

# Meeting Minutes

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Minutes of the meeting of the Real Estate Council of British Columbia held at 9:00a.m on Monday, January 21, 2019 in the **Douglas Fir Room, RECBC Offices, 900-750 West Pender St, Vancouver, B.C.**

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**Present:** E.Duvall (Chair), R. Gialloreto, S. Heath, L. Hrycan, E. Mignosa, S. Sidhu, M.Chan, Y.Amlani, B.Chisholm, M.Bond, L.Allen, K. Ameyaw, N.Nicholson, R.Hanson, C.Ludgate

**Support Staff:** L. Holst, M. Peters, E. Seeley, P.Skinner, D.Avren, M. Mullarkey

**Regrets:** M.Walker, M.Bond

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## PROCEEDINGS

The Chair welcomed everyone, acknowledging the land on which we gather today is the traditional, ancestral, and unceded Indigenous territories of the ʷməθkʷəy̓əm (Musqueam), skwxwú7mesh (Squamish), and selílwitlh (Tsleil-Waututh) First Nations; and called the meeting to order at 9:04a.m.

## IN CAMERA SESSION

**UPON MOTION IT WAS RESOLVED TO:** move the meeting business to *in camera* at 9:05a.m.

## PROCEEDINGS

The Chair returned the proceedings from *in camera* and convened the open meeting at 10:01a.m.

## CONSENT AGENDA

The Chair inquired if Council members had questions about the consent agenda items, or any disclosure of conflicts of interest.

## UPON MOTION IT WAS RESOLVED TO:

Approve the Consent Agenda items, as follows:

1. The Meeting Agenda for January 21, 2019, as presented, be approved;
2. The Minutes of the November 6, 2018 Council meeting, as presented, be approved;
3. Education Advisory Group Minutes from November 23, 2018 meeting, be received.

## **NEW BUSINESS**

### Executive Officer's Report

E. Seeley, Executive Officer, directed Council members to the presentation on Tab 3 provided with the agenda package for information.

The Executive Officer provided an update on RECBC operations and requested Council members' feedback on a sample operational dashboard template provided. She also provided an overview of the first meeting of the Ad Hoc Real Estate Working Group held on January 17 and 18, 2019 in Victoria, B.C. She noted that it was a productive first meeting with a diverse group in attendance. The discussion was focused on data sharing, opportunities for collaboration and an overview of various agencies' mandates as they relate to money laundering .

M.Peters, Manager, Communications provided an overview of the online licensee survey that was conducted January 2 - 14, 2019, with a response rate of approximately 10%. Respondents indicated high rates of awareness and understanding of the new rules, and found RECBC resources and education about the rules useful . Survey data will be incorporated into the final report to OSRE by January 31, 2019, including analysis of open-ended questions for qualitative assessment of impacts of the new agency and disclosure rules.

### Council Professional Development: Feedback and Next Steps

E. Seeley referred Council members to Tab 4 of the material for information and noted some upcoming courses and presentations that may be of interest. She also noted that there will be guest speakers invited for the upcoming March 2019 Council meeting, including the CEO of the B.C. Real Estate Association and the Chief Industry Development Officer of Zillow Group.

### RECBC 2019/20 – 2021/22 Service Plan

E. Seeley referred Council members to Tab 5a and 5b of the material for decision.

The draft Service Plan has been prepared based on input from various government staff. It was reviewed by the Assistant Deputy Minister in the Ministry of Finance, Shauna Brouwer in mid-December 2018 and more recently has been reviewed by Crown Agencies and Board Resourcing Office (CABRO) and Treasury Board staff. The attached version incorporates additional information about RECBC's commitment to diversity and to reconciliation to reflect Council member input, as well as some minor changes to performance measures in response to CABRO.

### **UPON MOTION IT WAS RESOLVED TO:**

Approve the RECBC 2019/20 – 2021/22 Service Plan as provided.

### Council Advisory Groups

P. Skinner, Director, Education and Licensing, referred Council members to Tab 6a, 6b and 6c of the material for decision.

The intention for this recommended motion is to adopt consistent Terms of Reference and appointment process for the Council's three current Advisory Groups: Trading Services (TSAG); Strata Management Services (SMSAG); and Education (EAG)

#### **UPON MOTION IT WAS RESOLVED TO:**

Approve the revised Terms of Reference for the Trading Services (TSAG), Strata Management Services (SMSAG) and Education (EAG) Advisory Groups; the Chairs for all three Advisory Groups; and the categories of appointment for TSAG and SMSAG, as attached.

### Bylaw Amendments

D. Avren, Director, Legal Services and Compliance, referred Council members to Tab 7a and 7b of the material for decision.

Several bylaw amendments were proposed, shown in track changes in the material provided: some are "housekeeping" updates, and others are more substantive: to ensure payment for decision-writing by panel members other than the Chair, to ensure payment for purely written hearings e.g. revised Consent Order Review Committee, or CORC proposals), to deal with appointment of pre-hearing conference panel members, and to adjourn discipline hearings efficiently. A typographic omission in the materials was pointed out and the word "and" was proposed to be added to the heading of bylaw 3-8.

