

## **Minutes of REIS Council Meeting March 6, 2008**

### **Council Member Attendance:**

- Chair: Kenny Smith. Administrator: Marybeth Kronenwetter
- Accounting: Neal Armstrong, Sally Ann Flood
- Database and Indices: Neil Myer
- Performance Measurement: Scott Brown, Daryl Krivanec
- Portfolio Management: Chris Meyer (for Jeff Maguire)
- Research: Bob Hess, Monica Parikh
- Timberland: Steve Holland
- Valuation: Alyce DeJong, Del Kendall

### **Topics:**

#### Administrative Matters – Kenny Smith

- Minutes of October meeting and January and February 2008 teleconferences approved.
- Monthly call schedule established – generally 3<sup>rd</sup> Wednesday of every month at noon Eastern. During conference months we will meet in person. Schedule posted on web site.
- In progress:
  - Chapter 4 exposure draft- comments due April 30
  - Chapter 3 adopting release – pending Board approval (Board meets 3/27/08)
  - Chapter 2 – see below

#### Internal Valuation Whitepaper – Stanton West

- (Note: White Papers are not part of Council process – presentation for informational purposes only)
- Provides general guidelines for developing internal valuation policies and procedures
- References established authoritative literature from Appraisal and Accounting Standards to address key elements of internal valuation: frequency; competency; ethics; scope; preparation; and reporting
- Expected completion by next conference

#### Chapter 2, Accounting – Sally Ann Flood

- Comments from Accounting Committee collected and substantially processed
- Re-write process continues. Draft document for Council review in advance of June meeting; discussion and preliminary approval at June meeting: exposure draft targeted for release on August 1.
- Since SOP 07-1 was deferred, new version of Chapter 2 will update REIS model (i.e., no Investment Company Guide guidance)
- Chapter will separate property level accounting from investment and fund level accounting

#### Chapter 3, Performance Measurement – Maritza Matlosz

- Draft of prospectus for Fund (Portfolio), Investment and Property measures presented
- Need for additional measures expressed in responses to recent Chapter 3 Exposure Draft
- Council must distinguish between “standards” and “guidance” in this area – will impact compliance and verifiability
- Request made for additional task force participants – performance measurement participation established. (Contact Marybeth Kronenwetter to volunteer.)

- Tentative approval to proceed. Prospectus to be modified to provide more definition to assignment. Will be presented for Council approval during April call.

#### Governance – Kenny Smith

- [http://www.ncreif.org/pdf/March\\_2008\\_Governance\\_REIS\\_Council\\_030508v2.ppt](http://www.ncreif.org/pdf/March_2008_Governance_REIS_Council_030508v2.ppt)
- REIS Board in place and will be addressing strategic agenda
- Many Council member terms expiring by October – time to formalize succession plans and consider changes to composition
- Nominations from March thru June
- Open and transparent process critical

#### Future Initiatives

- Compliance and verifiability must be given priority
- Portfolio Management will spearhead efforts to address debt exposure
- REIS Board to assist in establishment of priorities relating to: scope and applicability; compliance and verifiability