



REGULAR MEETING OF THE REAL ESTATE COUNCIL OF ALBERTA

9:30 am, Wednesday, January 24, 2018
Nakiska Boardroom, Calgary, AB

MINUTES

In Attendance: Brian Klingspon, Chair
Krista Bolton
Bonny Clarke, Chair Elect
Bobbi Dawson
Amina Deiab
Ramey Demian
Bill Kirk
Phil McDowell
Stan Mills
Robyn Moser
Bob Myroniuk, RECA Executive Director
Rob Telford
Christine Zwozdesky, Past Chair

Invited Guests: Colleen Foster, Downey & Associates
(RECA Communications Audit item)

Recording Secretary: Rina Hawkins

1. Call to Order

The Chair, called the meeting to order at 9:39 am.

2. Approval of Agenda

Council reviewed the agenda. Council added the "Council Skills Matrix" under "Other Business" and correspondence from AREA's lawyer under Tab 5.

MOTION: Council approves the January 24, 2018 Council Meeting agenda as amended above.

Phil McDowell / Carried

3. Business by Council Consent

Council reviewed the following meeting minutes.

- October 18, 2017 Regular Meeting of Council
- November 1, 2017 Special Meeting of Council

MOTION: Council approves the minutes of the October 18, 2017 Regular Meeting of Council and the November 1, 2017 Special Meeting of Council as presented.

Christine Zwozdesky / Carried

4. Business Arising or Issues Requiring Council Action

- Approval of Documents Required to Close Financing and Purchase of Building

Council reviewed documentation to approve the actions of the Executive Director and Director of Corporate Services for the financing and purchase of RECA's new office building.

Administration presented the following motion to Council for their consideration.

MOTION:

1. *The Corporation's execution and delivery of the Letter of Agreement and the other Loan Documents (as defined in Paragraph 3 below), was authorized, approved, ratified and confirmed.*
2. *The Corporation was directed to perform and satisfy its obligations under the Loan Documents.*
3. *The Executive Director and the Director of Corporate Services (collectively, the "Authorized Persons") were irrevocably authorized, designated and appointed by the Council Members to review, authorize and approve of the form of documents described below in their sole discretion on behalf of the Corporation. The Authorized Persons presented signed copies of the Letter of Agreement and Pledge (as defined in Paragraph 3(f) below and unsigned but final form copies of the Loan Documents described in Paragraph 3(b) to 3(e) (as recommended by legal counsel to the Corporation, Parlee McLaws LLP) to the Council Members and confirmed that they had reviewed and approved of the form of such Loan Documents. The Council Members resolved that the Executive Director, acting alone, was irrevocably authorized and directed for and on behalf of the Corporation, to execute and deliver the following documents to the Bank (collectively, the "Loan Documents"):*

- a. the Letter of Agreement;
 - b. a collateral mortgage in the principal sum of \$21,500,000 in favour of the Bank in respect to lands located at 1506 – 11th Avenue SW, in Calgary, Alberta and legally described as Plan Calgary 5380V, Block 207, Lots 17 and 18, and those portions of Lots 19 to 21 inclusive which lie to the north of the south 7 feet (collectively, the “Lands”), in the form of collateral mortgage authorized and approved by the Authorized Persons, with such alterations, amendments, deletions or additions as they may authorize and approve;
 - c. an assignment of rents and leases in favour of the Bank in respect to the Lands, in the form of assignment authorized and approved by the Authorized Persons, with such alterations, amendments, deletions or additions as they may authorize and approve;
 - d. a security agreement in favour of the Bank (the “Security Agreement”);
 - e. an assignment of moneys payable under fire Insurance policies in respect to the Lands, in the form of assignment authorized and approved by the Authorized Persons, with such alterations, amendments, deletions or additions as they may authorize and approve;
 - f. a pledge of instrument and assignment of proceeds (the “Pledge”), in the form of pledge and assignment authorized and approved by the Authorized Persons, with such alterations, amendments, deletions or additions as they may authorize and approve; and
 - g. such other documents as may be required by the Bank pursuant to the Letter of Agreement.
4. It was resolved by the Council Members that the execution of the Loan Documents by the Executive Director alone was to be conclusive proof of: (i) the authorization and approval of the Loan Documents by the Authorized Persons and in turn, by the Corporation, and (ii) any amendments, alterations or additions incorporated therein, and that such Loan Documents are the documents authorized by these resolutions.
 5. The Authorized Persons were irrevocably designated or appointed to authorize in their sole discretion the execution and delivery for and on behalf of the Corporation of all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation’s obligations under the Loan Documents, each in form and substance satisfactory to the Authorized Persons in their sole discretion and the Executive Director, acting alone.

was irrevocably authorized and directed to execute and deliver all such other documents and writings.

