have taken those precautions.

- Understanding what you are protecting
- NAR Data Security Toolkit

We are working on informational pieces for REALTORS explaining the vulnerabilities of doing business on any wifi network that is now owned and operated by a trusted source, how to encrypt email, and how to properly explain the closing process to clients so that they don't get caught in phishing traps that attempt to steal closing funds from escrow moments before arriving at the lawyers offer.

We are also pushing for more awareness on REALTOR safety. Check out the tools we've compiled to help!

- REALTOR Safety


## *Facebook / Social Media*

With the advent of Facebook's new Housing Section in their Marketplace, and Coming soon listings popping up all over, it's important that all members understand the limitations they have when marketing on social media.

- Here's some helpful articles on the do's and don'ts of online marketing
- Facebook's New Marketplace

## New NAR Member Benefit: Delivered Through zipLogix™ Technology

This year NAR is providing a valuable member benefit to REALTORS® nationwide and has chosen zipLogix™ as the provider to deliver this comprehensive transaction platform.

The new benefit includes zipTMS™ robust **transaction management system**, unlimited zipVault® document storage, an exclusive NAR library of *REALTOR® Forms & Templates*, and access to the industry-standard zipForm® Plus forms engine where you can add and manage our own custom documents. State and local forms libraries may also be available if those forms are licensed to zipLogix™ by your state or local association (some fees, which are set by state and local associations/boards, may apply).

### zipTMS™ -Transaction Management Software

- Seamless integration with zipForm® Plus
- Checklists, activities, calendar
- Complete audit trail
- Create transaction archives including checklists, notes and history
- Additional features listed at zipLogix.com/ziptms (link is external)

### zipVault®

- Unlimited, secure document storage
- Add files to transactions (PDF, DOC, JPG, and more)
- Fax into and out of transaction

### NAR's REALTOR® Forms Library

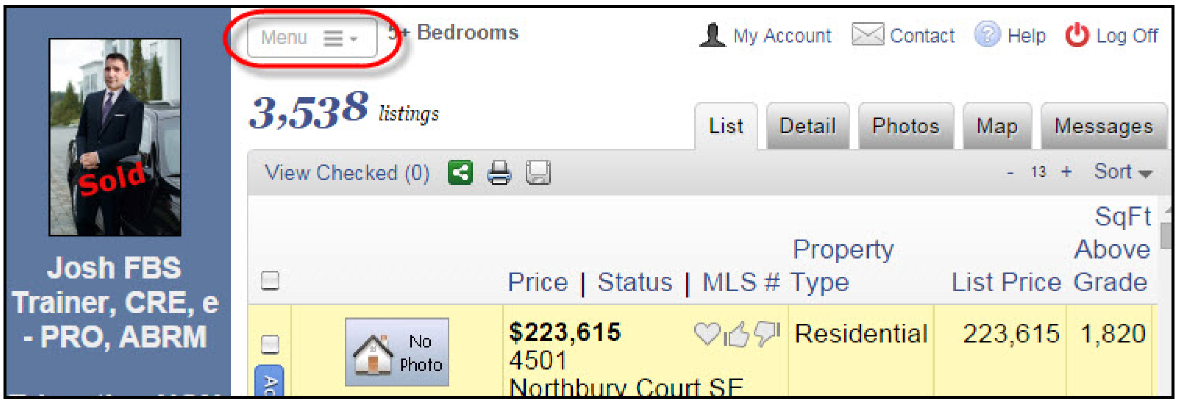
- Includes resources developed by NAR to enhance marketing and communications with clients including: business letter templates, customizable handout sof consumers, plus ethics, arbitration and mediation forms

### zipForm® Plus Forms Engine

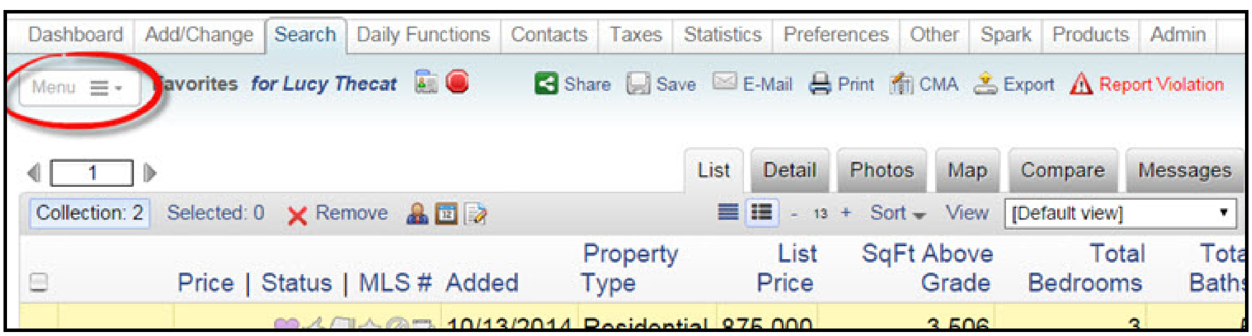
- Templates, clauses, address book
- Collaboration through zipLogix™ Community
- Notifications, strikeout, photos
- Add files to transactions
- Fax into and out of transaction
- Additional features listed at zipLogix.com/zipformplus (link is external)

## Portal “Menu” for Clients New Feature Announcement!!

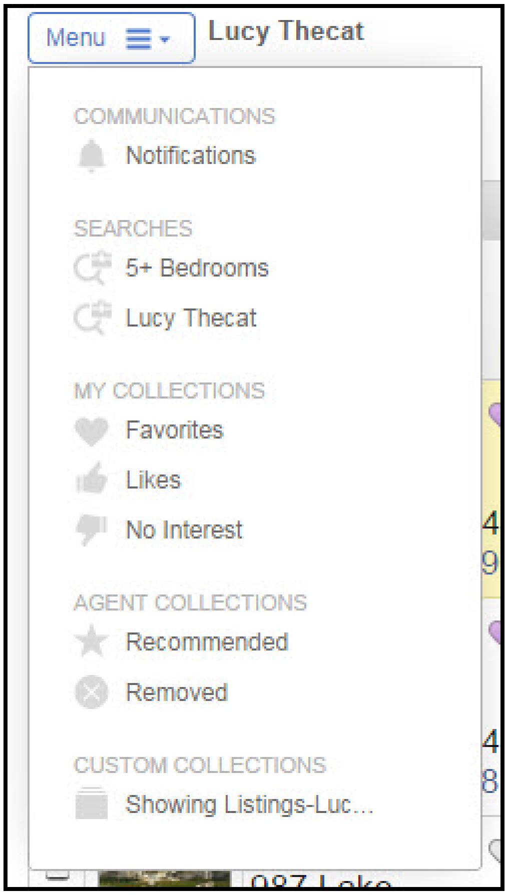
On Thursday, October 30, FBS will release a new Menu button for customer portals. When your clients view listings in the portal, clicking on the **Menu** button will open a menu that makes it easy for them to access listings they have received via auto email, saved searches, and listing collections. They will no longer have to return to the dashboard to view those options.




