

RECA Board of Directors Regular Meeting

9:00 am – 3:00 pm, Wednesday, July 19, 2023

Virtual Teams Meeting

MINUTES

In Attendance: Elan MacDonald, Chair
Paul Bojakli
Bill Briggs
Jai Parihar
Carrie Plett
Laura Sharen
Greg Walter

Staff Resource: Russ Morrow
Janice Harrington
Warren Martinson
Stacy Paquin

Recording Secretary: Rina Hawkins

1. Call to Order

The Real Estate Council of Alberta ("RECA") Board Chair ("Chair") called the meeting to order at 9:04 am.

2. Approval of Agenda

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

***MOTION:** The RECA Board of Directors approves the July 19, 2023, meeting agenda as presented.*

Motioned by Jai Parihar

Seconded by Laura Sharen

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 one (1) information item included in the meeting materials, the RECA Board Workplan.

6. Consent Agenda

The Board reviewed the consent agenda.

MOTION: The RECA Board of Directors approves the consent agenda, including the May 17, 2023, and May 19, 2023, RECA Board of Director meeting minutes, and accepts for information purposes the Board Committee minutes, as presented at this meeting.

Motioned by Laura Sharen

Seconded by Jai Parihar

Carried

7. Board Action Item Register

The Board reviewed the action register.

Management provided an update on the development of a new cybersecurity policy. Management is reviewing several of RECA's current policies and procedures that address cybersecurity/privacy incidents and will present a consolidated proposed policy at the next Finance & Audit Committee ("FAC") meeting in the Fall of 2023.

8. RECA Policy Training

Management provided a presentation on RECA's Reimbursement of Expenses policy for the Board's information and training.

The Board requested the policy be amended to clarify that pre-authorization from the Chair or Chief Executive Officer ("CEO") is required for certain expenses related to hospitality and hosting events.

ACTION: Management will make the requested amendments to the Reimbursement of Expenses policy and provide to the Board for consideration and approval at the next Board meeting.

9. Committee Reports / Recommendations

- Finance & Audit Committee

Management discussed that RECA's new Finance & Administration Manager will start on September 1, 2023.

The chair of the FAC provided an update on the matters addressed at its June 28, 2023, meeting.

Financial Report

Management provided the May 2023 and June 2023 financial reports for the Board's information.

Approval of Q3 Unaudited Financial Statements

Management presented the Q3 financial statements as of June 30, 2023, for the Board's consideration and approval.

MOTION: The RECA Board of Directors approves the Unaudited Financial Statements for Q3 as at June 30, 2023 as presented at this meeting.

*Motioned by Jai Parihar
Seconded by Bill Briggs
Carried*

2023/2024 Business & Financial Plan

The Board reviewed the proposed 2023/24 Budget and Financial Plan ("Plan").

Management is not recommending a licence fee increase for 2023/2024.

Management discussed the proposed salaries and benefits budget for 2023/2024, noting it is keeping in line with RECA's approved compensation philosophy.

The Board requested minor amendments to the draft Plan.

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

- The 2023/24 Operating and Capital Budget and the Business and Financial Plan as presented in TAB 7.2B of the meeting material and as amended at this meeting.*
- Annual Licence Fees for 2023/2024 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

- *Effective July 1, 2024, to September 30, 2024, RECA reduces the licensing fee for each individual class of licence to \$275*
- *Waiver of Assurance Fund levy on renewal of licence*

Motioned by Jai Parihar

Seconded by Bill Briggs

Carried

Review of Financial Policies

The FAC discussed proposed amendments to the *Operating Reserve Policy*, including the renaming of the policy to *Financial Reserves Policy*. Amendments included removal of the Special Project Reserve section, the addition of a Capital Reserve section, and adjusting the financial reserve fund target from nine (9) months to twelve (12) months of operating expenses. The FAC recommended the Board approve the *Financial Reserves Policy*.

***MOTION:** On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves amendments to the Operating Reserve Policy, including the renaming of the policy to Financial Reserves Policy, as presented in TAB 7.3A of the meeting material.*

Motioned by Bill Briggs

Seconded by Paul Bojakli

Carried

Licensing Renewal

The FAC discussed moving RECA's licensing renewal period to eliminate the need to show deferred revenue in RECA's financial statements and to more clearly communicate RECA's financial position. The FAC agreed to postpone this discussion to a future date due to the complexity of such a change.

10:29 am – Meeting recessed

10:40 am – Meeting reconvened

10:42 am – Board member, Greg Walter, joined the meeting

- **Hearings Committee**

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

Management is currently reviewing the process for complainant appeals, outlined in the Hearing and Appeal Practice and Procedure Guidelines (the "Guidelines").

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The Hearings Committee is meeting in early September 2023 to review the matter and determine if amendments to the complainant appeal process should be recommended to the Board for consideration and approval.