- 6. The prior execution and delivery by the Executive Director of any agreements, documents and instruments relating to the transactions contemplated by the Letter of Agreement (including without limitation, the Letter of Agreement and Pledge) was ratified, approved and confirmed.*
- 7. The Corporation to enter into, execute and deliver to the Bank the Security Agreement in the form of Security Agreement authorized and approved by the Authorized Persons, with such alterations, amendments, deletions or additions as they may approve.*
- 8. The Corporation to mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future goods, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank, all as provided in the Security Agreement.*
- 9. The Authorized Persons were irrevocably appointed and authorized to approve of the form of the Security Agreement on behalf of the Corporation and all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the Security Agreement and the Executive Director, acting alone, was irrevocably authorized to execute and deliver the Security Agreement and all such other documents and writings.*
- 10. The execution of the Security Agreement by the Executive Director, acting alone, shall be conclusive proof of the authorization and approval of such Security Agreement by the Authorized Persons and to any amendments, alterations or additions incorporated therein."*

Stan Mills / Carried

- **RECA Conduct Proceedings**

The Registrar made a presentation to Council on RECA's conduct proceedings.

- **December 6, 2017 RECA-AREA Stakeholder Meeting**

Council discussed the RECA-AREA Stakeholder meeting held on December 6, 2017.

Council moved in camera to review a legal matter.

5. Executive Director Reports

- **RECA Communications Audit**

A representative from Downey & Associates joined the meeting to provide an overview of key findings and recommendations from the RECA Communications Audit.

6. Committee Reports and Recommendations

- **Finance & Audit Committee**

The Director of Corporate Services presented the draft financial statements for the year ended September 30, 2017. He gave a high-level review of the revenue, expenses, and reserves.

At the January 17, 2018 Finance & Audit Committee meeting, they reviewed the year-end financial statements for September 30, 2017. The Committee recommends Council approve the financial statements for the year ended September 30, 2017.

MOTION: Council approves the Financial Statements for the year ended September 30, 2017 as presented.

Robyn Moser / Carried

Subject to further review, the Finance & Audit Committee will recommend Council approve the appointment of MNP LLP as RECA's external auditors for the year ended September 30, 2018.

- **Hearings Committee**

The Hearings Committee Chair gave an update on the activities of the Committee. The Committee last met on December 14, 2017.

The former Hearings Committee Chair (from 2016/2017) indicated that as part of the RECA 2016-2020 Business Plan, administration reviewed and redeveloped the Hearing and Appeal Practice and Procedures Guidelines. The Hearings Committee reviewed the new guidelines at its September 22, 2017 meeting and recommends Council approve the guidelines.

MOTION: Council approves the re-developed Hearing and Appeal Practice and Procedures Guidelines, dated January 2018, as referenced in section 35 of the Real Estate Act Bylaws.

Bonny Clarke / Carried

- **Real Estate Appraisers Committee**

The Chair of the Real Estate Appraisers Committee gave an update on the activities of the Committee. The Committee last met on November 27, 2017.

The members of the Real Estate Appraisers Advisory Committee indicated an interest in having RECA review Appraisal Management Companies (AMC's) for possible licensing and regulation under the *Real Estate Act* or other action.

MOTION: Council directs the Real Estate Appraisers Advisory Committee and Administration to undertake a project to review Appraisal Management Company activities and impacts on licensed real estate appraisers in Alberta and the public, and make recommendations to Council, including with respect to the feasibility for licensing under the Real Estate Act.

Rob Telford / Carried

RECA requires resources to undertake the above activity. Council will include this in their review of RECA's Strategic Plan in April 2018.

- **Governance Committee**

The Chair of the Governance Committee gave an update on the activities of the Committee. The Committee last met on January 19, 2018 and discussed the following items.

In Camera Policy

RECA's Communications Manager reviewed the updated draft of the In Camera Policy with Council. The Governance Committee recommends Council approve the In Camera Policy, as presented.

*MOTION: Council approves RECA's In Camera Policy as presented.
Christine Zwozdesky / Carried*

Correspondence Protocol Policy

RECA's Communications Manager reviewed the updated draft of the Correspondence Protocol Policy with Council. The Governance Committee recommends Council approve the Correspondence Protocol Policy, as presented.

