

RECA Board of Directors Regular Meeting

10:00 am – 3:00 pm, Thursday, July 29, 2021

Nakiska Boardroom, RECA Office

MINUTES

In Attendance: Patricia McLeod, Chair
Bill Briggs
Jai Parihar
Carrie Plett
Laura Sharen *(joined virtually)*

Absent: Paul Bojakli

Staff Resource: Warren Martinson
Stacy Paquin
Charles Stevenson
Joseph Fernandez
Mark Blessing *(Finance & Audit agenda item)*

Recording Secretary: Rina Hawkins

1. Preliminary Matters

The meeting began at 10:00 am.

No conflicts of interest were declared.

2. Consent Agenda

The Board reviewed the consent agenda, including the minutes from the July 7, 2021 Special Meeting of the RECA Board of Directors.

MOTION: *The RECA Board of Directors approves the consent agenda, including the minutes of the July 7, 2021 Special Meeting as presented and amended.*

Bill Briggs / Carried

3. Consent Agenda Items Requiring Discussion

The Board reviewed the Action Register and Management provided a verbal update on the outstanding items.

The Board reviewed the Chair's message for the August 2021 Regulator and recommended minor changes.

4. Committee Reports / Recommendations

- **Finance & Audit Committee**

The Finance & Audit Committee Chair provided an update on the activities of the committee.

Financial Report / Budget Update

Management provided comments and analysis on the budget forecast for the nine months prior to June 30, 2021.

MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the Q3 – June 30, 2021 Unaudited Financial Statements as presented at this meeting.

Carrie Plett / Carried

Management presented and discussed the 2021/2022 Budget and addressed questions from the Board.

- MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the following:*
- *The 2021/22 Operating and Capital Budget and Financial Plan as presented*
 - *Annual Licence Fees for 2021/2022 to remain unchanged*

	Real Estate	Mortgage Brokerage	Condo Mgmt Brokerage
Brokerage	\$450	\$450	\$450
Broker *	\$475	\$475	\$475
Associate Broker or Associate *	\$475	\$475	\$475
Re-registration	\$55	\$55	

- *Effective July 1, 2022 to September 30, 2022, RECA reduces the licensing fee for each individual class of licence to \$275*
 - *Waiver of Assurance Fund levy on renewal of licence*
- Jai Parihar / Carried*

Management reviewed and discussed the 2021/2022 Business & Financial Plan and addressed questions from the Board.

MOTION: The RECA Board of Directors approves the 2021/2022 Business & Financial Plan as presented at this meeting and directs the Board Chair to provide a copy to the Minister of Service Alberta on or before August 1, 2021.

Carrie Plett / Carried

Enterprise Risk Management (ERM) Project

Management discussed a recommendation from the KPMG report to implement a risk management framework. RECA has received a proposal from MNP to provide consulting services to design and implement a framework.

Management is recommending that a contract be executed with MNP for the risk management consulting and that this work commence in the current fiscal year. This timing will inform the Board's strategic planning work.

MOTION: The RECA Board of Directors directs Management to execute a contract with MNP for the provision of enterprise risk management consulting services as outlined in Appendix A in the 2020/2021 fiscal year and authorizes [REDACTED] this strategic initiative.

Bill Briggs / Carried

Approval of Financial Stewardship Policy

Management presented an updated Operating Reserve Policy for the Board's consideration. This amended policy will set out more specific minimum and target levels for the operating reserve, as well as funding and oversight considerations.

MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the updated Policy Section 7.6 Operating Reserve as presented at this meeting and will include this policy in its annual review of financial stewardship policies.

Jai Parihar / Carried

- **Governance & HR Committee**

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

Board & Industry Council Remuneration & Reimbursement Policy

Management discussed the proposed Board & Industry Council members Remuneration & Reimbursement Policy. The policy also addresses the approval process required for advisory and ad-hoc committee chairs & members to be compensated for committee work.

***MOTION:** On the recommendation of the Finance & Audit Committee and the Governance & Human Resources Committee, the RECA Board of Directors approves the Remuneration & Reimbursement Policy as presented at this meeting. The Policy will become effective October 1, 2021.*

Laura Sharen / Carried

Professional Development Policy

Management discussed the proposed Professional Development Policy for Board and Industry Council members. RECA will include in its annual budget an amount dedicated to the education, training, and professional development of Board and Industry Council members. This amount will be communicated to all Board and Industry Council members annually.

