

**Paul D. Roberts, ASA  
Governor's Mid -Term Report**

February 2, 2003

**TO:           Region 15 Members**

**ASA held their Mid-Term Board of Governors (BOG) meeting in New Orleans on January 25, 2003. Because a number of the items discussed may affect you, I wanted to provide a brief report of this meeting.**

**After the roll was taken, the minutes of previous meetings approved and the reports accepted, President Connolly introduced a delegation from the Appraisal Institute (AI) including Tom Motta, MAI, SRA, Past President, Alan Hummel, SRA, President and John Ross, Executive Vice-President. Max Evans, ASA, President of ASFMRA, was also present. As you may recall, ASA, AI and ASFMRA entered an agreement last November to discuss and explore areas of mutual interest and cooperation (publications, government relations and education).**

**AI BACKGROUND: Tom Motta discussed the changes that had occurred at the Appraisal Institute over the past few years. He told us that AI had taken a long and hard look at where they were, the state of the appraisal profession and decided to develop a new strategy. As most real property appraisal organizations, AI had been losing members and money. The Leadership determined that the previous policies and programs were no longer working, put everything on the table and refocused on providing the services that today's valuation specialist needs. They wanted to become a "must have" membership service. As a result of this effort, Tom said that AI had stopped the membership loss and began gaining new members again: about 1,800 in 2001 and 1,200 in 2002. In this process, their Leadership began to see potential benefits of greater cooperation with the other societies.**

**SWOT/PAT: While AI supports cooperation and possibly consolidation in administration, programs and services to eliminate duplication, they have reservations about the proposed "Umbrella" organization and most of their members are unwilling to give up their present MAI and SRA designations for the proposed single designation. The concept of bringing all appraisal organizations together at one time under the proposed "Umbrella" appears to be too ambitious and will require more negotiations. Therefore, we should proceed to promote the common areas previously approved by the BOG and see where that takes us.**

**AI PROPOSAL: Since the SWOT/PAT effort appears to be stalled, AI wants to proceed with ASA and ASFMRA on consolidating those functions that appear practical and mutually beneficial. As you may recall, AI and ASA initiated a joint government relations program last summer. There appears to be a window of opportunity to begin the process of bringing our profession together. Let's start with those areas where there will be the greatest benefit to our members and build on our successes. ASA was asked to join AI and ASFMRA in undertaking a formal**

**analysis of administrative and operational functions as well as programs and services to determine what areas are best suited for coordination and consolidation. It is hoped that a commitment to proceed with this analysis by the three societies could be made by this month and the work started shortly thereafter and completed by this summer. Max Evans advised of ASFMRA's support for this proposal.**

**ASA RESPONSE: Our Legal Counsel, Jerry Schaefer, confirmed that ASA's BOG had already approved proceeding with such an analysis in the first three SWOT/PAT resolutions passed last August in San Diego. In the discussion, it was recognized that pursuing this program could ultimately result in consolidation of the Staffs of ASA, AI and ASFMRA. Where they would be located, when the consolidation would occur and who would manage the combined Staff are to be determined. Ted Baker said that he had always favored bringing the appraisal profession together and strongly supports this proposal. To facilitate implementation, he would be flexible in his employment contract. John Ross said that it should not be concluded who would lead the combined Staff. He was so convinced that this is the right direction that he offered to step aside and let Leadership of the three organizations select the best EVP. After the analysis is complete, specific proposals will be submitted to each organization's Board for approval. If this schedule is met, you may see progress before the end of this year.**

**The following is a summary of the resolutions considered by the BOG:**

**Hawaii Chapter # 2- In the event of a resignation of a Regional Governor, and with no District Director, the International President would appoint an acting Regional Governor. This failed because the bylaws already allow for this procedure.**

**Oklahoma City Chapter #2- ASA should offer educational courses to paying ASA members at a cost equal to or less than non-members with consideration to the cost of membership and the cost of courses in the aggregate. This resolution failed.**

**Hudson Valley NY Chapter #1, This resolution called for ASA to make a more concerted effort to The Appraisal Foundation's Appraiser Qualification Board to raise the qualifications acceptable for personal property appraisers to the same level as the other disciplines. This passed 22 to 0.**

**LA#1: A resolution to approve Mary B. McCarter, ASA, as a Fellow of the American Society of Appraisers was approved 22 to 0.**

**LA#3: A resolution to eliminate the two-year full-time experience requirement for qualification as an Accredited Member (AM) was withdrawn after much discussion.**

**LA#4: A resolution to eliminate the one-day comprehensive discipline examination as a requirement for accreditation and replaced by successful passing of the Principles of Valuation (POV) course examinations was withdrawn after much discussion.**

**LA#5: A resolution to include in the membership directory below the name of any MTS designated appraiser that they have completed and passed advanced specialty courses (approved by the MTS Committee and the ASA International Educational Committee) in which they do not hold their designation, the words “tested and passed (course number and title). This was approved 19 to 3.**

**LA#6: A resolution to revise six sections of Bylaw V-Principles of Appraisal Practice and Code of Ethics regarding complaints was approved 22 to 0. These changes generally dealt with timing issues to allow the Ethics Committee more time to investigate and prosecute cases.**

**LA#7A: A resolution to establish a delegation of financial authority was tabled 13 to 9. The International Secretary/Treasurer objected to a number of provisions and proposed to refer the resolution to the Budget & Finance Committee, Constitution & Bylaws Committee and the maker for report by April 1, 2003. Hopefully this resolution will ultimately be passed so that all major expenditures are rightfully approved by the BOG.**

**LA#8: A resolution to extend the Executive Vice-President’s employment contract for six months (May 1, 2003 to November 1, 2003) was tabled 12 to 8 to permit the Executive Search Committee to report their recommendations by April 1, 2003. The proposal from AI suggests that flexibility is needed in any future contract with the EVP.**

**LA#9: A resolution to require that signature of appraisers on reports be accompanied by membership accreditation (grade, discipline and specialty) failed.**

**LA#10: A resolution to establish a Headquarters Lease Reserve to cover the potential loss on subleasing for the balance of the ten year term initially at \$400,000 failed 8 to 14. The International Secretary/Treasurer objected to establishing the reserve. This is unfortunate due to the fact that the current above market lease (8 years remaining) may hamper us in the future if we merge with another society.**

**LA#11- A resolution to allow membership dues to be paid in two installments failed.**

**The most important part of the meeting was the presentation by AI. In my opinion, this was a very positive discussion and the AI and ASFMRA seem to be ready to take this to the next level. It is hoped that our President will move swiftly to select a committee to work with representatives of AI and ASFMRA to initiate the analysis of what administrative functions and programs can be consolidated.**

**Sincerely yours,**

**Paul D. Roberts, ASA  
Governor, Region 1**