You will also have access to their portal menu button when you work on behalf of a contact in Flexmls (for more information on working on behalf of a contact click [here](#)). This will allow you to view your contact’s emailed listings, searches, and listing collections without leaving a search results screen.



Whether it is used in the portal or while you are working on behalf of a contact, clicking on the **Menu** button will open a menu that contains four default categories: Communications, Searches, My Collections, and Agent Collections. There will also be a Custom Collections category if you have saved a Listing Collection to that specific contact.




**Communications**
Click on **Notifications** to see listings that have been sent to your contact via auto email. Listings won't appear if you have marked them as Removed or if you or the contact has marked them as No Interest.
**Note**: The Notifications link may not be available to your MLS when the Menu button is released on October 30. If you do not see it, it will be released to your MLS at a at a future point in time.

**Searches**
Click on a search to view the listings. Any searches saved to the contact will appear under the Searches heading.

**My Collections**
Your contacts will see this heading as 'My Collections' in the portal, and you will see it as 'Client Collections' when working on behalf of a contact. Click on **Favorites**, **Likes**, or **No Interest** to view listings that you or your contact has placed in those categories.

**Agent Collections**
Click on **Recommended** to view listings that you have recommended for that contact. Click on **Removed** to view listings that you have removed from that contact's search. For more information about working on behalf of a contact and recommending or removing listings click **here**.

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## Awards Committee Report, Steve Ray

The REALTOR of the Year Selection committee noted a few changes that could help improve the recognition of our outstanding contributors. They recommended, and the Board unanimously approved, the following changes to our awards policy:

The separate Good Neighbor and Realtor of the Year Selection Committees were merged into one Awards Committee. Further, 3 additional awards were added as to our policy:

Awards Selection Committee: A five (5) member committee shall be appointed by the President and chaired by the most immediate past 'Berkshire REALTOR of the Year' able to serve. The President shall select past award winners for service on this selection committee and committee appointments shall be ratified by the Board of Directors. Once formed, the group will review nomination applications received and select one deserving candidate for each award. If no nominations are received, the committee may ask potential candidates to apply for any award or may forgo naming an award winner.

- ***REALTOR SPIRIT AWARD:*** *The REALTOR Spirit award is given to the REALTOR that consistently demonstrates the ideals that embody the very meaning of the term "REALTOR®". The ideal nominee is an unsung hero within the real estate profession who supports other industry practitioners through actions, words and cooperation. Recipients are known for their strong professional ethics and willingness to go above and beyond in support of the association and the members. Honorees are known and respected for their optimism and enthusiasm, integrity and work ethic, and civic involvement, charitable contributions, and leadership in the local business community. The REALTOR Spirit winner from Berkshire County will receive a plaque in honor of their service, a commendation from our State Representatives, and a one hundred ($100) donation to the charity of their choice.*

- ***DISTINGUISHED SERVICE AWARD.*** *The Distinguished Service award is the ultimate recognition for ongoing, dedicated service of that very special REALTOR® who has always set themselves apart as a leader. They are individuals who have held membership in the board for 15 years or more, and are recognized as a local leader whose performance of service and involvement on the Board, the local real estate industry, and civic organizations is extraordinary. They are the member who is always called to serve on special task forces and work groups to resolve matters of a critical nature. They are respected by those in the industry and community, and are a source of knowledge and experience to business colleagues and within the community.*

- ***AFFILIATE OF THE YEAR AWARD:*** *The Affiliate Member of the Year Award acknowledges the involvement of industry professionals who are not REALTORS but actively participate in the Berkshire REALTOR's programs and activities, and support the association, its mission and the REALTOR® membership. Nominees will be judged on volunteer service and personal contributions made in support of association's strategic objectives and programming, which may include charitable and community service activities, public policy advocacy, committee service, sponsorships, and support of the REALTORS® Political Action Committee.*

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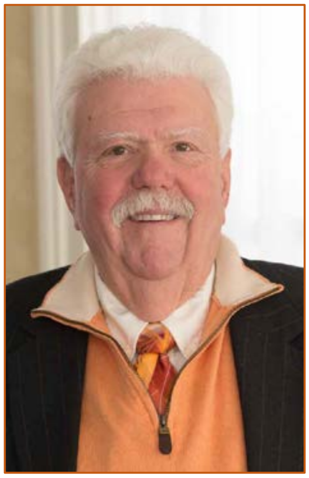
## Contract & Forms, Michael Shepard



### *Exclusive Right to Sell Agreement*

There were only slight changes to the agreement this year.

First, please make sure if you have entered SAC (**Sub Agent Compensation**) in the MLS, that you have a signed consent form… When updating the database, Sandy found several hundred listings that offer the fairly rare option for all MLS cooperating brokers to act as subagents for the seller – we just want to make sure that you understand what the means and that the seller has signed the state mandated consent form if you intend to extend that option.

We've also added "**encumbrances**" disclosure to the Exclusive Right to Sell, so you can have the conversation with your seller up-front about solar panels, hot water tanks, or any third party contractual obligation that you need to know about that will impact the sale.

### *Purchase and Sale Agreement*

We reached out to area insurance agents and separated the **mortgage and insurance contingency** language so that both buyers and sellers have adequate protection. We tried to make the language simple to understand, yet cover the parties the best that we can.