The need for minor Council Bylaw amendments and updates has become apparent in recent months – to ensure that they conform with actual or current circumstances, efficient practice, to provide reasonable compensation for Council members themselves, and to eliminate uncertainty. Approval of the proposed amended bylaws, as shown in "track changes" in the attached excerpt from current bylaws is proposed.

After discussion of proposed Bylaw 3-8(4), it was decided to defer this item on account of uncertainty in scope, concern being expressed that it might have also extended payment unintentionally to oral hearing preparation time. There was discussion also of tracking and verification of time spent.

#### **UPON MOTION IT WAS RESOLVED TO:**

Approve amendments to the bylaws, as shown in the supporting materials, with the exception of proposed Bylaw 3-8(4), which is to return to Council in revised form at a later date.

Legal: Discipline and Compliance Resolution Reports

D.Avren referred Council members to Tab 8a, 8b and 8c of the material for information .

It was noted that in terms of volume of files being dealt with, progress is being made and the Legal and Compliance Resolution Summary numbers show that files have been reduced by 200 since the last Council meeting in November. Council noted its gratitude towards staff for their hard work and achievements here.

Legal: Consent Order Review Committee Procedure

D.Avren referred Council members to Tab 9a and 9b of the material for information.

With CORC proceedings to be opened to attendance by licensees and/or their lawyers or representatives – but only for their own proposals and no one else’s – procedural guidelines are needed to set licensee expectations and govern conduct. The procedure should be a “living document”, capable of change from CORC meeting to meeting as issues arise which need clarification. The CORC, as with all discipline panels, remains in control of its own procedure at any session and generally, despite these procedural guidelines.

Council asked for wording to be inserted stating that there should be no recording devices present at the meetings.

Council asked if there is data to show if the current process is flawed. Staff advised that the process is legally deficient, that it is important to build confidence in Council processes as fair and open (important when consent order proposals are rejected), and that the Superintendent supports this change.

Council asked about security if needed, and staff advised that security risks would usually be identified in advance through knowledge of licensees and that security presence is available and will be arranged if there is felt to be any concern.

There was also discussion about attendance of representatives together with lawyers, use of the Deliberation Room, and the likelihood of the process turning in to a hearing, how many sessions it would take under the new procedure to evaluate its effectiveness.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the proposal and guidelines in principle with staff able to amend the procedures based on initial CORC meetings and return to Council with any feedback.

Legal: Process Audit (Verbal Update)

D.Avren provided Council members a verbal update for information around the recent audit of Council's legal processes that was completed by Lisa Fong, external legal counsel. Feedback from Ms. Fong was positive and staff have asked her to provide fuller written reports.

### New Penalty Regime

D.Avren referred Council members to Tab 10a and 10b of the material for decision.

In September, 2016, the maximum fines under RESA were increased: from \$10,000 for individuals and \$20,000 for brokerages to \$250,000 and \$500,000, respectively. Amendments to the Sanctions Guidelines are needed to reflect the new penalty regime and its potential application. A memorandum which is a "think piece" for Council on the issue was provided in the materials. Appropriate penalty is always a complex matter with many considerations, and must be decided on a case by case basis. The Superintendent of Real Estate has reviewed proposed changes to the Sanctions Guidelines and provided feedback which has been incorporated.

There was discussion respecting "innocent" mistake, definition of "serious", administrative burden of suspensions, relative impact of fines and suspensions on managing brokers and representatives respectively, and the possible types of gains.

### **UPON MOTION IT WAS RESOLVED TO:**

Approve the Sanctions Guidelines to be amended in accordance with the discussion.

### **REPORT FROM FINANCE AND AUDIT COMMITTEE**

E.Mignosa, Chair of the Finance and Audit Committee reviewed the agenda items from the Committee meeting.

### 2019/2020 RECBC Budget Overview

L. Holst, Director, Accounting and Audit, provided an overview of the financial operations and budget and referred Council members to Tab 11a and 11b of the material for decision. The three-year financial outlook was included to support the 2019/20-2021/22 Service Plan, which was updated based on direction from the Finance and Audit Committee.

As in previous years, the financial outlook for the next fiscal year 2019/20 is based on a detailed budget, while the 2020/21 and 2021/22 outlooks are necessarily based on longer-term projections and less certainty. As outlined in Table 1, staff have proposed balanced budgets in each year to demonstrate the organization's ability to manage its expenses and adjust revenue strategy as may be required through increases to license fees. It was clarified that footnote 6 referred to operational expenses and not capital expenditures.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the 2019/20 budget and three-year financial outlook as presented on recommendation on the Finance and Audit committee.