*MOTION: Council approves RECA's Correspondence Protocol Policy as presented.
Krista Bolton / Carried*

Social Media Policy

RECA's Communications Manager reviewed the Social Media Policy with Council. The Governance Committee recommends Council approve the Social Media Policy, as presented.

Following discussion, Council agreed to remove the words "after – hours" from the paragraph under "Misrepresentation".

MOTION: Council approves RECA's Social Media Policy as amended above.

Phil McDowell / Carried

Selection of Regulatory Lawyer to Assist Council Discussion on RECA Mandate

The Governance Committee Chair shared the process the Governance Committee undertook during the RFP process to select a regulatory lawyer to assist Council on a discussion of RECA's mandate. The Governance Committee recommends Council engage the services of Marjorie Hickey for this project.

MOTION: Council approves:

- 1. Retaining the services of Watson Advisors to organize and facilitate a discussion on RECA's mandate and purpose under the Real Estate Act (Recommendation #1 - Watson Summary Report).*
- 2. Engaging Marjorie Hickey as the lawyer to be a presenter and provide guidance to Council during the facilitated session on the topic of RECA's mandate and purpose under the Real Estate Act.*

Bobbi Dawson / Carried

ACTION: Council directs the Governance Committee to look into and develop an RFP Policy.

Watson Report & Next Steps

The Governance Committee Chair indicated the Governance Committee reviewed the action items agreed to by Council on October 17, 2017 and the corresponding Watson Advisors recommendations.

MOTION: Council approves engaging Watson Advisors to observe the April 11, 2018 Council meeting and the April 5, 2018 Strategic Planning Session, and provide feedback to the Chair of Council.

Christine Zwozdesky / Carried

(note: Since the January 24, 2018 Council meeting, Council moved the April 5, 2018 Strategic Planning Session to April 10, 2018.)

ACTION: With respect to Watson's governance support proposal, it states "Watson may disclose that it has served RECA in a consulting capacity and a brief description of the project." Council requested the Executive Director approve the "brief description of the project" prior to publication.

The Executive Director requested approval to share the Watson Advisors Summary Report with RECA's senior management.

*MOTION: Council approves sharing the Watson Advisors Summary Report with RECA's senior management on a confidential basis.
Phil McDowell / Carried*

Council discussed the impacts of Boardvantage on RECA's Electronic Communication Policy.

ACTION: Governance Committee to review the impact on the Electronic Communication Policy, by the implementation of Boardvantage.

7. Executive Director Reports Continued

- **Approval of 2016-2017 RECA Annual Report**

RECA's Communication Manager, provided a review of the 2016-2017 RECA Annual Report. Administration recommends Council approval of the annual report.

MOTION: Council approves the 2016-2017 RECA Annual Report, as presented.

Ramey Demian / Carried

- **2016-2017 Stewardship Report**

The Director, Corporate Services reviewed the 2016-2017 Stewardship Report. This report is a tool to support the oversight responsibility of RECA operations in the following areas:

- fraud and theft
- privacy policy
- health, safety and environment
- ethical conduct
- legal actions

- **Business Plan Quarterly Report**

The Executive Director presented RECA's business plan quarterly update to Council. The Executive Director highlighted a number of projects that RECA is working on.

ACTION: Administration will invite Dr. Aaron Goodarzi from the University of Calgary to provide Council with a presentation about radon gas at a Council event scheduled for April 10, 2018.

- **Mortgage Broker Rule Change Consultation**

Council member Mr. McDowell, and RECA's Communication Manager, highlighted the internal Mortgage Standards of Practice and Rule Changes consultation plan with Council.

8. Other Business

- **Council Skills Matrix**
Council discussed the Council Skills Matrix.

ACTION: Council directs the Governance Committee to review the Council Skills Matrix.

9. Adjournment

The meeting adjourned at 4:44 pm

10. Next Meeting(s)

- **April 10, 2018 (9:30 am)** Strategic Plan/Business Plan Review
- **April 10, 2018 (6:00 pm)** Council Dinner
- **April 11, 2018 (9:30 am)** Regular Council Meeting

REGULAR MEETING
OF THE REAL ESTATE
COUNCIL OF
ALBERTA

Minutes of Meeting

January 24, 2018

Approved at Calgary, Alberta on April 11, 2018

Brian Klingspon, Chair

Bonny Clarke, Chair-Elect