ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

Minutes of:	AIBC Council
Date:	11:00 a.m. to 3:00 p.m. Tuesday 12 March 2013
Location:	AIBC Large Boardroom
Presiding:	Yustin
In Attendance:	Barrett, Boswell, Chester, Csutkai, Currie, Green, Grossman, Kemp, Macdonald, Meiklejohn, Richards, Simons, Thompson, Toole, Werker
Staff:	Becker, Ernest, Hendriks, Lutes, Morris, Rau, Wiebe
Regrets:	Chow, Toy, Zacharias

Item #	Detail

1.0 Welcome

1.1. President David Yustin called the meeting to order and welcomed observers in attendance.

2.0 Call to Order

2.1. The President expressed appreciation for reports included in the council package and briefed council on his recent attendance at the Governor General's Medals in Architecture event, strongly encouraging future presidents to attend.

3.0 Acceptance of the Agenda

Request A: Lynne Werker requested re-ordering to group all finance-related submissions under 5.2.3 the Treasurer's Report. There was no opposition; accordingly, items 4.2.1, 4.2.2, 4.6, 5.1.2 and 5.3 were renumbered as 5.2.3.1 through 5.2.3.5.

Request B: Grossman requested that a report from the Associate Options Task Force be included in council's open session prior to council's continued discussion of the issue *in camera.* There was no opposition.

Request C: Robert Chester questioned the time budgeted for standing agenda item 8.0 Other business/open session (informal discussion, time permitting). The Chair recommended maintaining the item to allow for council members to raise new discussion items should there be time remaining after all the duly submitted items are dispatched.

MOTION TO ACCEPT THE AGENDA as amended by requests A and B, above.

Richards/Kemp **CARRIED**

4.0 <u>Consent</u>

4.1. Recording of electronic motions:
   4.1.1. Minutes of 12 February 2013
   4.1.2. Strategic Planning Working Group motion
4.2. Internal Compliance Monitoring Reports
   4.2.1. (relocated to 5.2.3.1)
   4.2.2. (relocated to 5.2.3.2)
   4.2.3. 6.0 Professional Practice
   4.2.4. 3.0 Governing Process (Executive Director)
4.3. Committee changes
4.4. Exam results
4.5. Register amendments for consent
4.6. (relocated to 5.2.3.3)

MOTION: That Council approves the consent items 4.1.1, 4.1.2, 4.2.3, 4.2.4, 4.3, 4.4 and 4.5 as submitted.

Toole/Meiklejohn CARRIED

5.0 <u>Policy</u>

5.1. Annual Policy Review

5.1.1. Policy 7.0 Professional Development

The policies, having received review by the Professional Services board and staff, were presented to council for the annually-scheduled review with no changes recommended.

MOTION TO TABLE the motion to the 14 May 2013 meeting of council.

Toole/Werker CARRIED

5.2. Board, committee, task force and working group reports

5.2.1. Registration Board

Board Liaison Scott Kemp reported on the activities of the board including: a successful recent slate of oral reviews; active committees; and preparations taking place for commencement of ExAC exams.

5.2.2. Governance Committee

Chair Paula Grossman reported on the committee's continuing review of policy suites 3.0 and 4.0 and areas identified for development of new policy (regarding grievances, whistle blowers; council contracting with external consultants and council training.) Planning for the annual meeting agenda is underway and will include time for council to report to members on two of its key initiatives undertaken by the Associate Options Task Force and Strategic Planning Working Group.

5.2.3. Finance Committee

A report was submitted summarizing the initiatives of the Finance Committee and its upcoming work including policy review and new policy in development. The committee invited input from council on the format and level of detail in policy compliance reporting.

5.2.3.1. 2.3 Financial management compliance monitoring *(formerly 4.2.1)*

The report and accompanying financial statements were presented.

MOTION to accept the 2.3 Financial management compliance monitoring report.

Toole/Meiklejohn **CARRIED**

5.2.3.2. 2.0 Operational Constraints (financial) compliance monitoring *(formerly 4.2.2)*

The annually-generated report on policies 2.2, 2.3, 2.4, 2.6, 2.7, 2.11 and 2.12 was presented.

MOTION to accept the 2.0 Operational Constraints (financial) compliance monitoring report.

Werker/Csutkai **CARRIED**

5.2.3.3. Annual Meeting resolution: Appointment of the Auditor *(formerly 4.6)*

MOTION: That Council approves the following resolution to be brought to the members for their vote at the Annual Meeting in 2013:

WHEREAS the accounting firm of Wolrige Mahon LLP has performed all assignments to the satisfaction of Council,

BE IT RESOLVED THAT Wolrige Mahon LLP be appointed auditor for the Architectural Institute of British Columbia for the fiscal year 2013.

Werker/Toole **CARRIED**

A confidential draft of the 2012 audited financial statements was submitted to council by the Executive Director; any questions are to be directed to the Finance Committee.