- **Governance & Human Resources Committee**

The chair of the Governance & Human Resources Committee ("GHR") provided an update on the matters addressed at its June 21, 2023, meeting.

Whistleblower Policy

The GHR reviewed the *Whistleblower Policy*. The policy addresses the establishment of an external Whistleblower Hotline service to receive complaints and concerns and provide initial process advice to employees. The external service will help remove any perceptions of bias that may accompany an internal reporting process and encourage reporting of concerns. The GHR recommended the Board approve the *Whistleblower Policy*.

***MOTION:** On the recommendation of the Governance & HR Committee, the RECA Board of Directors approves the Whistleblower Policy, as presented in TAB 8.1A2 of the meeting material.*

Motioned by Bill Briggs

Seconded by Carrie Plett

Carried

Remuneration Policy for Board & Industry Council Members

The GHR reviewed proposed amendments to the *Remuneration Policy for Board & Industry Council Members*. The amendments include an annual review of the policy by the GHR and amending the reporting requirements to be consistent with the *Real Estate Act* ("REA"). The GHR recommended the Board approve the proposed amendments to the policy.

***MOTION:** On the recommendation of the Governance & HR Committee, the RECA Board of Directors approves amendments to the Remuneration Policy for Board & Industry Council Members, as presented in TAB 8.1B2 of the meeting material.*

Motioned by Greg Walter

Seconded by Carrie Plett

Carried

Governance Training Program Options for Board and Industry Council Members

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

The GHR recommended the Board proceed with a two (2) full-day governance training session in February 2024 with a team building component which would best serve newly elected/appointed and re-elected/appointed Board and Industry Council members.

In addition to the two (2) full-day governance training session all Board and Industry Council members will be provided access to the Council on Licensure, Enforcement and Regulation's ("CLEAR") Board Member Training program.

ACTION: Management will review the timing for the two (2) full-day governance training session, to potentially take place in the April/May 2024 time frame.

Quarterly Human Resources Report

The GHR provided the Quarterly Human Resources Report to the Board for information purposes. High staff turnover continues to be a concern.

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10. Industry Council Activities

- **Industry Chairs Roundtable**

The Industry Chairs Roundtable action register was provided to the Board for information.

The Industry Chairs Roundtable will next meet in early September 2023.

The Board discussed how to ensure action items from the Industry Council meetings are transmitted to the Board. The Board agreed that Industry Council meeting action items could be addressed at the Industry Chairs Roundtable, if appropriate.

ACTION: Management will include a review of Industry Council Action Items, where appropriate, on the quarterly Industry Chairs Roundtable meeting agenda.

- **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.

At a meeting with Service Alberta and the Alberta Real Estate Association ("AREA") in March 2023, RECA committed to raising the matter of REA Rules relating to incentives and inducements to the RREBIC for discussion. Specifically, to consider implementing a set threshold value on incentives, to allow real estate practitioners to offer incentives below a certain dollar-value without broker approval.

The topic was discussed at length at the June 13, 2023, RREBIC meeting. The RREBIC agreed to refer the topic to the Rules Review Steering Committee for consideration.

- **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.

At their June 22, 2023, meeting, the RPMIC approved the launch of RECA's Condominium Manager Graduated Licensing Pilot Project, effective October 1, 2023.

The Board discussed strategies to ensure licensees are reporting any unlicensed activity they are aware of.

11. Strategic & Operational Matters

- **Quarterly Business Plan Report**

The CEO reviewed the activities of the Management team over the last quarter.

Consumer Awareness Activities:

- Consumer awareness sessions continue to be well received. Sessions were held in June in collaboration with the Edmonton Public Library and the Centre for Newcomers. Both organizations have requested RECA continue presentations on an ongoing basis.
- RECA has launched radio ads on newcomer-focused radio stations in Calgary and Edmonton, with ads in Punjabi, Mandarin, and Cantonese. Basic consumer protection information translation into Punjabi, Mandarin, Spanish, French and Ukrainian will be available in the Summer of 2023.

Red Tape Reduction:

- Following approval from the Residential Property Manager Industry Council on June 22, 2023, RECA is preparing to implement the Condominium Manager Graduated Licensing Pilot

Project for the condominium manager industry on October 1, 2023. By allowing incoming condominium managers to obtain an initial licence to work in the industry on certain tasks and under supervision, new licensees can begin their career while they take their licensing education, thereby reducing what has been identified as a major barrier to entry: the time and expense of licensing education.

Stakeholder Engagement:

- Management is holding ongoing summits with education course providers and meeting individually with brokers to get feedback on their programs.

- **RECA Brand Strategy Next Steps**

Following engagement with a brand strategist and discussions at the last Board meeting, Management presented RECA's recommended brand statement for the Board's consideration.

Following approval of the brand statement, Management will begin next steps on RECA's brand story.