With longer closing time frames, sellers should know that there is a potential that insurability could come up as far as 45 days to the closing. All sides should make sure that the buyer makes an insurance application as soon as possible to eliminate any issues up front. You should also know that buyers have an obligation to make a good faith application in order to be protected by this clause, so it's in everyone's best interest to get the insurance binder at the initial stages of the purchase process.

We've also significantly changed the Risk of Loss clause. If something major happens to the home between before the sale takes place, the issues will most likely require a custom solution that works with the needs of the parties, their attorneys and the lender. We found it impossible, with the regulatory changes in the insurance industry, to create a solution in the P&S for the house burning down or a storm ripping the roof off.

### *Waiver of Professional Home Inspection*

The Home Inspection Contingency has undergone changes in the last several years – and today it stands that the P&S agreement allows a buyer to cancel the P&S by providing written notice. The clause does **not require a licensed home inspector**, or even a licensed professional. If the buyer finds something to be unsatisfactory during the time they have to inspect, they can terminate the agreement.

A Buyer's agent still has the legal obligation to provide the Home Inspector Facts for Consumer's brochure and to encourage licensed professionals to inspect the home if that is in the best interests of the buyer. You can, and should, help arrange for general home inspections and/or specialty inspections such as pest, well, heating/cooling, sewer lines, roof etc.. Should your buyer client decline to obtain a Licensed Home Inspection, a form is available where they **acknowledge the risks of that decision**.

### *Purchase and Sale Contact Worksheet*

I know that there is angst about adding the buyer / seller phone and email on the **contact worksheet**. Please understand, we need this information so if you are not comfortable providing it to the other agent – you don't have to… you do need to write or call the lender and the attorney with this information though… and now we can note that critical data on one form.

To all buyer agents - I can't express how important this form is to all professionals in the process – to the lenders and attorneys, this data is **incredibly helpful in creating our closing documents**. Without it, we have to follow-up over and over with the agents in a perpetual hunt for this simple data – you can help your clients significantly by giving this information to your lender and lawyer as soon as they are selected!

Also, we clarified the **brokerage license number** that we need, and that is printed right on the form so that there is no confusion.

### *Suggestions*

The far majority of our work is done based on suggestions we receive from you – during a heated transaction or when you stumble across something that can be done better. That's the beauty of our forms and our process – **we change to meet emerging business needs**. So, please send along your comments and ideas – we already have a running list for the next meeting.

I also want to ask that those who serve on the committee to stand and be recognized. This is one group that hotly debates and discusses every period, comma and big picture principal and they serve you incredibly well.

Thank you for allowing me to participate.

***(please see the next page for a list of all of the forms we offer)***

Berkshire REALTORS®
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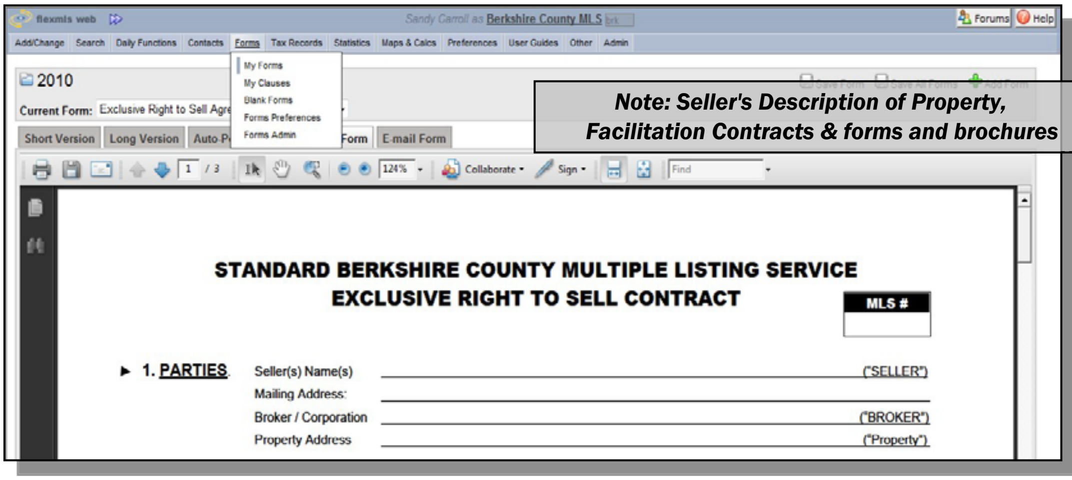
All contracts, forms and brochures are available at no-cost in the MLS system. There, you can populate the data fields from your contact management system, the listing data, or member profiles.




## Agency Agreements

- Mandatory Consumer-Licensee Disclosure
- Seller & Buyer Notice of Design. Agency
- Seller & Buyer Notice of Dual Agency
- Consumer Guide to Representation
- Dual Agency Roles

## Seller Agreements

- Seller's Consent to Designated Agency
- Seller's Consent to Dual Agency Addendum
- Seller's Consent to Sub-Agency
- Seller's Deferral of Showing Addendum
- Seller's Exclusive Right to Sell Agreement
- Seller's Refusal to List Property in the MLS
- Modification of Exclusive Right to Sell
- Open House Disclosure
- Carbon Monoxide & Smoke Detector

## Buyer Agreements

- Buyer's Exclusive Right to Buy Agreement
- Buyer's Consent to Designated Agency
- Buyer's Consent to Dual Agency Addendum
- Waiver of Professional Home Inspection
- Home Inspector Facts for Consumers
- Right to Farm Disclosure
- Sex Offender Registry Information
- Flood Insurance Information
- Massachusetts Homestead Act

## Purchase & Sale Agreements

- P & S Agreement
- P & S Agreement Land
- P & S Contact Worksheet
- P & S Extension of Time for Contingencies
- P & S Extension of Time for Performance
- P & S General Addendum
- P & S Income Property Rider
- P & S Instructions to Release from Escrow
- P & S Termination of Contract
- P & S Home Sale Contingency
- Bill of Sale
- Dispute Resolution System
- Lead Paint Property Transfer Notification

## Environmental Fact Sheets

- Private Well Information
- Public Health Fact Sheet – Asbestos
- Public Health Fact Sheet – Lead Paint
- Public Health Fact Sheet – Fair Housing
- Public Health Fact Sheet – Radon
- Public Health Fact Sheet – Title 5
- Public Health Fact Sheet – UFFI
- Public Health Fact Sheet – UST
- Public Health Fact Sheet – Wetlands

Berkshire REALTORS®
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## 2017 Finance Committee Audit & Investment Report

### I. Audit

- As part of the National Association of REALTORS® Core Standards, our finances are reviewed annually by our accountant, Lombardi, Clairmont & Keegan. The review performed at the beginning of 2016 shows that all procedures outlined in our procedural guide are being followed to the "T" and all is in order.

