

## Strategic Planning and Finance

### October 2021 Regional report

Steve Marvin-Assistant Regional Chair

#### Approve the 2021-2023 Budget.

1. To approve a 2022-2024 strategic plan and 2022 budget with the following criteria:

a. C.A.R. Revenue: \$39,544,800

C.A.R. Expenses: \$42,339,300

Net Deficit (After Investment Income): \$2,794,500

Estimated direct contributions to IMPAC from New Member Fees: \$1,634,200

b. \* REALTOR® Action Assessment Program Allocation: \$4,488,000

\* Estimated direct member contributions to PACs: \$7,727,300

\* Estimated Advocacy Local Fund (ALF) allocation: \$1,765,100

\* Total REALTOR® Action Assessment: \$13,980,400

c. 135.5 budgeted C.A.R. staff positions.

d. Membership dues, including \$115 for C.A.R. operating programs, and \$69 for the REALTOR® Action Assessment are set at a total of \$184 per member (predicated on 2022 year-end membership of 212,200).

e. New member fee set at \$100 per new member, \$30 of which is allocated to C.A.R. operating programs and \$70 of which is the new member's direct contribution to IMPAC.

f. A 2022 Capital Budget (funded with Association reserves) totaling \$253,300.

*\* Some amounts are estimated because the actual amount of PAC contributions and non-PAC advocacy and political allocations are variable depending on factors such as membership levels, participation, local advocacy needs, and application of political contribution rules. Amounts may vary from these estimates. However, percentages contributed to PACs by members and allocated to ALF for non-PAC advocacy and political purposes, taken as a whole, are consistent with prior years.*

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

3. That \$686,500 be approved for an additional 5 percent retirement contribution to the C.A.R. and REBS employee retirement plan for 2021, augmenting the previously approved budget of 10 percent.

4. That the Statement of Income and Expenses by program for the eight months ending August 31, 2021 be approved.

Total C.A.R.

Revenue: \$32,749,100

Expenses: \$19,479,500

An Excess of Income over Expenses (Before Unrealized Investment Results) \$13,269,600

REALTOR® Action Assessment Program Allocation: \$4,429,100

\* Direct Member Contributions to PACs: \$7,751,000

\*Advocacy Local Fund (ALF) Allocation: \$1,660,900

\*Total REALTOR® Action Assessment: \$13,841,000

The C.A.R. Balance Sheet as of August 31, 2021

Total Assets: \$131,682,100 (of which \$110,358,800 are Current Assets)

Total Liabilities: \$6,055,800 (of which \$4,527,300 are Current Liabilities)

C.A.R. Fund Balance: \$125,626,300

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5. That the Projected Statement of Income and Expenses by program for the year ending December 31, 2021 be approved.

Total C.A.R.

Revenue: \$36,321,700

Expenses: \$35,267,200

Net income (Before Unrealized Investment Results) \$1,054,500

REALTOR® Action Assessment Program Allocation: \$4,444,800

\*Direct Member Contributions to PACs: \$7,778,400

\*Advocacy Local Fund (ALF) Allocation: \$1,666,800

\*Total REALTOR® Action Assessment: \$13,890,000

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6. That the revised Contract Approval Procedures be adopted.

7. It was reported for information only that C.A.R. will transfer from reserves \$10 million to Ariel Investments and \$500,000 to Brown Capital Management. \*

*\* To further its Diversity, Equity, and Inclusion (DEI) program, C.A.R. will split the reserves by transferring a "portion" of approximately \$85 million (currently being managed by Bernstein, JP Morgan, Goldman Sachs, and Vanguard) to Ariel Investments and Brown Capital Management for management pursuant to our investment policy. Both Ariel Investments and Brown Capital Management are considered to be well renowned as firms under minority management with excellent track records as investment managers.*

**\*\*\*It was reported for information only that the CREPAC Mission Statement has been revised as follows:**

**The mission of CREPAC is to administer bipartisan political expenditures, on behalf of the REALTOR® PARTY OF CALIFORNIA, to advance homeownership and protect private property rights. CREPAC supports local, state and federal candidates who uphold the values of democracy and Fair Housing laws.**

**\*\*\*\*\* That C.A.R. maintain ownership of the property at 525 S. Virgil Avenue, and that C.A.R. negotiate the terms of a Memorandum of Understanding with a developer to construct affordable workforce housing and a new Headquarters Office on the property, which would (a) minimize risk to the Association in constructing the new office building, which would be owned by C.A.R., and (b) eliminate risk to the Association of financing, constructing and managing the affordable workforce housing, while maximizing potential returns to the Association, which can be used by C.A.R. to create programs to assist future homebuyers. The Leadership Team shall appoint the MOU negotiating team, with the express purpose of maximizing possible returns to C.A.R. and achieving the stated goal of creating affordable housing. The negotiated MOU proposal shall be presented to the Board of Directors for consideration of approval at the 2022 spring meeting or sooner.**

**A realtor is running for mayor of Los Angeles(Mel Wilson)**

**2021 210,000 car members- 2020 projected 212,000**

**No dues increase**

**\$793,000 median price for Calif. 10 days on the market.**