



REGULAR MEETING OF THE REAL ESTATE COUNCIL OF ALBERTA

9:30 am, Wednesday, October 17, 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
Warren Martinson, RECA Corporate Secretary
Phil McDowell
Stan Mills
Robyn Moser
Bob Myroniuk, RECA Executive Director
Rob Telford
Christine Zwozdesky, Past Chair

Recording Secretary: Rina Hawkins

1. Call to Order

The Chair, called the meeting to order at 9:40 am.

2. Chair Report

The Council Chair provided Council with his report. He discussed:

- MOU's between RECA regarding RECA/Government relationship
- AREA – letter to government regarding a requested meeting on October 24th
- The Service Alberta reviewer has completed his report and it has been sent to the government. The reviewer's work is now complete
- Council discussed the letter from AREA regarding education. A response has been sent to AREA from RECA

ACTION: Administration will post the two MOU's discussed during the Chair Report, on Boardvantage.

3. Council Appointments

- **Nomination Committee – Council Appointments**

Council Member, Bonny Clark, left the meeting for this agenda item.

A Council Member reviewed the proposed appointments to Council. Council discussed the recommendations.

***MOTION:** The six AREA Council appointees and one AMBA Council appointee approve the appointment of Bonny Clarke to the Non-AREA position on Council effective November 1, 2018 for a three-year term.*

Phil McDowell / Tabled

The voting members met separately to discuss the proposed appointments.

***MOTION:** Council tables the above motion, and will seek from Service Alberta, the definition of the term "jointly" in Section 6(1)(e) of the Real Estate Act, in order to have a further discussion about the tabled motion above.*

Ramey Demian / Carried

ACTION: The Chair of Council will send a letter to the Minister of Service Alberta, with a copy to the Deputy Minister, seeking clarification of the term "jointly" in Section 6(1)(e) of the *Real Estate Act*. Administration will provide a copy of this letter to all Council members.

- **Election of Chair-Elect for 2018/2019**

In accordance with s.5(3)(a) of the *Real Estate Act* Bylaws, any member of Council wishing to stand for election to the position of Chair-Elect should declare their intention to the executive director by e-mail at least 30 days prior to the October meeting of Council. Four Council members expressed interest in the Chair-Elect position. Council held a vote by secret ballot to determine the next Chair-Elect.

The results of the secret ballot was six (6) votes for Robert Telford, five (5) votes for Amina Deiab, and one (1) vote for Ramey Demian.

Following the vote, Robert Telford was appointed to the position of Chair-Elect for a one-year term commencing November 1, 2018 and ending October 31, 2019.

- **Appointment of Chair for 2018/2019**

In accordance with s.5(4)(b) of the Real Estate Act Bylaws, Chair-Elect, Bonny Clarke, is appointed Council Chair for a one year term commencing November 1, 2018 and ending October 31, 2019.

4. Strategic Issues

- **Property Management Advisory Committee**

- **Graduated Licensing Consultation**

The Property Management Advisory Committee Chair provided Council with a summary about graduated licensing in the property management sector.

MOTION: Council directs Administration to undertake a consultation process to explore the feasibility and appropriateness of a graduated licensing model for the property management sector in accordance with RECA's Stakeholder Engagement Policy. Council allocates \$10,000 for the consultation process.

Christine Zwozdesky / Carried

- **Teams Trading in Real Estate & Dealing in Mortgages**

Council member, Robyn Moser, excused herself from this agenda item, citing a conflict of interest.

RECA's Registrar presented to Council, a report on teams trading in real estate and dealing in mortgages.

MOTION: Council directs Administration to:

1. *RECA will immediately communicate with all brokers:*

- *Delegation of the broker's duties and responsibilities allowed under s.52 & s.68*
- *Delegates must be registered with the same brokerage and qualified to carry out the responsibilities*
- *Delegation must be in writing and communicated with all industry professionals and staff within the brokerage*
- *Broker must implement a delegate monitoring program*

2. *More clearly define RECA's interpretation of "clearly indicated"*

- *Brokerage name must be similar size or larger than other identifiers*
- *And immediately adjacent to other identifiers in advertising*

3. *More clearly define RECA's interpretation of "trade in real estate / deal in mortgages only in the name that appears on that individual's licence"*
 - *Name of at least one licensed team member as it appears on the individual's licence must appear in any team advertising*
4. *Prohibit words and terms in team names that may suggest to consumers, or create the impression, the team is a brokerage. (i.e. Agency, Associates, Brokerage, Brokers, Company, Corporation, Corp., Inc., Ltd., LLC, LLP, Mortgages, Mortgage, Properties, Property, Real Estate, and Realty)*

The following apply to recommendations 2, 3, and 4 above

- *Changes come into effect 1 October 2019*
- *RECA will develop a communications plan for the six month phase in period*
- *Where applicable, teams will be allowed to advertise "formerly known as" for a period of six months ending 31 March 2020, thereafter RECA adopts zero tolerance approach*

Brian Klingspon / Carried

ACTION: Council refers this item to the Legislation Review Committee for further review.

- **RMS Working Group Report**

The Executive Director provided Council with a summary of the process that the RMS Working Group went through that resulted in their recommendations.

The Director, Education Programs provided Council with a summary of the RMS Working Group recommendations.

