

Meeting Minutes

Minutes of the meeting of the Real Estate Council of British Columbia held at 9:00 am on Tuesday July 10, 2018 in the Pacific Room of the Metropolitan Hotel in Vancouver.

Present:	R. Gialloreto, S. Heath, R. Holmes (<i>Chair</i>), , L. Hrycan, K. Lonsdale, G. Martin, E. Mignosa, S. Sidhu, L. Sterritt, T. Styffe (<i>telephone</i>), M. Wong
Support Staff:	M. Coleman, M. Heeren , L. Holst, M. Peters, M. Scott , E. Seeley, , P. Skinner,
Regrets:	J. Daly
Guests:	D. Hyde, CEO, BC Real Estate Association C. Raven, Director, BC Real Estate Association

PROCEEDINGS

The Chair welcomed everyone and called the meeting to order at 9:03 a.m.

IN CAMERA SESSION

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

PROCEEDINGS

The Chair returned to the open portion of the proceedings at 11:00 am. The Chair welcomed observing guest: B. Myddleton, Coldwell Banker Marquise Realty. The Executive Officer introduced Michael Scott, the new RECBC Manager, Compliance and Investigations.

CONSENT AGENDA

UPON MOTION IT WAS RESOLVED TO: approve the Consent Agenda items, as follows:

- 1) The Meeting Agenda for July 10, 2018, as presented, be approved;
- 2) Quorum and declaration of conflicts of interest (quorum satisfied; no conflicts declared);
- 3) The Minutes of the May 22, 2018 Council meeting, as presented, be approved;
- 4) That the Council appoint Mr. Dougal Shewan to the Board of Directors of the Real Estate Compensation Fund for a second three-year term effective January 1, 2019 to December 31, 2022;
- 5) That the Council rescind the appointment of Mr. Marty Douglas and appoint Ms. Jennifer Lynch to the Trading Services Advisory Group (TSAG), effective immediately.

- 6) That the Council ratify the following motions approved by the Policy and Legislative Consultation Committee (PLCC) via email on May 29, 2018:
 - a. Approval of the form for Section 5-18 of the Rules; and,
 - b. Approval of the guidance document relating to Section 5-18 of the Rules.

The Chair reminded the Council that the PLCC was delegated by Council to review the points made at the May 22, 2018 Council meeting that related to Section 5-18 of the Rules and the related form and guidance document.

The Chair also requested that staff include a line item in the Council's 90-day report to the Office of the Superintendent of Real Estate (OSRE) on the implementation of the new agency and disclosure rules to highlight the work done in relation to implementing Section 5-18 and invite OSRE to engage and collaborate in this type of implementation process moving forward.

BUSINESS ARISING FROM PREVIOUS MEETING

Retention of Offers

The Executive Officer directed Council members to the memo provided with the agenda package for information.

A query was made whether managing brokers are aware of the searchability requirements of their general records for audit purposes, including most of the new disclosure forms. It was also suggested a data protocol be developed and sent to managing brokers. The Director, Accounting and Audit indicated that if auditors are unable to locate documents during an audit then it is the responsibility of the brokerage to produce them. The Executive Officer pointed out that data protocols were business decisions that may be best left to individual brokerages and that the new resources are available on the Council's website to provide managing brokers with information on records management expectations and best practices. The Executive Officer also indicated that staff would continue to monitor brokerage records management as part of its office and records inspection program.

NEW BUSINESS

Issues Arising for New Agency and Disclosure Rules

The Executive Officer referred Council members to the memo summarizing some of the issues raised by licensees regarding the implementation of the new rules. The memo also recommended that the Council develop new versions of consumer disclosure forms to respond to requests from rental property managers that the current forms do not reflect rental industry practices. It was queried if the review of this new form and guide should be deferred to the PLCC for approval as the next Council meeting would not be held until September, 2018.

The Executive Officer indicated that the new forms would not be ready for review prior to the next meeting as staff were planning to undertake a stakeholder consultation process including education

partners, LandlordBC and the Residential Tenancy Branch, to ensure the forms meet industry and tenant needs.

UPON MOTION IT WAS RESOLVED TO: Develop new versions of the Disclosure of Representation in Trading Services and the Disclosure of Risks to Unrepresented Parties forms specifically designed for rental property management licensees.

A request was made for an additional motion to be considered by Council related to the forms.

Council member G. Martin presented a motion proposing that the Disclosure of Remuneration form be amended by deleting the word on page 1 paragraph 2, line 2 “before” and be replaced with the word “when”.

There was discussion regarding the process for presenting new motions at Council meetings without prior information for Council members to review.

UPON MOTION IT WAS RESOLVED TO: Table the motion presented to the next meeting and delegate the PLCC and staff to review this and any other changes recommended to the forms for consideration by the Council and OSRE.