***MOTION:** The RECA Board of Directors approves RECA's Brand Statement, as "Protect, Inform, Elevate".*

Motioned by Paul Bojakli

Seconded by Carrie Plett

Carried

- **Annual Review of Strategic Plan**

Management provided an annual review of RECA's Strategic Plan, noting RECA's 2023 strategic initiatives are on track.

- **Appointments & Elections 2023**

Management discussed the upcoming 2023 Board and Industry Council appointments and elections.

Management presented proposals from third-party election officers for the Board's consideration. Management recommends the Board appoint MNP LLP as the Election Officer for the 2023 RECA Industry Council elections.

***MOTION:** The RECA Board of Directors appoints MNP LLP as the Election Officer for the purpose of the 2023 RECA Industry Council member elections, pursuant to Real Estate Act s.7(2)(b), the Real Estate Act Bylaws, and the Industry Councils' Election Policy and Process.*

Motioned by Laura Sharen

Seconded by Carrie Plett

Carried

- **Rules Review Steering Committee Update**

Management provided an update on the progress of the Rules Review Steering Committee ("RRSC").

With the completion of the *REA* Rules Review Phase One consultation and the drafting of proposed *REA* Rule amendments, the RRSC will meet on July 21, 2023, to review the proposed amendments to *REA* Rules, Part 1 – Licensing Structure and Reporting Requirements, sections 2-40, and to discuss Phase Two of the consultation.

Phase Two will engage all stakeholders on proposed amendments to *REA* Rules, Part 1 – Licensing Structure and Reporting Requirements, as well as items for immediate red tape reduction.

Management advised that the Phase Two feedback period on *REA* Rules, Part 1, will be shortened from 90 days to 60 days which should not have an impact on the quantity and quality of responses.

- **Residential Real Estate Education Advisory Committee Terms of Reference**

The terms of reference for the Residential Real Estate Education Advisory Committee ("RREEAC") were approved by the Board on May 17, 2023. The work of RREEAC will begin shortly.

12:13 pm – Meeting recessed for lunch

12:13 pm – RECA Staff, Harrington and Martinson left the meeting

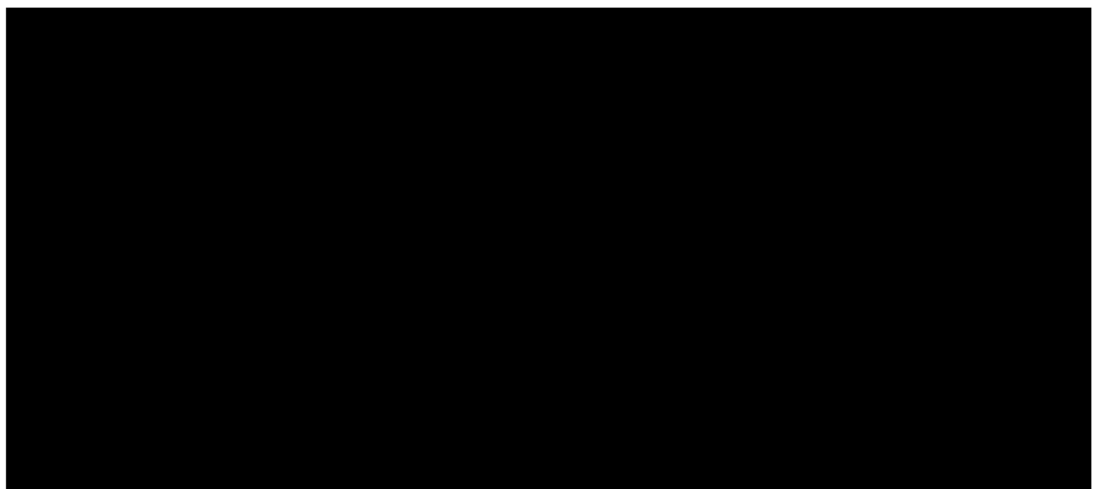
12:49 pm – Meeting reconvened

12:49 pm – External Legal Counsel, Susan Kushneryk, joined the meeting

- **Legal Matters**

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

The following minutes are confidential and protected by litigation privilege.



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12. In-Camera Session

The Board moved in-camera at 2:12 pm, following the in-camera session the Board passed the below motion:

MOTION: The RECA Board of Directors approves the 2023/24 goals and objectives of the CEO Performance Evaluation, as presented in TAB 22 of the meeting material, and the CEO will bring the performance measurements to the November 2023 Board meeting for approval.

Motioned by Laura Sharen

Seconded by Carrie Plett

Carried

13. Next Meeting

- Wednesday, November 22, 2023 (Edmonton)

14. Final Adjournment

The meeting adjourned at 2:45 pm.

MOTION: The RECA Board of Directors approves the final adjournment of the July 19, 2023, meeting.

Motioned by Bill Briggs

Seconded by Paul Bojakli

Carried

Approved at Calgary, Alberta on November 22, 2023

Elan MacDonald, Board Chair