### II. Reserves

- Our reserve investments are currently administered by the Keator Group. On a quarterly basis, the Finance Committee meets with David Keator, to review our progress. The investments are placed in low to moderate risk sources and are based in cash, short and long term investment strategies.

- The board has $171,000 invested with the Keator group, or about 13 months of expenses and we have $58,000 day-to-day operations account. With 18 months of operational expenses set aside, we're very conservative.

- On the MLS side, they have invested $135,000 with Keator, and hold $12,000 in day-to-day funds for about 11 months of operational expenses saved. This is a cushion is needed to buffer any sudden shifts in our industry, to address emerging needs of our membership and add stability to your business.

- Based on analysis made by the Keator Group, we anticipate a 4% return on investment in 2017, which our group was very happy with.

### Thanks!

- Finance Committee: co-chairs Doug Goudey and Tom Doyle and to committee members: Church Davis, Mark Harris, Maureen McFarland, Stephen Schoenfeld and Mary Jane White. We also have a very fiscally conservative staff in Sandy Carroll and Sue O'Brien – they keep our board competitive with other associations with much larger budgets and much more staff.

## 2017 Proposed Board Budget as Presented by the Finance Committee, Doug Goudey Treasurer

### III. Advertising / Affiliates

- After outreach by staff, the goal of 20 new advertisers in 2016 proved unrealistic.
- We propose dropping to 10 advertisers, which is 4 more than our current level.

### IV. REALTOR Dues:

- Berkshire Dues: Same as last year $ 229
- Massachusetts Association of REALTORS: $155 plus a NEW PPPF Dues Assessment $10

V. **Budget: Education and Events**

- 3 Live CE sessions per year and monthly webinars stay free for the members
- We propose increasing the three Luncheon member costs to $25 to cover expenses
- We propose charging $10 for the Annual Meeting Breakfast Event, $20 for Installation Breakfast

VI. **Budget: Travel Budget Line Items:**

- Includes travel for the AE, Past President, President and Present Elect to all NAR meetings. It also affords our Good Neighbor and REALTOR of the year to attend the MAR Awards Banquet and compensates mileage for our state directors to travel to state meetings. Finally, there is staff training included in this line item.

## 2017 Proposed MLS Budget as Presented by the Finance Committee, Thomas Doyle Treasurer

I. **Data Feeds**

- Haven't realized the number of RETS feeds expected in 2016, decrease 2017 budget to reflect this.

II. **Handling / Listing Fees:**

- Listing Fees increased from $7 to $7.50
- Certified Mailing Fee: Recommended change to policy to create fee structure of $30 | $50 | $100

III. **Membership Dues**

- Dues Income based on 567 members / current membership level at 567

IV. **Travel Budget Line Items: (Same as Board)**

- Includes travel for the AE, Past President, President and Present Elect to all NAR meetings. It also affords our Good Neighbor and REALTOR of the year to attend the MAR Awards Banquet and compensates mileage for our state directors to travel to state meetings. Finally, there is staff training included in this line item.

## MAR $10 Dues Assessment for 2017-2021 Questions and Answers

***Q. Why is there a dues assessment of $10 on my billing statement?***

*A. In December 2015 the Massachusetts Association of Realtors® Board of Directors approved an immediate allocation of $1 million from the General Fund to the Private Property Protection Fund (PPPF). Additionally, the Board implemented a $10 per member per year assessment for five years for the 2017-2021 dues billing cycles. The Board took this action to address the increasing expense of legislative advocacy, including ballot initiatives, amicus briefs, and other initiatives.*

***Q. What is the Private Property Protection Fund (PPPF)?***

*A. The Private Property Protection Fund was established to increase the Realtor® organization's ability to promote or oppose issues at the state and local level that affect the real estate industry and the private property rights of Massachusetts property owners. Money from the PPPF can be used for various advocacy issues including issues mobilization, campaigns to promote positions on public policy including proposed legislation and regulation, or amicus briefs on key appellate level court cases.*

- National Association of REALTORS: $120, plus $35 Consumer Ad Campaign Mandatory Assessment and $25 PAF Optional Contribution (to meet NAR Core Standards)

***Q. Why do we need a Consumer Advertising Campaign?***

*A. NAR's consumer communications aim to convince consumers of the value Realtors® bring to the real estate transaction and beyond – in their communities, in their understanding of local markets, and in their influence on public policies that encourage and facilitate real property transfer and ownership.*

***Q. How long has the campaign been running?***

*A. The National Association of REALTORS®' Board of Directors voted on November 17, 1997 to fund an initial national advertising campaign and the Board has continued to approve the extension of the campaign in three-year cycles. NAR's campaign materials include video, radio, digital, and social media content, as well as strategic media partnerships. Campaign materials are available for state and local Realtor® associations to run in their own areas.*

***Q. What is the goal of this campaign?***

*A. Get Realtor® aims to "redefine the R®" for current and future generations of home buyers, sellers and real estate investors. We want to build Realtor® brand awareness and drive consideration of Realtors®, particularly among Millennials and in today's hyper-connected world. That means contemporizing consumer perceptions of Realtors® and making sure that consumers are exposed to the Realtor® brand in social, digital and online channels, as well as through traditional media.*

