

RECA Board of Directors Regular Meeting
9:00 am – 3:00 pm, Wednesday, May 17, 2023
Nakiska Boardroom, RECA Office, Calgary, Alberta

MINUTES

In Attendance: Elan MacDonald, Chair
Paul Bojakli
Bill Briggs
Jai Parihar
Carrie Plett
Laura Sharen (*attended virtually*)
Greg Walter

Staff Resource: Russ Morrow
Janice Harrington
Warren Martinson
Stacy Paquin

Guests: Mark Blessing, *Finance & Administration Manager (Item #8)*

Recording Secretary: Rina Hawkins

1. Call to Order

The Real Estate Council of Alberta ("RECA") Board Chair ("Chair") called the meeting to order at 9:01 am.

2. Approval of Agenda

The RECA Board of Directors ("Board") reviewed the meeting agenda.

The Board amended the agenda, adding a discussion on the timeline for relicensing.

MOTION: The RECA Board of Directors approves the May 17, 2023, meeting agenda as amended.

Motioned by Greg Walter

Seconded by Bill Briggs

Carried

3. Conflicts of Interest Declared

The Chair asked if there were any conflicts of interest to declare.

No conflicts of interest were declared.

4. Chairs Comments

The Chair provided introductory remarks.

5. Information Items

The Board discussed three (3) information items included in the meeting materials, the Board workplan and calendar for 2022/2023, and the April 19, 2023, letter from the Minister of Service Alberta & Red Tape Reduction ("Minister") regarding RECA's annual report submission.

6. Consent Agenda

The Board reviewed the consent agenda.

MOTION: The RECA Board of Directors approves the consent agenda, including the January 26, 2023, January 30, 2023, and April 6, 2023, RECA Board of Director meeting minutes, and accepts for information purposes the Board Committee minutes, and the following consent resolutions, as presented at this meeting.

- *Residential Measurement Standards Ad Hoc Committee Term Extension (Resolution 2023-1)*
- *New Real Estate Act ("REA") Bylaws and Rules (Resolution 2023-2)*
- *New REA Bylaws and Rules (Resolution 2023-3)*

Motioned by Carrie Plett

Seconded by Greg Walter

Carried

7. Board Action Item Register

The Board reviewed the action register.

8. Committee Reports / Recommendations

- **Finance & Audit Committee**

9:05 am – RECA's Finance & Administration Manager joined the meeting

The chair of the Finance & Audit Committee ("FAC") provided an update on the matters addressed at its May 2, 2023, meeting.

Approval of Q2 Unaudited Financial Statements

Management presented the Q2 financial update as of March 31, 2023, including revenue and expense forecasts.

***MOTION:** On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves RECA's Unaudited Q2 Financial Statements as of March 31, 2023, as presented in TAB 6.1 of the meeting material.*

*Motioned by Jai Parihar
Seconded by Greg Walter
Carried*

Financial Report/Budget Update

Management provided an analysis on the budget update for the Board's information.

The Board discussed whether RECA should have whistleblower concerns sent directly to the Board Chair or to an external service provider. The Board agreed that whistleblower concerns should be reported initially to an external service provider, as recommended in the KPMG Operational Report.

***ACTION:** Management will retain the services of an external service provider to receive whistleblower concerns and Management will propose a new Whistleblower Policy which includes a process for concerns to be reported and how concerns will be subsequently managed.*

9:12 am – Board member, Paul Bojakli joined the meeting

Review of Financial Policies

The FAC discussed proposed amendments to the *Reimbursement of Expenses Policy*. The amendments provide for a more principle-based policy.

***MOTION:** On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the amendments to the *Reimbursement of Expenses* policy, as presented in TAB 6.3A of the meeting material.*

*Motioned by Jai Parihar
Seconded by Greg Walter
Carried*

The FAC discussed proposed amendments to the *Investment Policy for Assurance Fund*, that provide additional fixed income constraints.

***MOTION:** On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the amendments*

to the *Investment Policy for Assurance Fund*, as presented in TAB 6.3B of the meeting material

Motioned by Bill Briggs

Seconded by Carrie Plett

Carried

The FAC discussed proposed amendments to the *Investment Policy for Operating Fund*. The proposed amendments were made at the recommendation of RECA's investment manager.

MOTION: *On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the amendments to the Investment Policy for Council Operating Fund, as presented in TAB 6.3C of the meeting material.*

Motioned by Paul Bojakli

Seconded by Bill Briggs

Carried

The FAC discussed proposed amendments to the *Procurement Policy*. The proposed amendments include multi-year contract thresholds.

MOTION: *On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the amendments to the Procurement Policy as presented in TAB 6.3D of the meeting material.*

Motioned by Paul Bojakli

Seconded by Bill Briggs

Carried

Appointment of Auditor for 2022/2023

The FAC recommends the [REDACTED] as RECA's external auditors for the year ending September 30, 2023.

MOTION: *On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves the [REDACTED] as auditor for the year end September 30, 2023, and authorizes the CEO to sign the audit engagement letter.*

Motioned by Jai Parihar

Seconded by Carrie Plett

Carried

Cybersecurity Reporting Structure/Policy

The FAC and Board requested a policy be developed to ensure that the FAC Chair and the Board Chair are informed of any cybersecurity/privacy incidents that meet certain thresholds and within a specific timeframe.

