

Meeting Minutes

Minutes of the meeting of the Real Estate Council of British Columbia held at 9:00a.m on Monday, July 15, 2019 in the **Douglas Fir Room, RECBC Offices, 900-750 West Pender St, Vancouver, B.C.** and via call.

Present: E. Duvall (Chair), R. Gialloreto, Y. Amlani, L. Allen, M. Chan, R. Hanson, L. Hrycan, C. Ludgate, S. Sidhu, N. Nicholson

Support Staff: L. Holst, M. Peters (by telephone), E. Seeley, P. Skinner, D. Avren (by telephone), N. Liddell, M. Mullarkey, M. Scott, J. Plouffe

Regrets: B. Chisholm, K. Ameyaw, S. Heath, M. Walker

PROCEEDINGS

The Chair welcomed everyone acknowledging the land on which we gather today is the traditional, ancestral, and unceded Indigenous territories of the ʷməθkʷəyəm (Musqueam), sk̓wx̓wú7mesh (Squamish), and sel̓íwítulh (Tseil-Waututh) First Nations.

PROCEEDINGS

The Chair convened the open meeting at 9:02a.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 July 15, 2019, as presented;
2. The Minutes of the May 13, 2019 Council meeting, as presented; and
3. The 2020 Council and Committees Meeting Calendar.

The Chair acknowledged the recent resignations of Elana Mignosa and Marianne Bond, and recognized Council member Len Hrycan for stepping into the role of Chair, Finance and Audit Committee on short notice.

NEW BUSINESS

Executive Officer's Report

E. Seeley, Executive Officer, directed Council members to the presentation on Tab 6 of the agenda package for information.

The Executive Officer provided an update on recent government relations, other regulatory updates, RECBC operations as well as a brief update on key priorities and next steps.

Regarding Accountant Report filings from brokerages, the Executive Officer's report noted that of the 475 received, 53 were late, incurring administrative monetary penalties. It was queried if the penalty for late filings may be viewed by managing brokers as inconsequential and therefore the number is high. It was also queried if the number is rising in terms of non-compliance. Staff clarified this was a peak period for Accountant Report submissions and the higher number of administrative penalties may be associated with the end of a prior grace period. This is not suspected to be a predictor of future trends and it is anticipated that late filings will decline going forward.

The Chair indicated it might be beneficial to have a presentation from the audit department so that members may learn more about the function and key activities. Hearing directly from managers and staff can be very helpful for Council members to gain more insight. The Executive Officer suggested that the Manager, Audit and Assurance could give a presentation and overview of the work being done in audit at a future meeting and that she could also feature different departments at meetings for a deeper understanding of RECBC operations.

In terms of future priorities, the Executive Officer highlighted the work initiated to develop an enterprise risk framework. The Chair noted that the key to enterprise risk framework is keeping it right-sized for the organization, using the principles of proportionality to balance risk with opportunity.

Council discussed the timing for approval Compensation Plan and staff confirmed that the timeline for when the Minister of Finance may review is uncertain but could be several months before it is finalized. The Executive Officer confirmed that staff would be advocating with PSEC to have the plan finalized as soon as possible given the operational demands and the potential for more transition on the horizon.

Bianca Middleton (observer) joined the meeting at 9:17a.m.

The Chair introduced the observer and welcomed her to the Council meeting.

Real Estate Services Act Amendments

E. Seeley, Executive Officer, directed Council members to the presentation on Tab 7A and 7B of the agenda package for information and gave an overview of the OSRE and RECBC collaboration in producing the summarized proposed amendments to RESA.

The proposed amendments allow RECBC and OSRE to be proactive with government and staff hope to submit suggested amendments to ministry staff in the fall, before a formal Request for Legislation may be approved.

There were several queries and comments from Council members on the proposed list of amendments. Council suggested that staff prioritize the key elements for government consideration.

On the memo's first recommendation regarding amending RESA to remove the requirement for a majority of Council members on committees and hearing panels, it was queried whether availability of Council members is currently an issue. Staff advised that there are always challenges with confirming panel member availability and ensuring a balanced skill set given the majority constraint.

Staff confirmed that there is a Policy and Legislative Consultation Committee in place, and it may be appropriate given the time-sensitive nature of the submission to convene that committee to review an updated and prioritized list.