# 2017 Proposed Board of REALTORS® Budget

| | 2017 Proposed | 2016 Budget | + / - Prev. Budget |
|---|---|---|---|
| **Income** | | | |
| 1. Advertising & Sponsorships | $9,800 | $11,800 | ($2,000) |
| 2. Dues Income: Affiliates | $18,525 | $15,663 | $2,862 |
| 3. Dues Income: BCBR | $107,630 | $107,630 | $0 |
| 4. Dues Income: MAR / NAR | $148,520 | $143,820 | $4,700 |
| 5. Dues Income: Reinstatement/Late | $2,000 | $2,000 | $0 |
| 6. Dues Income: Political Advocacy | $5,000 | $3,000 | $2,000 |
| 7. Education and Events Income | $15,120 | $22,305 | ($7,185) |
| 8. Investment Income | $8,000 | $6,706 | $1,294 |
| 9. Other Income | $1,000 | $1,000 | $0 |
| **Total Income** | **$315,595** | **$313,924** | **$1,671** |
| **Cost of Goods Sold** | | | |
| 10. Dues Paid: NAR & MAR | $148,520 | $143,820 | $4,700 |
| 11. Dues Paid: Political Advocacy | $5,000 | $3,000 | $2,000 |
| **Gross Profit** | **$162,075** | **$167,104** | **-$5,029** |
| **Expense** | | | |
| 12. Awards | $800 | $800 | $0 |
| 13. Charitable Donation | $100 | $100 | $0 |
| 14. Conference and Training | $19,150 | $18,750 | $400 |
| 15. Credit Card Expense | $3,150 | $3,150 | $0 |
| 16. Depreciation Expense | $1,500 | $1,500 | $0 |
| 17. Dues and Subscriptions | $557 | $557 | $0 |
| 18. Education and Events Expense | $14,444 | $21,354 | ($6,910) |
| 19. Equipment Maintenance | $500 | $500 | $0 |
| 20. Insurance | $650 | $650 | $0 |
| 21. Investment Advisory Fee | $1,729 | $1,729 | $0 |
| 22. Licenses and Permits | $450 | $450 | $0 |
| 23. Meeting Expense | $2,680 | $2,680 | $0 |
| 24. Membership Database | $2,430 | $2,430 | $0 |
| 25. Memorials | $300 | $300 | $0 |
| 26. Office Equipt & Furn. Expense | $500 | $0 | $500 |
| 27. Office Supplies | $3,500 | $3,500 | $0 |
| 28. Payroll Expenses | $87,324 | $85,464 | $1,860 |
| 29. Postage and Delivery | $300 | $300 | $0 |
| 30. Printing and Reproduction | $500 | $500 | $0 |
| 31. Professional Fees | $4,950 | $4,950 | $0 |
| 32. Property Maintenance | $1,300 | $1,300 | $0 |
| 33. Public Relations | $400 | $800 | ($400) |
| 34. REACT Expense | $200 | $200 | $0 |
| 35. Rent | $11,931 | $11,931 | $0 |
| 36. Taxes | $200 | $200 | $0 |
| 37. Telephone / Internet / Wifi | $1,700 | $1,700 | $0 |
| 38. Web page | $800 | $800 | $0 |
| **Total Expense** | **$162,045** | **$166,595** | **-$4,550** |
| **Amount Presented for Approval** | **$30** | **$509** | **-$479** |

Advertising and sponsorships is based on a projected income of 6 Platinum affiliates and 10 Advertising affiliates.

2017 proposed dues are based on $545 per member, and 470 members. Local dues will not increase in 2017.

The Mass Association has increased their dues to include a $10 per member assessment for the Private Property Protection Fund.

Education and events income is projected to decrease in 2017 due to no anticipated appraiser or designation programs. Continuing education will continue to be free for members.

We project at 4% return on our investment based on a review with the Keator Group.

According to the Swanepol D.A.N.G.E.R. Report, two top dangers are 'Leaders Not in Unison with Fast-Paced World' & 'Too Many Uninformed Decisions'. In response, travel has been expanded to create a collaborative leadership team approach. Past, Current and Future.

Education and events expenses are expected to decrease in relation to income (no appraiser or designation programs).

Staff and facility costs continue to be our largest expense, and our largest asset. Our office and professional staff cannot be beat!

## 2017 Proposed MLS Budget

| | 2017 Proposed | 2016 Budget | +/- Prev Budget |
|---|---|---|---|
| **Income** | | | |
| 1. Data Feeds | $11,200 | $11,500 | ($300) |
| 2. Handling Fees | $7,050 | $6,600 | $450 |
| 3. Investment Income | $6,565 | $5,076 | $1,489 |
| 4. Listing Fees | $31,500 | $29,400 | $2,100 |
| 5. Membership Dues | $209,120 | $206,100 | $3,020 |
| 6. Other: Reciprocal Listings | $1,250 | $1,800 | ($550) |
| **Total Income** | **$266,685** | **$260,476** | **$6,209** |
| | | | |
| **Less: Cost of Goods Sold** | | | |
| 7. Assessors Data | $24,000 | $24,000 | $0 |
| 8. MLS Forms Expense | $500 | $500 | $0 |
| 9. MLS Vendor Expense | $71,442 | $70,560 | $882 |
| **Gross Profit** | **$170,743** | **$165,416** | **$5,327** |
| | | | |
| **Expenses** | | | |
| 10. Awards | $550 | $550 | $0 |
| 11. Conference & Training | $18,700 | $15,350 | $3,350 |
| 12. Credit Card Expenses | $2,500 | $2,000 | $500 |
| 13. Dues & Subscriptions | $1,250 | $1,250 | $0 |
| 14. Equipment Maintenance | $500 | $500 | $0 |
| 15. Insurance | $650 | $650 | $0 |
| 16. Investment Advisory Fee | $1,313 | $1,313 | $0 |
| 17. Meeting Expense | $3,000 | $3,000 | $0 |
| 18. Membership Database | $2,430 | $2,430 | $0 |
| 19. Office Equipment & Furniture | $0 | $200 | ($200) |
| 20. Office Supplies | $3,500 | $3,500 | $0 |
| 21. Payroll Expense | $115,273 | $113,290 | $1,983 |
| 22. Postage Expense | $750 | $750 | $0 |
| 23. Professional Fees | $4,000 | $4,000 | $0 |
| 24. Property Maintenance | $1,300 | $1,300 | $0 |
| 25. Rent | $11,931 | $11,931 | $0 |
| 26. Taxes | $565 | $565 | $0 |
| 27. Telephone / Internet / Wifi | $1,700 | $1,700 | $0 |
| 28. Website | $800 | $800 | $0 |
| **Total Expenses** | **$170,712** | **$165,079** | **$5,633** |
| **Amount Presented for Approval** | **$31** | **$337** | **-$306** |

Monthly access fees will remain at **$30 per month per member.**

We did not see as much increase in demand for **data feeds** as anticipated in 2016 and have adjusted the 2017 budget accordingly.