RECA currently has several policies and procedures in place that address cybersecurity/privacy incidents and is working on an inter-departmental review to make them more modern and efficient. In the interim, to address the reporting requirements of the FAC and the Board, a proposed motion was recommended by the FAC.

MOTION: On the recommendation of the Finance & Audit Committee, effective immediately, the RECA Board of Directors directs RECA's CEO to inform the Finance & Audit Committee Chair and the RECA Board Chair within 48 hours of any cybersecurity or privacy related incident occurring at RECA that is expected to cause:

- estimated cost/loss over \$360,000,*
- estimated business interruption of more than 1 week, and/or*
- anticipated serious visible and sustained reputation risk to RECA*

Moved by Paul Bojakli

Seconded by Greg Walter

Carried

RECA Board of
Directors – Regular
Meeting

Minutes of Meeting

May 17, 2023

Licensing Renewal Period

The FAC discussed moving RECA's licensing renewal period to eliminate the need to show deferred revenue in RECA's financial statements and to make it easier to communicate RECA's financial position.

The FAC requested Management research potential ramifications associated with changing the licensing renewal date and report back to the FAC in July 2023.

Management noted that consultation with the Industry Councils would also be required prior to any changes.

10:45 am – RECA's Finance & Administration Manager left the meeting

- **Governance & Human Resources Committee**

The chair of the Governance & Human Resources Committee ("GHR") provided an update on the matters addressed at its April 25, 2023, meeting.

Annual Code of Conduct & Statutory Prohibitions Acknowledgment

The GHR reviewed the *Annual Code of Conduct & Statutory Prohibitions Acknowledgement for Board and Industry Council Members* ("Code of Conduct") and had no recommended changes. The Code of Conduct will be sent to all Board and Industry Council members for their signoff by the end of June 2023.

Governance Training Program Options for Board and Industry Council Members

The GHR discussed governance training program options for Board & Industry Council members. The GHR reviewed the options and

requested Management provide further analysis and pricing. The GHR will review again at their June 2023 meeting.

Governance Manual

Management discussed that RECA's Governance Manual is nearing completion.

Quarterly Human Resources Report

The GHR provided the Quarterly Human Resources Report to the Board for information purposes, noting high staff turnover as being a concern.

Compensation Philosophy

The GHR reviewed RECA's proposed Compensation Philosophy. The proposed compensation program is based on the guiding principles of fairness and equity, performance-based, transparent, and sustainable.

***MOTION:** On the recommendation of the Governance & HR Committee, the RECA Board of Directors approves RECA's Compensation Philosophy, as presented in TAB 7.D of the meeting material*

Motioned by Greg Walter

Seconded by Bill Briggs

Carried

- **Hearings Committee**

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

Hearing & Appeal Panel training was conducted on May 3, 2023, with the majority of panel members attending the session. Feedback was very positive.

RECA's Hearing & Appeal panel roster is now full for the current year.

9. Industry Council Activities

- **Industry Chairs Roundtable**

The Industry Chairs Roundtable action register was provided to the Board for information. The last meeting of the Industry Chairs Roundtable was focused on the strategic and business plans.

The Board discussed proposed agenda items for the May 24, 2023, Industry Chairs Roundtable. The primary focus of that meeting will be on the Rules review initiative.

- **Residential Real Estate Broker Industry Council**
The Residential Real Estate Broker Industry Council (RREBIC) Board appointee provided an update on the activities of the RREBIC.
- **Commercial Real Estate Broker & Commercial Property Manager Industry Council**
The Commercial Real Estate Broker & Commercial Property Manager Industry Council (CIC) Board appointee provided an update on the activities of the CIC.
- **Mortgage Broker Industry Council**
The Mortgage Broker Industry Council (MBIC) Board appointee provided an update on the activities of the MBIC.
- **Residential Property Manager Industry Council**
The Residential Property Manager Industry Council (RPMIC) Board appointee provided an update on the activities of the RPMIC.

10. Strategic & Operational Matters

- **Quarterly Business Plan Report**
The CEO reviewed the activities of the Management team over the last quarter. The Management report has been revamped to better align with RECA's strategic initiatives.

Management discussed that RECA's investigations team has implemented a new approach to resolving minor issues prior to opening an investigation. This strategy has resulted in more concerns being resolved through education.

Management discussed it is focused on a plan for 2023/2024 stakeholder engagement. The executive team recently took part in both the Alberta Mortgage Association of Alberta's ("AMBA") annual general meeting, and the REALTORS® Association of Edmonton ("RAE") partner breakfast.

RECA has been working with the Centre for Newcomers, assisting, and educating vulnerable consumers on real estate transactions.

RECA is working on red tape reduction measures including business process improvements, changes to RECA's Discipline Publications Guideline, reducing the red tape involved in dealing with minor breaches of the *Real Estate Act* ("REA") Rules, and improvements to RECA's credentialing process.