The Chair agreed that it can be helpful to have delegation in times where an urgent decision is required, and the Executive Officer confirmed that the intent would be to bring information to the full Council whenever possible.

Revisions to Mandatory Consumer Disclosure Forms

E. Seeley, Executive Officer, directed Council members to the presentation on Tab 8 of the agenda package for information and gave an overview of the current status of this initiative.

Draft revisions to consumer forms were completed in the spring of 2019 and focus tested with RECBC Advisory Groups, selected real estate licensees and consumers, producing valuable feedback. While overall response was positive, testing with consumers indicated that further clarification of agency would assist consumers in understanding the intent of the forms and the relevance of the information to their decision-making process. RECBC staff are therefore delaying publication of revised forms until September 2019.

Council members asked what specifically was confusing about the forms. Staff advised that consumers were confused about who the form was coming from as it is provided by a real estate licensee, rather than directly from the regulator. Council members also discussed the length of the forms, the resources for managing brokers to use when guiding licensees on how to use the forms and the communications plan to ensure that consumers are aware of the purpose and intent of the forms.

Compliance and Legal Dispositions

C. McLaughlin, Manager, Legal, referred Council members to Tab 9A, 9B, 9C and 9d of the material for information and provided an update on the statistics for complaints, investigations and dispositions for the first quarter of the fiscal year from 1 April 2019 to 30 June 2019. It is important to note that “files closed” does not equal “dispositions”, as files often involve more than one licensee e.g. multiple representatives, or a representative and their managing broker etc.

Council discussed whether staff set targets or key performance indicators (KPIs) and staff advised that the legal department is starting to develop KPI’s and that the forthcoming case management system will also improve the ability to track indicators and report back to Council on progress.

REPORT FROM EDUCATION AND LICENSING COMMITTEE

R. Hanson, member of the Education and Licensing Committee provided an overview of the agenda items and minutes from the Committee meeting on June 25, 2019.

Meeting Package and Draft Meeting Minutes from June 25, 2019.

R. Hanson referred Council members to Tab 10, 11 and 12 of the material for information

Further to the meeting minutes, P. Skinner provided an update on the transition of education delivery from BC Real Estate Association (BCREA) to RECBC and confirmed that the formal transition agreement was signed at the end of June. She also confirmed that RECBC will not be participating or cost-sharing in the BCREA instructor development workshop in October and is planning a separate instructor forum for regulatory instructors later in the fall.

P. Skinner directed Council members to the memo in Tab 12 recommending a new mandatory course focused on anti-money laundering as an addition to the Council's Relicensing Education Program. It was recommended that if the mandatory course is to be required prior to license renewal, reflecting on the learnings from the introduction of the Agency and Disclosure course in 2018, there should be an earlier cutoff date specified so that all licensees are up to date on education sooner.

Staff advised that enforcing a specific completion date ahead of the two-year license renewal cycle would require a rule change, so staff will look at other course governance options, such as preferential pricing in order to incentivize licensees to complete the course in a shorter time period.

UPON MOTION IT WAS RESOLVED:

That Council approve the development of a new mandatory anti-money laundering course, with an implementation goal of fall 2019; this course being in addition to the previously approved ethics course, for implementation in October 2020.

PROCEEDINGS

The Chair adjourned the open portion of the meeting at 10:45a.m for a short break.

PROCEEDINGS

The Chair convened the closed meeting to order at 11:04a.m. and limited it to Council members, guests and staff.

PROCEEDINGS

The Chair adjourned the closed meeting at 11:57a.m. and reconvened the open meeting at 11:58a.m.

REPORT FROM GOVERNANCE COMMITTEE

R. Gialloreto, Chair of the Governance Committee provided an overview of the items reviewed at the Committee meeting on July 3, 2019.

Meeting Package and Draft Meeting Minutes from July 3, 2019.

R. Gialloreto referred Council members to Tab 13 and Tab 14 of the material for information referencing the agenda items that were discussed by the committee for information, including recommendations to adopt the public service pension plan and changes to employee benefits.

RECBC Pension Change Recommendation

UPON MOTION IT WAS RESOLVED:

That the Executive Officer be empowered to take the steps and financial spend necessary to join the BC Public Service Pension Plan effective January 1, 2020.