We currently have 3 syndication agreements and **161 member websites** using raw MLS data for property searches.

We propose a **$0.50 increase in listing fees.** This increase reflects the time spent on each listing to ensure accurate data in the system, as opposed to other MLSs who choose not to verify data and impose much higher fines instead.

On average, 350 new listings are added on a monthly basis. This line item is based on **4200 new listings per year,** at $7.50 per listing.

Membership is based on **567 Participants and users of the Service**, which is consistent with our current membership count.

We see more and more Participants utilizing credit cards to pay their invoice online and have adjusted our expense to **meet with demand**.

Investment income is based on a **4% projection** consistent with those as the Board of REALTORS budget.

In keeping with the D.A.N.G.E.R. report and the decision to expand a **collaborative leadership team approach,** the travel budget has been increased to account for current market rates, include past, current and future presidents as well as the AE, and to include representation at the FlexMLS Annual Summit.

Berkshire REALTORS® And Multiple Listing Service, Inc.

## Government Affairs Committee, Chair Franz Forster

### I. Committee Members:

- Franz Forster (Chair), Sandy Carroll, Thomas Doyle, Alan Marden, Sue O'Brien, Steve Ray, Maureen McFarland, Mary Jane White, Debbie Dwyer, Billy Keane, Doreen Coones, Gladys Montgomery, Barbara Osborne, Mary Jane Dunlop.

### II. MAR State Political Coordinators Manual (SPC):

- The Board of Directors adopted the MAR State Political Coordinators Manual as submitted by the Massachusetts Association of REALTORS, with local provisions for the recommendation of Berkshire State Political Coordinators and the process for submitting them for consideration. Manual and Application Here

### III. Disclosure Issues for Berkshire REALTORS

- Make sure you understand how to properly disclose the PCB issues, or pipeline, with this helpful Q&A with Ashley Stolba: Disclosure Recap Here

### IV. Recap of Local Events:

- **Legislative Luncheon**: Friday, June 10th @ 11:00 a.m., 91 attendees. Included State Senate Candidate Presentations, NAR Liaison Kevin Sears and local town officials. Recap post with Photos

- **REALTOR Day On Beacon Hill**, 10 attendees met with Berkshire legislators in Boston. Report and Photos

- **Meeting with Congressman Richie Neal**, 4 Attendees Report and Photos

### V. Calls to Action / RPAC: Recap of Berkshire Involvement

- NAR Call on 12/7/15: gFees for Transportation: 17.18% Responded | Outcome: SUCCESS!
- NAR Call on 6/13/16: Condo Financing: 13.8% Responded | Outcome: SUCCESS!
- MAR Call on 6/6/16: Zoning and Land Development (1 day): 7.8% Responded | Outcome FAIL!
- MAR Call on 6/28/16: Energy Scoring: 11.51% Responded | Outcome FAIL!
- MAR Call to Energy Committee: 27% Responded (state Average 13%) | Outcome Success
- MAR Call on 7/14/16: Conference Committee: 26 % Responded | Outcome Unknown
- Rec'd cc of 6 personalized letters. Rec'd call about Realtor Position: 1 call (recording)
- June 2016: $123 short of goal, ($6,764 to-date). Participation goal, 131, we're at 209, 2 Major investors.

### VI. Local Issues: The Board of REALTORS Responsibilities and Scope of Involvement

- Update on Broadband Last Mile Task Force Chaired by Peter Larkin / Bill Eninan (verbal update)

- Update on ‘No PCB Dumps’: Our role is to continue to educate members on any status updates and events planned and disclosure issues.  Also to be aware that negative press can stigmatize areas without definitive plans in place for dredging or dumping.

- Update on Pipeline Issues: Connecticut Expansion Project: Continue to educate members on the locations and disclosure issues.

- Other Issues:  Economic vitality is critical to the Berkshires.  Tom Doyle is working with Smitty to bring incentives to businesses for moving to Berkshire County, without a lot of action as of yet.  Gailann Cariddi held a brainstorming forum earlier this month with only her constituents to discuss this issue as well. It was noted that 1Berkshire has also formed a formal collaborative where the economic development is now a committee of the whole.

## VII. Local Outreach & Connections

- Contacted all towns with Right to Farm procedures. Successful Outcome
- Meeting: Mayor Alcombright and Hoosic River Restoration.  July 26th @ 9:30 Town Hall
- Berkshire Broadband Distributed from the Berkshire Regional Planning Commission

## MAR Structural Changes, Barbara Osborne, MAR Director & Structural Audit Committee Member

I am one of three state directors that represents you at MAR… With Maureen McFarland, Debbie Dwyer and Church Davis as alternate. At our September state Board Meeting, we voted to approve a new governance structure for the state association.

This change started way back in 2012 when MAR created their last Strategic Plan. A Structural Audit Task force was created to examine the policies and structure of MAR. They looked at ways to simplify the decision-making process, use volunteer time more wisely and empower the staff to address emerging needs.

Our AE Sandy Carroll served for two years to bring the Berkshire perspective as well as her AE perspective on behalf of all other Boards - and then I was appointed this year to re-examine the final proposal to include a larger board of directors and more opportunities for volunteers to serve.

The state board will go from 125 Directors to 77 and they created a leadership development team to recruit and train their Directors and Executive Committee. We also reworked standing committees and added outreach to the local associations.

The Directors will also consider a motion to approve the new composition of the 2017 Leadership Development Committee (LDC). Over the course of 2017, the LDC will recruit and train leaders and volunteers for future committees and leadership roles in the new structure. The new structure will commence on January 1, 2018.

We're fortunate to have Anne Meczywor as the state Secretary/Treasurer for another year, and she has declared that she is running for President Elect next year. Now is the perfect time if you'd like to get involved with the State Association on committees, task forces or as a Board Member.