Executive Officer’s Report

The Executive Officer provided a brief review of activities undertaken in the last reporting period for information.

REPORT FROM EDUCATION AND LICENSING COMMITTEE

The Chair of the Education and Licensing Committee provided a brief review of the agenda items from the Committee meeting and presented three motions to the Council for approval.

Licensing Education Review Next Steps

The Director, Education and Licensing provided an overview of the Education Review Report. It was suggested the Executive Summary of the report be made public and the full report could be requested from the Council. Additionally it was suggested a discussion paper be published on the website providing recommended activities to enhance regulatory education.

UPON MOTION IT WAS RESOLVED TO:

- 1) Publish the executive summary of the Reichert & Associates Licensing Education Review (the Education Report) and the associated discussion paper on the RECBC website, with the full Report being available on request.

- 2) Notify the BC Real Estate Association (BCREA) that the service agreements between RECBC and BCREA will be reviewed and a plan developed for RECBC to take more control over the content and instruction of regulatory education, specifically the Applied Practice Course and Legal Update.
- 3) In consultation with an appropriate advisory group and the Education and Licensing Committee, to develop a more formal approach to apprenticeship/mentorship through the Applied Practice Course.

It was also noted there were considerable discussions regarding advisory groups at the Education and Licensing Committee and this motion could include reconstitution of the Education Advisory Group that had existed previously.

IAG Progress Report (to March 31, 2018)

The report was provided to the Council for information and was submitted on June 30, 2018 to the Minister of Finance.

REPORT FROM GOVERNANCE COMMITTEE

The Chair of the Governance Committee provided an overview of the agenda items from the Committee meeting. He advised there had been discussion regarding a Council Chair evaluation but it was agreed by Committee members to defer the evaluation for the time being. He indicated that the Committee had discussed the administrative penalties policy proposal and agreed to recommend it be approved by Council.

Administrative Penalties Policy

UPON MOTION IT WAS RESOLVED THAT:

1. That Council repeal Administrative Penalties Policy Statement #1, attached as Schedule "A", effective immediately;
2. That Council approve the Notice of Administrative Penalty form attached as Schedule "B";
3. That Council approve the Application of Administrative Penalties policy attached as Schedule "C", with such policy to take immediate effect;
4. That Council approve the Reconsideration of Administrative Penalties policy attached as Schedule "D", with such policy to take immediate effect;
5. That Council approve the Contraventions of s. 7-7 of the Rules policy attached as Schedule "E", with such policy to take effect September 4, 2018;
6. That Council delegate, pursuant to s. 82 of RESA, authority to the following staff of the Council to impose administrative penalties on licensees pursuant to s. 57(1) of RESA, and to hear and decide a

request for reconsideration of an administrative penalty from a licensee pursuant to s. 57(4) of RESA:

- Manager, Legal Services; and
 - Manager, Audit
7. That Council delegate, pursuant to s. 82 of RESA, authority to any council member sitting as a Presiding member at a Settlement Conference to impose administrative penalties on licensees pursuant to s. 57(1) of RESA.

Update to Internal Management Policies: Council Technology Allowance

UPON MOTION IT WAS RESOLVED THAT: the Council approve amending the Internal Management Policies to allow for Council members to purchase the Apple Pencil for use with iPad devices up to a maximum cost of \$130 plus taxes.

2019 Council and Committee Meeting Dates

UPON MOTION IT WAS RESOLVED THAT: the Council approves Council and Committee meeting dates for 2019 as proposed.

Presentation by BC Real Estate Association (BCREA).

The Chair welcomed Ms. Darlene Hyde, Chief Executive Officer of the BCREA, and Mr. Cory Raven, BCREA Director, to the meeting. Ms. Hyde expressed regrets on behalf of James Palanio, BCREA's President, who had intended to be present but was unavoidably unable to do so. Ms. Hyde and Mr. Raven then presented an overview of REALTOR® feedback related to the new agency and disclosure rules.

The Chair thanked Ms. Hyde and Mr. Raven for their presentation and asked that they pass along to Mr. Palanio an invitation to attend one of Council's upcoming meetings. The Chair reiterated the standing invitation by Council to the BCREA and all real estate associations in the province to attend all Council meetings, observe the public proceedings and, where prior arrangements are made, make presentations to Council of matters of interest to their respective organizations and members. Finally, the Chair expressed Council's sincere desire to work closely with and have the support of the BCREA and other real estate associations in the province to ensure the successful implementation of the IAG recommendations.

Next Meeting: September 11, 2018.

ADJOURNMENT

There being no further business to transact, the meeting was adjourned at 12:50 pm.