***ACTION:** Management will create an "industry event" calendar for the Board & Industry Council members, highlighting events that Board & Industry Councils might attend on behalf of RECA. This item will be brought to the October 2021 Industry Council Chairs Roundtable for further discussion.*

***MOTION:** On the recommendation of the Governance & Human Resources Committee, the RECA Board of Directors approves the Professional Development Policy for Board and Industry Council members as presented at this meeting.*

Carrie Plett / Carried

CEO Performance Objectives

The Board discussed the CEO Performance Evaluation/Objectives.

***MOTION:** On the recommendation of the Governance & Human Resources Committee, the RECA Board of Directors approves the goals and objectives of the CEO Performance Evaluation as presented at this meeting.*

Bill Briggs / Carried

CEO Onboarding Update

The Board discussed the onboarding of the new CEO to ensure an efficient and timely transition to the new leadership.

Public Director Search

The Board reviewed a draft competency matrix that will help guide the Board in determining what knowledge and skills are required for the Board and for recruitment of a new Board member.

***ACTION:** Management will distribute the competency matrix to the Board members to complete. The Board Chair will discuss*

Board skills requirements with the Minister for his consideration in appointing a new director to fill the current vacancy on the Board.

COVID Reopening Discussion

Management discussed RECA's COVID reopening plans. RECA will be increasing in-person reception coverage to accommodate any drop-ins.

Management will work with the new CEO to determine RECA's corporate strategy moving forward post-pandemic.

- **Hearings Committee**

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

New Panel Roster Member Appointments

RECA received 43 applications for various vacancies on the Hearing Panel Roster. In June and July 2021, Hearings Committee members conducted interviews with 33 candidates, and is recommending the Board approve 18 of those candidates to the Hearing Panel Roster.

MOTION: On the recommendation of the Hearings Committee, the RECA Board of Directors appoints the following individuals to the Hearing Panel Roster for their first, three (3) year term, effective November 1, 2021.

The appointments to the Hearing Panel Roster in the residential real estate sector are subject to written confirmation from the individuals that they have resigned from any role or position that would place them in a conflict of interest to also be on the RECA Hearing Panel Roster.

Residential Real Estate

1. Jennifer Lucas (real estate) – first term
2. Jessica Puddicombe (real estate) – first term
3. Aron Scraba (real estate) – first term
4. Dennis Shanduk (real estate) – first term
5. Bradley Woodward (real estate) – first term

Commercial Real Estate

6. Marika Chen (commercial) – first term
7. Rezwan (Rez) Jiwa (commercial) – first term
8. Mark Kolke (commercial) – first term
9. Walsh Mannas (commercial) – first term

Property Management

10. Anil Asrani (property management) – first term
11. Jeffrey Fitzgerald (property management) – first term

Mortgage

12. Kevin Mroczek (mortgage) – first term
13. Darlene Rannells (mortgage) – first term

Public Members

14. Joanne Archibald (public member) – first term
15. Dr. Gail Forsythe (public member) – first term
16. Michael Kirk (public member) – first term
17. Colin May (public member) – first term
18. Karen Scott (public member) – first term

Bill Briggs / Carried

Section 46 Process

This item is deferred to the next meeting of the Board.

5. Industry Council Activities

- **Industry Chairs Roundtable**

The Board reviewed the Industry Chairs Roundtable agenda for August 4, 2021.

- **Residential Real Estate Broker Industry Council**

The Residential Real Estate Broker Industry Council Board appointee provided an update on the activities of the Council.

The Industry Council is seeking the Board's approval for the establishment of a Residential Measurement Standards ("RMS") Ad-Hoc Committee to review the recommendations in the May 2018 RMS Report and elicit input from Committee members on the status of RMS. The Committee will report back to the Industry Council by December 31, 2021.

MOTION: *On the request of the Residential Real Estate Broker Industry Council, the RECA Board of Directors approves:*

- *the establishment of a Residential Measurement Standards (RMS) Ad-Hoc Committee; and*
- *the terms of reference of the RMS Committee as presented at this meeting.*

Bill Briggs / Carried

- **Commercial Real Estate Broker & Commercial Property Manager Industry Council**
The Commercial Real Estate Broker & Commercial Property Manager Industry Council minutes from its June 10, 2021 meeting were provided for information purposes.
- **Mortgage Broker Industry Council**
The Mortgage Broker Industry Council minutes from its June 15, 2021 meeting were provided for information purposes.
- **Residential Property Manager Industry Council**
The Property Manager Industry Council minutes from its June 4, 2021 meeting were provided for information purposes.

ACTION: The *Real Estate Act* Section 54 process orientation will be deferred to the next Board meeting.

6. Strategic Matters

- **Bylaw Update**
The Board reviewed the proposed new bylaws with all suggested changes and comments incorporated from working sessions with the Board and Industry Councils and Service Alberta. The Board made further suggested edits to the proposed bylaws.