Just let the Board Office staff know and they will pass it along!

[Full History of the Change and Details about the new Structure]

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## Member Services Report, Sandy Carroll CEO

It's been a banner year in our association. Not only did we hit the 75 year mark, we also addressed many new and emerging issues for our members to keep us ahead of the curve. This year, we've had over 780 class attendees, and **received approximately 1,100 calls** and emails requesting assistance each month! That's over 13,000 times our three-person staff directly helped our members so far this year! Awesome results.

**It's all about YOU!** Everything you've heard and will hear today are all considered member benefits – **we only focus on initiates that will make a difference in your business.** Government affairs? Defeating mandatory energy scoring helped our marketplace. Contract and forms most definitely directly impact your day-to-day business. And REACT gives you a good name in the community. All of our initiatives are aimed at giving you the tools to be a well-rounded, educated, ethical REALTOR.

We have a lot on our plate for 2017, and need your help to steer the direction of our work. We are asking all members to weigh in on important emerging issues and **help us develop** the education, services or products you need to stay current. We are working on environmental resources, leadership training, back to the basic resources for new agents or unsupported agents, a market watch revamp, and better education offerings. I plan to reach out to gain insight and input – not all are committees to be formed, but rather a meeting to share thoughts and brainstorm, or a phone call or email with a simple question…


**Office Visits:** Staff has also been conducting office visits when invited. For a minimal cost, we "take it on the road" and will come and speak at your meetings on any topic of your choosing. This year, we've mostly talked about social media in real estate, technology, agency and the law, contracts, and FlexMLS. We invite anyone to request a visit so we can customize a meeting just to suit your business needs.

**Friday Recap –** Read rates between 35- 40% which is an industry achievement – but still not enough. We will be working to figure out how best to get information to you when you need it. The Recap is awesome, but it can't be the only thing. More polls, videos and quickie meetings to help share the critical issues!

**SOS Regional Meetings:** We have an SOS meeting clock planned in North Central and South County on December 7,8 and 9th. Save that date, as we will have our traditional Board update of emerging issues, but also a brief presentation about opportunities for grant funding and state dollars for land use, and potentially new smoke detector regulations that are expected to become effective in December.

**Market Watch –** Great news for the majority of the county in our year-to-date sales numbers. The full version will be out at the beginning of next week, but I wanted to give a sneak peek. I'm also looking for people who use this report, either to learn about the market or to give it to their clients, to help me refine and redesign the report.

**Education Initiative:** We will be launching several new initiatives – first is leadership training – and that includes anyone who is interested. We also want to get back to the basics – a lot of new members are coming through the doors hungry for knowledge. We need to step up and make sure we're providing the skills and information so that the agent on the other side of the transaction can do their job effectively. Sue and I have already whirled the rolodex and are trying to combine national speakers with area experts… I think you'll be pleased, but will also be reaching out to anyone interested in providing feedback before we do anything.

**Strategic Plan** – Church and the Board you'll elect today will need to revamp and reexamine our strategic plan. It can be an exciting time to effect change in the industry and the Board – make sure you keep your questions, comment and most importantly your suggestions coming! We review and study them all!

**Take our survey…** it's really general this year – and quick to do. The other difference is that we ask you to indicate the areas that you'd like more information, and the areas you'd like to contribute, either suggestions or to be part of a brainstorming group to help develop some new services.

[Take the Survey Here!]

As always, we thank you for your membership and look forward to an outstanding 2017 ahead!

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## REACT [Real Estate Agents Charitable Taskforce], Chair Paula McLean

I might be prejudice but I believe the REACT committee is the most fun! We have such a great group of people who plan and implement projects that raise awareness of the goodwill REALTORS® spread in the community and benefit charitable organizations who really can use all of our help. From planning, to marketing, to donating raffle gifts, and behind the scenes work I have such a great group of people who pull our events off, time and again. Would all the members of the REACT committee and those who donated to our events please rise and be recognized? Wow, so many people!! Thank you!

This year kicked off with a bang when we supported the Berkshire County Kids' Place at the "House Owner" level in their 5th Annual Monopoly tournament. We prepped and served the St. Joe Soup Kitchen meal again this year, teamed up with Berkshire United Way to sponsor a 'Book House', raised funds for the Lenox Affordable Housing Trust and Pop Cares through our really fun event – Battle of the Bartenders. We also had a team presence at the Relay for Life, secured a MAR charitable foundation grant for Pittsfield Community Connection and just wrapped up a great Chili Cookoff.

There's still more to come. Look for announcements about the Thanksgiving Angels and Holiday Elves programs coming up. As you can see, this is an active and rewarding committee – I hope you'll consider participating in an event or two, and/or joining the committee in 2017.

Please check out the recent work of REACT for a WOW moment … we can do so much when we work together.

Thank you!

## 2016 RAISED: $11,196

- **$5,225 Battle of Bartenders**
- **$1,956 Chili Cookoff**
- **500 Books for Book House**
- **150 Dinners Served @ Homeless Dinner**
- **$1,000 Grant for Pittsfield Community Connection**
- **$2,988 Relay for Life**

**Some Berkshire REALTORS Community Service Recipients**
**AMAZING work by our REACT committee and legions of volunteers!**

