

RECA Board of Directors Regular Meeting

9:00 am – 3:00 pm, Wednesday, April 28, 2021

Virtual Teams Meeting

MINUTES

In Attendance: Patricia McLeod, Chair
Duane Monea, *Principal Advisor to the Board*
Paul Bojakli
Bill Briggs
Shirish Chotalia
Jai Parihar
Carrie Plett
Laura Sharen

Staff Resource: Bryan Douey (*Stakeholder Engagement agenda item*)
Warren Martinson
Stacy Paquin
Charles Stevenson
Joseph Fernandez

Recording Secretary: Rina Hawkins

1. Preliminary Matters

The meeting began at 9:00 am.

No conflicts of interest were declared.

2. In-Camera Session

The Board went in-camera.

The Board came out of in-camera.

3. Consent Agenda

The Board reviewed the consent agenda, including the minutes from the February 26, 2021 and March 5, 2021 Special Meetings of the RECA Board of Directors.

The Board made one update to the Action Register from the January 20, 2021 Board meeting. The Finance & Audit Committee will review

RECA's policy on the determination of revenue items for financial statements at their July 2021 meeting.

MOTION: The RECA Board of Directors approves the consent agenda as presented and amended.

Jai Parihar / Carried

4. Consent Agenda Items Requiring Discussion

The Board reviewed and supported the distribution of the Board Chair message in the upcoming edition of the Regulator.

The Board discussed document printing capabilities within the Board & Industry Council portal and the Board agreed to continue to restrict printing capabilities to ensure confidentiality of RECA materials.

ACTION: Management will prepare a draft policy for Board and Industry Councils on the handling of documentation and electronic communication. The Governance & HR Committee will review the policy and make a recommendation to the Board at its meeting in June 2021.

5. RECA Board Workplan

The Board reviewed and discussed the 2021 Board Projects & Priorities workplan.

ACTION: Management to add Enterprise Risk Management to the 2021 Board Projects & Priorities workplan.

6. Committee Reports / Recommendations

- **Finance & Audit Committee**

The Finance & Audit Committee Chair provided an update on the activities of the committee, including proposed policy amendments, and reviewed the unaudited Q2/2021 financial statements and the budget forecast with the Board.

MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the unaudited Q2/2021 financial statements as presented.

Carrie Plett / Carried

MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the amendments to the investment policies of the Real Estate

*Assurance Fund and the Council Operating Fund as presented.
Shirish Chotalia / Carried*

*MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the changes to the Non-Budgeted Expenditure Policy as presented.
Laura Sharen / Carried*

- **Governance & HR Committee**

The Governance & HR Committee Chair provided an update on the activities of the committee.

The CEO recruitment process is on schedule, with the Executive Brief and advertisement for the CEO role finalized and posted to relevant websites. The search provider has consulted with stakeholders and provided RECA with a search timeline.

The Governance & HR Committee will meet on May 25, 2021 to review the shortlist of candidates with the search provider.

ACTION: RECA's 2021 annual report disclosure shall include disclosure of the Board's assessment and adoption of relevant recommendations from the KPMG governance and operational reports.

- **Hearings Committee**

The Hearings Committee Chair provided an update on the activities of the committee.

At its April 2021 meeting, the Hearings Committee reviewed various procedures, and asked Management to proceed with the posting of advertisements for hearing panel roster vacancies.

7. Industry Council Activities

- **Industry Chairs Roundtable**

The Board discussed the activities of the Industry Chairs Roundtable discussion group.

- **Residential Industry Council**

The Residential Industry Council Board appointee provided an update on the activities of the Council, including the recent online stakeholder engagement session.

ACTION: Management to ensure the Residential Industry Council email address is working correctly.

- **Commercial Industry Council**

The Commercial Industry Council Board appointee provided an update on the activities of the Council, noting that the Council filled the vacant Council seat through a by-election held in early February 2021.

- **Mortgage Industry Council**

The Mortgage Industry Council Board appointee provided an update on the activities of the Council.

The AMBA annual general meeting takes place on April 29, 2021.

- **Property Manager Industry Council**

The Property Manager Industry Council Board appointee provided an update on the activities of the Council.

The draft education competencies are currently being reviewed by the Condominium Managers Implementation Advisory Committee and will be presented to the Council for its final review.

8. Strategic Matters

- **Strategic Planning Process**

Management discussed historical and potential strategic planning approaches with the Board.

The Board will review the proposed planning approach at its June 2021 Board meeting. Further planning processes will then be reviewed by the Finance & Audit Committee in early July 2021 and brought back to the Board for final approval at the end of July 2021.

ACTION: Management to update the 2021 Board Projects & Priorities workplan to reflect this direction and timeline.

- **Appointments to the Alberta Real Estate Foundation (AREF)**

Management advised that the current RECA appointees to the AREF Board of Governors are in an overholding position until new appointments are made by RECA.

Ms. Krista Bolton's (a former public Council member) second and final term on the AREF Board ended on October 31, 2019 and she has been in an overholding position since that time.