The Board reviewed the Minister's response to RECA's plans for red tape reduction that were communicated to the Minister in February 2023.

- **Rules Review Steering Committee Update**

Management provided an update on the work of the Rules Review Steering Committee.

The feedback period for Phase 1 of the Rules Review consultation is complete, with RECA receiving minimal, but valuable input. The Rules Review Steering Committee meets on May 19, 2023, to review the results of the consultation.

- **Ad-Hoc/Advisory Committee Terms of Reference**

RECA and industry stakeholders are requesting the establishment of a Residential Real Estate Education Advisory Committee ("RREEAC"), bringing together industry, education providers, the RREBIC, RECA Administration, and others, to provide input to ensure that the residential real estate education framework for licensing achieves the outcome of the industry having individuals with the knowledge, skills, and professionalism needed to be successful in their industry and to serve the public well.

Management presented the proposed terms of reference for the RREEAC, for the Board's consideration and approval.

The Board requested amendments to the terms of reference. The revised terms of reference will be shared with both Service Alberta and the RREBIC.

***MOTION:** The RECA Board of Directors approves the establishment of the Residential Real Estate Education Advisory Committee and approves its Terms of Reference as presented in TAB 16A of the meeting material, and as further amended at this meeting, and pending review by Residential Real Estate Broker Industry Council.*

Motioned by Carrie Plett

Seconded by Bill Briggs

Carried

The Board discussed the establishment of a Condominium Property Management Education Competencies Ad-Hoc Committee ("CPMECAC"), made up of industry, education providers, RECA Administration, and others, to provide input for the condominium property management education competencies.

Management presented the proposed terms of reference for the CPMECAC, for the Board's consideration and approval.

MOTION: *The RECA Board of Directors approves the establishment of the Condominium Property Management Education Competencies Ad-Hoc Committee and approves its Terms of Reference as presented in TAB 16B of the meeting material.*

Motioned by Carrie Plett

Seconded by Jai Parihar

Carried

- **Licensee Perceptions Presentation**

Management discussed that in February and March 2023, licensee perception surveys were administered by Trend Research. 1,100 RECA licensees responded to the survey (including 800 real estate professionals, 100 commercial and agribusiness professionals, 100 mortgage brokers, 50 property managers, and 50 condominium managers).

Management presented the results of the survey, which were overall very positive.

- **Brand Strategy Discussion**

With the implementation of the *Real Estate Amendment Act 2020*, RECA's mandate was shifted.

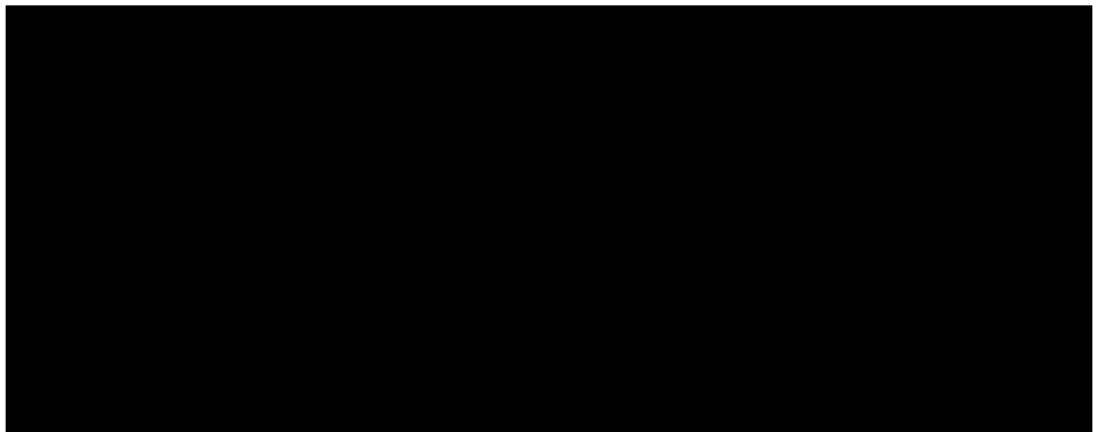
In 2022 RECA engaged a branding expert to undertake information gathering to identify a new brand/vision which an organizational culture could be built from. Management and the Board discussed potential brand statements.

- **Legal Matters**

General Counsel provided a quarterly legal report for the Board's review.

The following minutes are confidential and protected by litigation privilege.

1:05 pm RECA staff, Harrington and Martinson, left the meeting



RECA Board of
Directors – Regular
Meeting

Minutes of Meeting

May 17, 2023



2:22 pm – RECA Staff, Hawkins and Paquin, left the meeting

11. In-Camera Session

The Board moved in-camera at 2:22 pm.

12. Next Meeting

- Wednesday, July 19, 2023 (virtual)

13. Final Adjournment

The meeting adjourned at 2:50 pm.

MOTION: The RECA Board of Directors approves the final adjournment of the May 17, 2023, meeting.

Motioned by Bill Briggs

Seconded by Carrie Plett

Carried

Approved at Calgary, Alberta on July 19, 2023

Elan MacDonald, Board Chair

RECA Board of
Directors – Regular
Meeting

Minutes of Meeting

May 17, 2023