The new bylaws recommend that election criteria and processes be outlined in policies approved by the Board in consultation with Industry Councils. The draft policies will be presented to the Industry Councils in September 2021 for review and input prior to being presented to the Board for final approval.

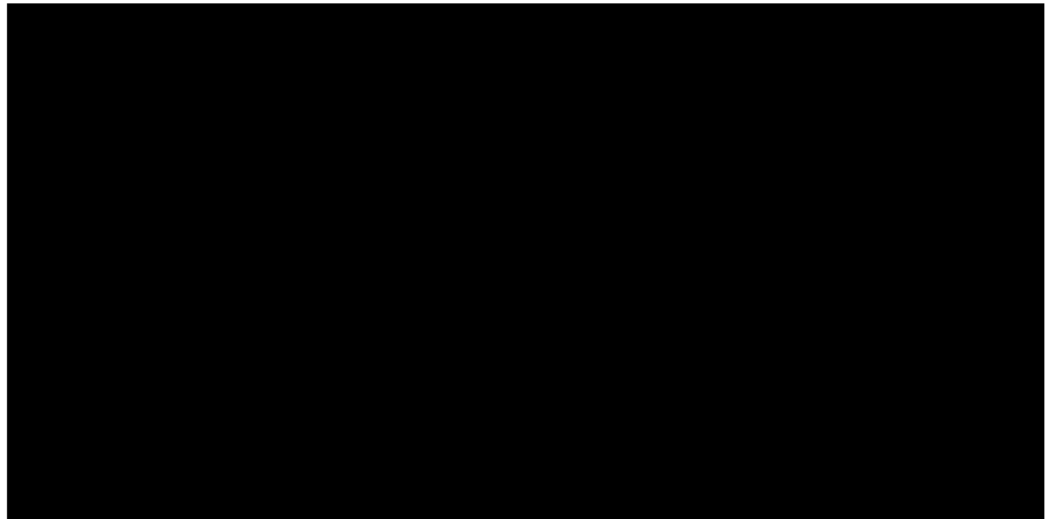
The Board reviewed and discussed the Education Transition Plan.

ACTION: Management will provide Service Alberta with an updated version of the bylaws for review.

ACTION: The final proposed new bylaws and Education Transition Plan will be sent for approval to the four (4) Industry Councils at their September meetings, and for final approval by the Board at its September 24, 2021 meeting.

- **RECA Building Report**
The Board met with external legal counsel and RECA's General Counsel.

The following minutes from that discussion are confidential and protected by litigation privilege.



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Directors – Regular
Meeting

Minutes of Meeting

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Following the privileged and confidential discussion, the Board passed the following resolution:

WHEREAS on April 27, 2021 RECA's newly elected and appointed Board received a written letter of concern and associated report (the "Report") from a stakeholder, regarding the purchase of its current headquarters at 1506 – 11th Avenue SW (the "Transaction") alleging several illegalities, improprieties, and claimed breaches of fiduciary duty by then involved RECA staff, Council members, and consultants suggesting that legal proceedings should be commenced against various parties associated with the Transaction for their actions or claimed lack of diligence;

AND WHEREAS in response to the Report, the RECA Board commissioned a privileged review of the facts and events associated with the Transaction by external legal counsel to determine the merits of the Report, and whether any legal or other proceedings should be commenced;

AND WHEREAS the RECA Board has received, reviewed, and considered the Report, and engaged with its legal counsel and its internal RECA staff to assess the facts and findings of the Report and the investigation;

AFTER CONSIDERATION of the above noted, the RECA Board has considered and passed the following motion:

MOTION:

- 1. RECA's investigation of matters associated with the Transaction has demonstrated no impropriety associated with the Transaction as alleged in the Report or at all;*
- 2. RECA will not be proceeding with any action or litigation or other proceeding as suggested in the letter of concern or Report;*
- 3. RECA will issue a summary of its review to the public and to the stakeholder substantially as reviewed at this meeting; and*
- 4. The allegations in the letter of concern and Report are determined to be unfounded, and this matter is to be regarded as closed.*

Bill Briggs / Carried unanimously

- **REIX Update**

Management provided an update on status of the analysis and review of the Real Estate Assurance Fund for the Minister of Service Alberta.

ACTION: A draft report will be provided to the Board in September 2021.

7. In-Camera Session

The Board went in-camera.

8. Next Meeting

- **Friday, September 24, 2021**

9. Adjournment

The meeting adjourned at 3:20 pm.

Approved at Calgary, Alberta on September 24, 2021

Patricia McLeod, Q.C., Board Chair