Changes to Employee Benefits

UPON MOTION IT WAS RESOLVED:

That Council approve the proposed changes to RECBC's employee benefits, subject to approval of updated RECBC 2019/20 budget, anticipated in September 2019.

REPORT FROM FINANCE AND AUDIT COMMITTEE

L. Hrycan, Chair of the Finance and Audit Committee provided an overview of the agenda items and a motion summary from the Committee meeting on July 11, 2019.

Case Management Software contract and project approval

M. Scott, Manager, Compliance and J. Plouffe, Manager, Technology joined the meeting to provide an overview of the Case Management Software contract proposed with Resolver Inc. (Resolver).

Council asked staff about where is Resolver based, where is the data stored so that RECBC is covered in terms of privacy legislation and whether data in the in Oasis (licensing database) will be migrated into the new system. Staff advised that there is a Privacy Impact Assessment underway, that Resolver is based in Ottawa and all data will be stored in Canada, in compliance with the BC *Freedom of Information and Protection of Privacy Act* (FIPPA), and that there is no plan currently in place to migrate data from Oasis due to costs and low integration compatibility.

UPON MOTION IT WAS RESOLVED:

That the Executive Officer be and is hereby authorized to enter into an agreement for supply and implementation of case management software on terms and for costs substantially in conformity with those presented to Council, and to sign all necessary documents, payments and authorizations for that and all related project management and implementation costs and agreements.

Amendments to Financial Approval Authority Matrix

L. Holst, Director Accounting and Audit gave a brief overview of the recommended amendments to the Financial Approval Authority Matrix

UPON MOTION IT WAS RESOLVED:

That Council amend the Financial Approvals Authority Matrix, as presented.

PROCEEDINGS

The Chair adjourned the meeting at 12:30p.m for lunch.

PROCEEDINGS

UPON MOTION IT WAS RESOLVED:

To move the meeting business to closed at 1:11p.m and limit it to Council members and staff.

L. Hrycan exited meeting at 2:03p.m

PROCEEDINGS

The Chair returned the proceedings from closed and reconvened the open meeting at 2:06p.m.

Compensation Plan for Public Sector Employers' Council Secretariat (PSEC)

UPON MOTION IT WAS RESOLVED:

That Council approve the Compensation Plan to be submitted to the Public Sector Employers' Council and the Minister of Finance for approval.

PROCEEDINGS

IN CAMERA SESSION

UPON MOTION IT WAS RESOLVED:

To move the meeting business to *in-camera* at 2:07p.m and limit it to Council members and the Executive Officer.

Next Meeting: September 16, 2019

ADJOURNMENT

There being no further business to transact, the meeting was adjourned at 2:50p.m.

Motion Summary

Motion Summary of the meeting of the Real Estate Council of British Columbia held at 9:00a.m on Monday, July 15, 2019 in the **Douglas Fir Room, RECBC Offices, 900-750 West Pender St, Vancouver, B.C.** and via call.

Relicensing Education Program: Anti-Money Laundering and Ethics

UPON MOTION IT WAS RESOLVED:

Council approve the development of a new mandatory anti-money laundering course, with an implementation goal of fall 2019; this course being in addition to the previously approved ethics course, for implementation in October 2020.

Case Management System

UPON MOTION IT WAS RESOLVED:

That the Executive Officer be and is hereby authorized to enter into an agreement for supply and implementation of case management software on terms and for costs substantially in conformity with those presented to Council, and to sign all necessary documents, payments and authorizations for that and all related project management and implementation costs and agreements.

Delegated Financial Approval Authorities

UPON MOTION IT WAS RESOLVED:

That Council amend the Financial Approvals Authority Matrix, as presented.

Compensation Plan

UPON MOTION IT WAS RESOLVED:

Council approve the Compensation Plan to be submitted to the Public Sector Employers' Council and Minister of Finance for approval.

Pension Plan

UPON MOTION IT WAS RESOLVED:

That Council empower the Executive Officer to take the steps and financial spend necessary to join the BC Public Service Pension Plan effective January 1, 2020.

Benefits

UPON MOTION IT WAS RESOLVED:

That Council approve the proposed changes to RECBC's employee benefits, subject to approval of updated RECBC 2019/2020 budget, anticipated in Sept 2019.