

Minutes

Proofed by Gerald Smith:

Board of Directors Meeting
Property Records Industry Association
11 a.m., ET, Wednesday, July 21, 2021
Via Conference Call

Present for the call:

Jerry	Lewallen	President	Yes
Annette	Hill	Vice President	Yes
Gerald	Smith	Secretary	Yes
Brian	Ernissee	Treasurer	Yes
Brandon	Krause	Director - Government	Yes
Kyle	Quackenbush	At-large Director - Government	Yes
Sharon	Martin	Director - Government	Yes
Chris	Walker	Director - Government	No
Elizabeth	Blosser	Director - Business	No
Dan	Shmukler	Director - Business	No
Jana	Miyasaki	Director - Business	Yes
Penny	Reed	Director - Business	No
Larry	Burtness	Immediate Past President	Yes
Mark	Ladd	Advisory Council	No
Charlie	Epperson	Advisory Council	Yes
Carol	Foglesong	Advisory Council	Yes
Steve	McDonald	Advisory Council	Yes
Marc	Aronson	Advisory Council	Yes
Kelly	Romeo	Advisory Council	No
Diane	Swoboda Peterson	Advisory Council	Yes
Brent	Blankenship	Education	No
Dan	Crank	Education	No
Liz	Kelly	Membership	Yes
John	Murphy	Membership	No
David	Rooney	Standards/Practices	No
Nakia	McFarland	Standards/Practices	No
Ryan	Crowley	Governance	No
Teresa	Kiel	Governance	Yes
Christi	Adams	Communications	No
Michael	Miller	Communications	No
Carolyn	Ableman	PRIA Local Coordinator	Yes
Stevie	Kernick	Chief Staff Officer	Yes

Call to Order

President Jerry Lewallen called the July 21, 2021, meeting of the PRIA Board of Directors to order at 11:06 a.m., ET, and declared a quorum present.

Consent Agenda

On a motion by Sharon Martin and a second by Gerald Smith, the board accepted the July 21, 2021, consent agenda as distributed.

Old Business

Membership

Stevie Kernick, chief staff officer, said membership gained modest ground in June with the total number of members now just 27 fewer than the same period in 2020; in May the total number of members was 30 fewer than the same period in the previous year. Government membership is down by 18, business membership is down by eight and state associations lost one associate member.

In both May and June, there were 10 new members; to date in July, there are five new members. Total membership is 762 paid members while at year-end 2019-20 there were 798 members.

Currently there are 135 renewals for 2021-22 of which 115 are government and 20 business.

Cybersecurity and Ransomware, Service Level Agreements

These two papers have gone through the 30-day comment period and have been updated and edited based on comments received. Brandon Krause, co-chair of this work group, said there was a significant amount of energy expended on these two papers with input from multiple sources and subject matter experts. Several counties invited their IT people to join the meetings to address the more technical aspects of the paper's content.

On a motion by Krause and a second by Annette Hill, the board approved the Cybersecurity and Ransomware, and the Service Level Agreement papers for publication.

ULC Study Committees

Lewallen reported that PRIA previously sent supporting letters to the ULC to urge the formation of drafting committees to address redaction and restrictive covenants. ALTA recently reported that both these topics were approved by the ULC as study committees, which are frequently the pre-cursors to drafting committees.

In-person Strategic Planning

Lewallen noted the board discussed an in-person strategic planning meeting during the June 16 board call and tentatively agreed on a late fall timeframe. Staff then polled the board, committee co-chairs and Council of Advisors to determine each person's willingness and ability to attend an in-person meeting. Although the response was positive, the majority stating they would attend an in-person meeting were

from the business sector with only three from the government sector indicating they would definitely attend. This response led to further discussion by the officers and a new recommendation.

The officers propose adding a day and a half on the front end of the February 2022 Winter Symposium. This would help government because it would reduce travel and hotel costs. The down side is that it makes for an extended week away from the office and can be tiring. There was agreement among those present on the board call to proceed with holding the strategic planning meeting on February 13 and 14, 2022, at the Renaissance in Phoenix as the best option for the current environment.

Staff will move forward with adding the strategic planning to the front end of the Winter Symposium in February 2022.

Management Hours

Background

Kernick reported that in March 2021, the board approved an additional 250 hours to the management agreement to provide adequate staff time through the end of the 2020-21 fiscal year (July 31, 2021). Reviewing the status of staff time expended through June 30, 2021 (see June Management Report), however, clearly indicates that with only 160 hours remaining for the month of July, additional hours are needed to complete the deliverables through the end of the year.