MOTION:

- *Council accepts the recommendations of the RMS Working Group but with only one transition period*
- *Council directs:*
 - *RMS Principle 3 is to be replaced with "All properties must be measured using the interior perimeter walls (paint-to-paint)*
 - *RMS Principle 4 is to be replaced with "The size obtained by applying Principle 3 is to be referred to as the Living Space measurement"*
 - *Administration to amend the Guide to Residential Measurement in Alberta, all RMS related education,*

and documents requiring real estate professionals to create or obtain a diagram of the property with the relevant dimensions

- *These changes are to become effective on February 1, 2019*
- *Administration is to meet with AIC, CNAREA, and AAA to ensure that the transition period provides real estate appraisers with sufficient data to carry out real estate appraisals*
- *Administration is to follow the transition period process suggested by the RMS working group, but may make reasonable adjustments to safeguard the operational interests of real estate appraisers*
- *Administration is to meet with the relevant homebuilder associations, to encourage them to voluntarily communicate the Living Space Measurement to consumers*
- *RECA's Chair and the Executive Director are to meet and communicate with the Minister of Service Alberta encouraging government to mandate the RMS on homebuilders*
- *Administration to develop a course for individuals who provide property measurement services for real estate professionals. The course must contain a proctored exam*
- *The RMS Working Group to provide recommendations to Council in respect to the Below Grade Living Space measurement methodology*

Ramey Demian / Defeated

Council discussed implications of RMS on appraisal and lending stakeholders.

Council brought back the following motion that was tabled at the April 11, 2017 Council meeting. This motion continues to be tabled.

***MOTION:** Council approves and adopts the same methodology (Schedule A) to measure semidetached and attached homes as detached homes.*

Robyn Moser / Tabled

***MOTION:** Council directs Administration to contact affected industries and stakeholders to solicit feedback on the consequences of the current RMS methodology of measuring semidetached and attached properties. Administration will report back at the April 2019 Council meeting.*

Robyn Moser / Carried

- **2016-2020 Business Plan Quarterly Report**
The Director of Strategic Initiatives and External Relations provided Council with a commentary of the RECA Business Plan Quarterly Report between July 1, 2018 and September 30, 2018.

5. Business Requiring Council Attention

- **2019 Schedule of Council Meetings**
Council reviewed the proposed 2019 schedule of Council meetings.

MOTION: Council approves the 2019 Council calendar as presented.

Christine Zwozdesky / Carried

- **Governance Committee**
 - **Council Members as RECA Instructors**
The Governance Committee Chair reviewed the proposed policy.

MOTION: Council approves Policy Section 7.16.1 Course Instructors (Council Members), as presented.

Christine Zwozdesky / Carried

- **Electronic Communications Policy**
The Governance Committee Chair reviewed the policy.

MOTION: Council approves Policy Section 7.20 Electronic Communication Policy for Council Members, as presented.

Christine Zwozdesky / Defeated

ACTION: Council refers Policy 7.20 Electronic Communication Policy for Council Members to the Governance Committee for further rework. Specifically, bullet #4 and paragraph #2.

- **Service Alberta, Draft Mandate Document**
Council Chair referred to the Service Alberta Draft Mandate Document.

6. Business by Council Consent

- **Approval of Minutes – July 18, 2018 Regular Meeting**
A Council email vote approving the July 18, 2018 Regular Council Meeting minutes did not pass.

MOTION: Council approves the July 18, 2018 Council meeting minutes as presented.

Bobbi Dawson / Carried

Prior to the vote, a Council member requested that the votes be recorded. There were seven (7) Council members in favour, and five (5) opposed.

- **Rule Amendment re: *Consumer Protection Act***

Council consented to make the following changes to the *Real Estate Act Rules*.

Amending the Real Estate Act Rules to replace all references to the "Fair Trading Act" with the "Consumer Protection Act" in accordance with Schedule B.

WHEREAS by Section 12 of the Real Estate Act (Act), the Real Estate Council of Alberta (Council) has the authority to make Rules;

Section 50(c)(iii) is amended to read:

50 A real estate brokerage must not:

(c) pay a commission or other remuneration, directly or indirectly, in connections with a trade in real estate except:

(iii) to an auctioneer qualified under the regulations under the Consumer Protection Act where the trade in real estate is made in the course of and as part of that person's duties as an auctioneer;

Section 71(1)(b) is amended to read:

71(1) Subject to section 71(2), a brokerage must not charge, collect or attempt to collect a fee from a person for assisting the person in obtaining a mortgage from a lender until the following conditions have been met:

(b) the lender or the lender's agent has provided the person with an initial disclosure statement and at least two business days have passed since the initial disclosure statement was received by the person or the person has waived the time period for delivery in accordance with the Consumer Protection Act.

Section 73(4) is amended to read:

73(4) Every mortgage broker that represents a lender in a deal in mortgages must ensure that the lender complies with the

written disclosure requirements to be provided to the borrower pursuant to the Consumer Protection Act.

Section 74(1)(a) is amended to read:

74(1) Where the brokerage directly represents the lender in its dealings with the borrower, a brokerage must provide the borrower:
(a) prior to the mortgage commitment being agreed to by the borrower, a copy of the disclosure statement pursuant to the Consumer Protection Act; and

7. Administration Reports

- **2018 Licensing & Renewals Experience**

The RECA Registrar provided Council with an update on the 2018 licensing and renewals experience.

8. In-Camera

Council went in-camera at 4:56 pm

9. Adjournment

The meeting adjourned at 5:45 pm.

10. Next Meeting(s)

- **January 23, 2019 (9:30 am) Regular Council Meeting**

Approved at Calgary, Alberta on October 31, 2018.

Brian Klingspon, Chair

Bonny Clarke, Chair-Elect