REACT
Real Estate Agent's Charitable Taskforce

$227,650

| |
|---|
| $37,475........American Cancer Society (Relay for Life) 2000-2016 |
| $5,644..........American Cancer Society Daffodil Days 2001,2,3,6 |
| $663.............American Heart Association: Hearts in Bloom 2001 |
| $3,850..........BCAC Emergency Assistance Fund MAR Grant 2000 |
| $1,650..........BCAC South County Holiday Donation 2001 |
| $17,750........BCC Scholarships 2000-2016 |
| $1,000..........Berkshire Community Action Council (BCAC) 2008 |
| $725.............Berkshire County Action Council Produce Shares 2002 |
| $9,000..........Berkshire County Red Cross, Disaster Recovery (NAR) 2004 |
| $1,535..........Berkshire Habitat for Humanity \| Restore 2012 |
| $1,500..........Berkshire Homeless Children's Fund 2005 |
| $1,413..........Berkshires Bounty 2005, 14, 15 |
| $ 1,956.........Boys and Girls Club of Berkshire County |
| $813.............Breaking Bread Pantry 2015 |
| $8,338..........Civitan Club of Pittsfield (camperships) 2002, 4, 5 |
| $1,000..........Construct, Inc. 2009 |
| $11,965........Easter Dinner Baskets for those in need 2001, 2, 6, 7 |
| $15,540........Elder Services: Golf Tournament 2003 |
| $3,533..........Eleanor Sonsini Animal Shelter 2015 |
| $3,883..........Family Life Support Center / Louison House 2015 |
| $37,545........Holiday Elves Program (BCAC) 2000-2015 |
| $1,950..........Kids Place 2015, 2016 |
| $3,722..........Lenox Affordable Housing Trust 2016 |
| $765.............Northern Berkshire Habitat for Humanity 2012 |
| $2,300..........Northern Habitat and Central Habitat 2009 |
| $800.............People's Pantry 2003 |
| $4,500..........Pittsfield Community Connection 2015, 2016 |
| $1,503..........Popcares 2016 |
| $3,897..........REALTORS Disaster Relief Fund 2001 |
| $2,000..........Redfield House 2015 |
| $36,065........Thanksgiving Dinner Baskets for those in need 2002-5, 2009-11 |
| $1,500..........The Elizabeth Freeman Center 2010 |
| $1,870..........Veteran's Outreach, Grace Manor 2014 |
| 500 Books......United Way of Berkshire County 2016 |

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## Grievance Committee, Patrice Melluzzo

The Grievance Committee has the task of reviewing complaints and arbitration requests for completeness, accuracy and to determine if a potential violation of the Code or an arbitral issue exists. It's not a task that can be taken lightly, and I'm honored to say that you have a great group of people working on your behalf.

So, we've processed two arbitration cases, but didn't end up having any ethics complaints so far this year… But, as I'm sure you've heard – there have been plenty of informal complaints outside of the scope of the Code… business behaviors and practices that have proved troubling.

Our staff and ombudsman have dealt with many of these issues since bad behavior isn't covered by our code. Unfortunately, we aren't alone in seeing a spike in lack of business manners, so the National Association of REALTORS is in the process of forming a supplement to the Code of Ethics called the **Code of Excellence.** Still in development, we are hopeful that this tool may help raise the level of professionalism across the county. We can expect Debbie Dwyer, who is chair of the National Professional Standards committee forum to provide us a report when this is released.

In the meantime, we can start today – play nice!

## Professional Standards Committee Report, Sherry Street

There were exciting changes that took place this year, as a new option became available to members and the public who have complaints about a REALTOR® or commission disputes.

We rolled out an **Ombudsman Program**. This is an informal complaint process where trained Ombudsman can call and talk to two parties to try to verbally resolve a dispute. It's a quick and easy way to deal with misunderstandings, or when you're seeking a quick resolution, like a returned phone call. It also allows potential ethics complaints to be addressed before they are submitted to our grievance committee formally. The program was already taken advantage of three times this year and each outcome has been successful.

As you may know, we offer **formal mediation** as part of our professional standards process, which encourages parties involved in disputes to sit at the table with trained mediators, to craft their own resolution. We've held one mediation conference this year, which was also successful for all parties involved.

As you know, buyers and sellers are bound in our P&S agreement by mediation through the Dispute Resolution System - and we have an agreement with the Berkshire Housing Authority to handle those cases. Over the last three years, **DRS mediated between 4-6 cases annually**. The settlement rate was over 90%, which is slightly higher than their other case type. An **additional 4 cases** per year are refereed to their Small Claims Mediation Program, because is funded through competitive grants, and therefore offered at no cost to participants.

What's very pleasing is that **we have not held any actual hearings** this year!  It's great to know that these alternative, fast track options are working.

Hopefully you've had a chance to take one of our **Quadrennial Code of Ethics training** this year.  We've offered many classes, both live and online, to ensure everyone has an opportunity to satisfy the NAR requirement to complete their training by December 31st.  If you aren't sure that you've completed yours, please view the COE member list, or call staff at the Board office.  There will be a webinar on November 21st and Sue will be teaching a class on December 2nd.  Please make sure you attend training if you haven't done so already.  If you cannot attend either of these programs you can do pre-recorded online training at your convenience through the National's website.

Last, but certainly not least, I'd like to thank everyone who volunteers their time to Professional Standards.  I would also like to thank your two **Certified Administrators**, Sue O'Brien and Sandy Carroll.  What a great group of people!!

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## Social Media / Outreach, Sue O'Brien

One of the on-going efforts established in our strategic plan is to engage consumers in real estate, economic and community issues. We attempt to do that through various outreach methods, including social media and created a presence for the board and for the public.

**Print**: We are currently running 2 pages in the Book of Homes each month, 1 page highlighting REALTOR good news and 1 page with a consumer helpful hint.

Online, we employ two separate communication vehicles:

**For Members:** Our member facing site is [BerkshireRealtors.net](BerkshireRealtors.net). Along with that we have a twitter account called BerkshireRealtors and a Facebook page, also Berkshire REALTORS®. Typically, we share industry news and updates with you through these venues. So, if you haven't visited the site or liked our Facebook page please do that!

**For Consumers:** Our public facing site is [AtHomeInTheBerkshires.com](AtHomeInTheBerkshires.com). We currently have over 800 active users on the site who use the search feature and read our articles. Any requests for info coming from those searches are directed back to the broker of record. Recently, we received feedback from users and are looking to incorporate some changes to make the search feature a bit more user friendly.

**We want to reinvigorate AtHomeInTheBerkshires.com and hope that you'll refer to it when working with your customers and clients, as a resource.**

We tweet through our AtHomeBerkshire twitter account and have a Facebook page called At Home in the Berkshires. We publish community news and stories about the Berkshires to make sure everyone knows that we live in a beautiful part of the country. We're always looking for the best content so if you come across something please share it with me!

**Next Step:** At our last Board meeting we discussed outreach to cities and towns in Berkshire County and plan to include links to their info on our sites in a quid pro quo arrangement, where they'll link to us too, so that's next on our list of things to do. We'd like to hear from you if you have any recommendations, so please reach out to me if you do!!