Management hours for the IMI Association Executives PRIA staff team are determined during the budget cycle and are based on a projection predicated on previous years' history and potential projects for the upcoming year. Throughout the course of a fiscal year, the workflow can change based on the number of committees and work groups meeting during a given year, the requirements for conferences and webinars and other unpredictable staff time commitments.

Although staff hours in May were slightly lower than budgeted, June consumed more than the projected number of hours leaving only 160 hours, based on contracted management hours, for the month of July. This number of remaining hours is 150 less than the anticipated need.

Recommendation

- Purchase a bucket of 200 hours now @ \$53/hour (\$10,600). Linda Owens, president of IMI, has agreed to the discounted rate of \$53/hour rather than \$65/hour for "overage" of hours calculated at year-end.

There is a projected \$70,000 in net revenue for the 2020-21 budget, so purchasing more hours than likely will be needed is financial doable, and unused hours will be carried forward to 2021-22.

On a motion by Krause and a second by Smith, the approved the purchase of an additional 200 hours for fiscal year 2020-21, with any excess hours carried over to 2021-22.

New Business

2021-22 Budget Proposal

Background

Several line items are affecting the negative bottom line, as outlined below.

Revenue

1. Membership Dues revenue is affected by the loss of one Platinum Level business member of which we are aware at the current time. As expected, with both MERS and Simplifile now part of ICE Mortgage Technology, there will be only one dues renewal for 2021-22. Fortunately, the renewal is at the President’s Circle level; however, that results in the loss of one Platinum Level member (\$6,000).
2. Annual Conference registration fees and sponsorships will both be lower than previous in-person conferences, the results of COVID. Anecdotally, sponsors are hesitant to spend large dollars when the attendance is expected to be lower than that to which they have become accustomed.
3. Winter Symposium registration fees and sponsorships should start to tick up as people become more willing to travel and sponsors recognize the increased attendance equates to increased exposure; however, the cost of hosting a meeting at a Renaissance Hotel (think Austin) is historically higher than other hotel brands.

Expenses

1. The largest budget expense is for G&A, with the Management Fees consuming a significant percentage of this expense category. Management hours are proposed at 3,390 for FY 2021-22. Projected staff hours for FY 2020-21 are 3,369, including the additional purchase of 250 staff hours in April 2021.
2. Annual Conference expenses are projected to exceed revenue. This, along with the projected net revenue for the Winter Symposium are significant factors affecting the projected budget.

The 2020 Annual Virtual Conference netted a \$27,022 profit. The 2019 Annual (in-person) conference netted a \$37,504 profit. The current projection for the 2021 Annual Conference (both virtual ad in-person) is a \$5,419 loss.

3. The Winter Symposium is projected to yield a modest profit of \$4,571, assuming registrations and sponsorships pick up, as projected. Compare that to the 2021 Virtual Winter Symposium net revenue of \$27,479. The 2020 Winter Symposium (pre-COVID) netted \$7,349.

	2017 Annual	2018 Winter	2018 Annual	2019 Winter	2019 Annual	2020 Winter	2020 Annual (V)	2021 Winter (V)
Revenue	137,078.00	151,254.00	117,355.00	97,965.00	135,327.00	136,898.00	29,434.00	37,024.00
Expense	109,209.00	124,943.00	90,470.00	90,777.00	97,823.00	129,548.55	2,412.00	9,545.00
Net Profit/Loss	27,869.00	26,311.00	26,885.00	7,188.00	37,504.00	7,349.45	27,022.00	27,479.00
	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	

Recommendation:

The 2021-22 Budget Committee recommends approving the budget, as presented.

Steve McDonald reported that he has served on the Budget Committee for many years and has always seen appropriately strong fiscal management. In fact, the management of financial resources has allowed the association to build a reserve fund of over \$500,000. Larry Burtness

acknowledged that the reserve fund was built to assure the association could remain solvent under extraordinary circumstances. Smith agreed the fiscal model for PRIA has prepared the association to weather the storm.

Kernick reported that already the Annual Conference revenue is outpacing the budget projections.

On a motion by Brian Ernissee and a second by Hill, the board approved the 2021-22 budget as presented.

Board Deliverables

There were no outstanding deliverables to report.

Next Meeting

The next meeting of the Board of Directors is scheduled for Monday, August 30, 2021, at 3 p.m., ET.

Adjournment

The meeting adjourned at 12:04 p.m., ET.

Jerry Lewallen, President

Stevie Kernick, Recording Secretary