Meeting Package and Draft Meeting Minutes from January 10, 2019

E. Mignosa referred Council members to Tab 12 and Tab 13 of the material for information.

Changes to Employee Extended Health Benefits

E. Mignosa referred Council members to Tab 14 of the material for decision.

In order to more closely align with the provincial public service, minimize the impact of annual increases on employees and create a more level playing field, it is proposed that RECBC absorb the total cost of employee extended health program as a taxable benefit. Employees would still be required to pay Long-Term Disability premium costs, which will be a taxable benefit, in order to ensure that this benefit remains tax free in the event of a claim. It was noted that the Governance Committee had also reviewed and were supportive of the proposed recommendation.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the policy transition effective January 1, 2019 to an extended health benefits option that is fully-funded by RECBC as a taxable benefit for employees, including health and dental care, accidental death and dismemberment insurance (AD&D) and life insurance.

Funding for Office Furnishings & Recruitment Budget for Leadership Source Inc.

E. Mignosa referred Council members to Tab 15a and 15b of the material for decision.

Funding for Office Furnishings

**UPON MOTION IT WAS RESOLVED TO:**

Approve the capital expenditure in this fiscal year of up to \$65k excluding taxes and delivery charges.

Recruitment Budget for Leadership Source Inc.

Staffing continues to be one of the biggest priorities, and having recruited director and manager roles over the last 18 months, Leadership Source now has deep knowledge of RECBC's priorities, people and culture. The request for additional budget is to contract Leadership Source for recruitment of key staff vacancies.

**UPON MOTION IT WAS RESOLVED TO:**

Approve up to \$75k in additional budget expenditure to contract Leadership Source for recruitment of key vacancies.

Q3 Updated Forecast for 2018/19

E. Mignosa referred Council members to Tab 16 of the material for decision.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the Q3 updated Forecast for 2018/19 as presented.

**REPORT FROM EDUCATION AND LICENSING COMMITTEE**

S.Heath, Chair of the Education and Licensing Committee provided an overview of the agenda items from the Committee meeting.

Meeting Package and Draft Meeting Minutes from January 8, 2019

S. Heath referred Council members to Tab 17 and 18 of the material for information.

Education development and delivery with B.C. Real Estate Association

P. Skinner provided an update on the progress of negotiations with the B.C. Real Estate Association to enable RECBC to take more control of mandatory regulatory education including the Applied Practice Course and the Legal Update.

Education Waivers Policy – Parental Leave

S. Heath referred Council members to Tab 19 of the material for decision.

On December 3, 2017 the federal government changed its parental leave benefits policy allowing maternity leave benefits to be accessed as early as 12 weeks prior to the expected due date and to allow parents to receive parental leave benefits for an extended period of up to 18 months.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the revision of the Council’s Education Waiver Policy in reference to parental leave (effective immediately) for the birth or adoption of a child on or after December 3, 2017 allowing the leave to: commence up to 12 weeks prior to the expected due date of the child or, anytime up to 18 months after the birth of the child, and last for a period of up to 18 months.

**REPORT FROM GOVERNANCE COMMITTEE**

R. Gialloreto, Chair of the Governance Committee provided an overview of the agenda items from the Committee meeting.

Meeting Package and Draft Meeting Minutes from January 9, 2019

R. Gialloreto referred Council members to Tab 20 and Tab 21 of the material for information.

Updates to Council Meetings Policy

R. Gialloreto referred Council members to Tab 22 of the material for decision and provided an overview of the Committee’s discussion on how to balance the requirement for process with the need for flexibility in meetings. The Committee had directed staff to make some amendments to the policy to remove the reference to detailed procedures.

**UPON MOTION IT WAS RESOLVED TO:**

Approve the edits to the Council Meetings Policy as presented.

Delegation of Statutory Authority Matrix

R. Gialloreto referred Council members to Tab 23a and 23b of the material for decision.

**UPON MOTION IT WAS RESOLVED TO:**

Approve delegation of authority to staff as provided in the Delegation of Authority Matrix, as presented.

**PROCEEDINGS**

**IN CAMERA SESSION**

**UPON MOTION IT WAS RESOLVED TO:** move the meeting business to *in camera* and limit it to Council members and the Executive Officer, followed by Council members only.

**PROCEEDINGS**

The Chair returned to the open portion of the proceedings at 1:00 p.m.

**GUEST SPEAKERS**

The Chair introduced guest speakers who provided brief presentations to Council members:

Dougal Shewan, Chair and Wendy Royle, Executive Director,  
Real Estate Compensation Fund Corporation

Bryon Brandle, Chair and Leslie Howatt, Executive Officer,  
Real Estate Errors and Omissions Insurance Corporation

Bruce Woolley, Legal Advisor

#### **OTHER BUSINESS**

*Council members E. Mignosa and R. Gialloredo left the meeting at 3:10p.m.*

#### **2019 Council and Committee Meeting Dates**

The Chair referred Council members to the proposed Council meeting dates for 2019.  
M. Mullarkey, Corporate Secretary, will provide an updated overview calendar for all 2019 Council and Committee Meeting Dates.

**Next Meeting:** March 11, 2019

#### **ADJOURNMENT**

There being no further business to transact, the meeting was adjourned at 3:47p.m.