Mr. Scott Bollinger's first term ended on October 31, 2019 and at the request of AREF, Management is recommending Mr. Bollinger be reappointed for a second term ending October 31, 2022.

*MOTION: The RECA Board of Directors approves the reappointment of Mr. Scott Bollinger to the Alberta Real Estate Foundation (AREF) Board of Governors for a term ending October 31, 2022
Bill Briggs /Carried*

The Board recommends that RECA's second appointment to the AREF Board be a member of one of RECA's Industry Councils, unless there is no member who comes forward. The role is a volunteer opportunity. If there is no Industry Council member interest, Management will advise the Board and next steps will be determined.

ACTION: Management will advise AREF of the reappointment of Scott Bollinger to the AREF Board of Governors and canvass Industry Council members interested in sitting on the AREF Board.

- Stakeholder Engagement

Handling of emails to the Board

The Board discussed how to address emails to the Board and Industry Councils.

The Board discussed and agreed to a process within the Board portal to ensure the Board and Industry Councils have access to all emails received from stakeholders.

The Board requested that Management create an acknowledgement for when an email is received, stating that emails will be directed to the Board's or the applicable Industry Council's attention.

The Board agreed it was important for the Board and Industry Councils to use a consistent approach to responding to email correspondence.

ACTION: The Board requests the Industry Councils discuss the approach to responding to email correspondence at their next meetings.

Board Stakeholder Engagement Interim Report

Management provided the Board with an interim report on the recent stakeholder engagement activities. The Board accepted the stakeholder feedback summary and responses as presented.

The Board reviewed the Residential Industry Council online stakeholder engagement Q&A. The Board agreed it is important to establish and communicate to attendees how the

engagement sessions will be structured, expected tone and protocols of engagement, and how the question-and-answer process will work.

ACTION: Going forward at online stakeholder engagement sessions, presentations will include an opening slide advising that not every comment may be read out as they could be grouped into themes, and that all comments will be provided to the Board or Industry Council. Also, instructions will note that choosing not to read out comments of an inflammatory, accusatory or derogatory tone is fully at the discretion of the moderator.

ACTION: The Chair's message in the upcoming Regulator will include a paragraph about RECA's process for etiquette and handling of questions during online stakeholder engagement sessions.

The Board agreed that the Board or Industry Council Chair should lead the Q&A discussions; however, if there is a subject matter expert that can field a question, then they should do so.

ACTION: Management will add a "social media dashboard" to the quarterly Management Report to track engagement and feedback.

- **Real Estate Act By-law Update/Review**

Management advised that drafts of the by-laws required by the *Real Estate Act* will be prepared within the next few weeks. A special meeting of the Board will be required for review and discussion before submitting to the Industry Councils for input and consultation prior to final approval at the Board's June board meeting.

ACTION: Management will schedule a Special Meeting of the Board for late May 2021 to review the proposed bylaws.

- **Part 3 Orientation**

Management reviewed Part 3 of the *Real Estate Act* with the Board.

- **REIX & Real Estate Assurance Fund**

The Board discussed the April 22, 2021 communication from the Minister of Service Alberta regarding the Real Estate Assurance Fund.

The Minister of Service of Alberta has requested the Board conduct an analysis and review of the Real Estate Assurance Fund and provide a report to the government by October 15, 2021.

The Board received a verbal report (the written notes of which will be uploaded to the Board's information portal) from RECA's REIX appointee, Mr. Briggs. REIX is requesting RECA approve, in

principle, a change to RECA's bylaws to allow REIX to move from regulation under the *Insurance Act* to oversight under the *Real Estate Act*. In doing so, REIX would become an indemnity provider instead of an insurance provider. A formal request from REIX will be provided in the coming months.

The Board agreed that RECA will prepare its own assessment before considering any changes.

ACTION: 1) The Board will advise REIX that it has received its proposal and is reviewing it. 2) Management will review the letter received from the Minister of Service of Alberta on the Assurance Fund and develop an initial outline for the report so work can begin on this initiative, including proposed engagement with REIX. 3) Management will determine what information and background the Board will need to understand the proposal and issues raised by REIX, including legal ramifications. 4) Management will invite REIX to have a collective discussion in July 2021.

- **Education Divestment Discussion Group**
Management reported that the Education Framework Discussion Group met on April 22, 2021, and the group has provided input into the development of the course and course examination blueprint. The Group will meet again on May 7, 2021.

9. Litigation Review

External Legal Counsel, Susan Kushneryk of Kushneryk Morgan LLP and Grant N. Stapon Q.C., Partner of Bennett Jones LLP joined the meeting.

The below meeting minutes are protected by litigation privilege and are confidential to the RECA Board of Directors and will not be made public.



RECA Board of
Directors – Regular
Meeting

Minutes of Meeting

April 28, 2021

10. Next Meeting

- Monday, May 31, 2021

11. Adjournment

The meeting adjourned at 3:48 pm.

Approved at Calgary, Alberta on May 31, 2021

Patricia McLeod, Q.C., Board Chair