5.2.3.4. Annual policy review: 2.0 Operational Constraints (financial) *(formerly 5.1.2)*

The policies received review by the Finance Committee and staff prior to presentation to Council.

MOTION: That Council approves the Finance Committee's and staff's mutually recommended amendments to the existing financial policies 2.2, 2.3, 2.4, 2.6, 2.7, 2.11, 2.12.

Kemp/Toole **CARRIED**

(Text of the policies is appended to the minutes.)

5.2.3.5. Council members' expenses *(formerly 5.3)*

A draft new policy developed by the Finance Committee was presented to council. There was a request to amend the policy to remove the descriptor "personal" from "expenses". There were no objections.

MOTION That Council approves the new policy 2.14 Council Members' Expenses, mutually recommended by the Finance Committee and staff, (as amended).

Yustin/Toole CARRIED

(Text of the policy is appended to the minutes.)

5.2.4. Intern Architect Registration Expediting Committee

Chair Gordon Richards reported the committee is developing session material regarding the issues facing Intern Architects for presentation at the AIBC Annual Conference (22-25 October 2013.) The committee's recommendations for the session(s) will be brought forward for council review later this year.

5.2.5. Operational Constraints Committee:

Chair David Yustin summarized the committee's areas of focus.

5.2.6. Council Rules Working Group

Chair Gordon Richards reported recommendations are expected to come forward for discussion by council at its April workshop.

5.2.7. Strategic Planning Working Group

Chair Chip Barrett circulated a written report with updates on the working group's membership and engagement of a facilitating consultant. A presentation to institute members is planned as part of the Annual Meeting.

5.2.8. Associate Options Task Force

Chair Lynne Werker reported on the purpose of the task force and its review of legal opinions and council guiding principles. The task force next plans to examine practicalities and issues regarding the associate status in relation to the *Architects Act*, bylaws and other references. A presentation is planned as part of the Annual Meeting.

5.3. (relocated to 5.2.3.5)

6.0 ***In Camera***

The President suggested reversing the agenda order of the two *in camera* topics for efficiency, to which there was no objection.

MOTION: to go *in camera*. Richards/Meiklejohn CARRIED

The Executive Director, Deputy Executive Director and General Counsel, Manager of Registration and Licensing, and Executive Assistant were invited to remain.

6.1. NCARB – CALA Mutual Recognition Agreement

Further to council's approval in principal of the draft Mutual Recognition Agreement between NCARB and Canada 22 January 2013, the final draft was presented to Council for approval. CALA's International Relations Committee has asked all regulators to approve the agreement; documentation will remain confidential until such time as it is signed.

MOTION: to come out of *in camera*. Richards/Kemp **CARRIED**

MOTION: That Council approves the Final Draft of the Mutual Recognition Agreement between the NCARB and CALA, dated 22 February 2013.

Richards/Kemp **CARRIED**

The Manager of Registration and Licensing departed.

MOTION: to go *in camera.* Richards/Yustin **CARRIED**

6.2. Associates Resolution Initiative

The task force submitted a report and charts summarizing its research and comparisons; for council discussion only.

7.0 Adjournment

MOTION to adjourn.

Yustin/Grossman **CARRIED**

List of Appendices to the Minutes:

- **Amended policies 2.2, 2.3, 2.4, 2.6, 2.7, 2.11, 2.12**
- **New policy 2.14**

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.2: POLICY FOCUS: FINANCIAL PLANNING/BUDGETING

2.2.1 The institute's finances shall be managed prudently in accordance with Canadian Generally Accepted Accounting Principles and Canadian accounting standards for not-for-profit organizations (ASNPO), with full disclosure to and oversight by council.

2.2.2 The institute's annual operating budgets shall enable the AIBC to fulfill its legislated mandate, reflect council's strategic priorities, and protect the organization from foreseeable financial risk.

Accordingly, the council will:

2.2.3 Establish a standing "Finance Committee" to conduct ongoing overview of all aspects of the AIBC financial position and long term financial strategies to ensure the Institute's financial health.

Accordingly, the Executive Director will ensure that:

2.2.4 One-year operational and capital budgets are provided for council's consideration, no later than 6 weeks before the end of the calendar year, which contain sufficient detail and disclosure of planning assumptions to enable assessment of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails.

2.2.5 Budgets support the organization's operational and strategic plans.

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.3: POLICY FOCUS: FINANCIAL MANAGEMENT

2.3.1 The organization's financial health shall be managed on an ongoing basis so as to protect it from being placed at undue risk.

Accordingly, the Executive Director will not:

2.3.2 Allow expenditures materially in excess of council-approved budgets.

2.3.3 Upon discovery of a projected material budget variance, fail to report this situation to the council in a timely manner, provide recommended corrective action as may be applicable and be governed by their decision if/as appropriate.

2.3.4 Indebt the organization.

2.3.5 Invest or hold the organization's funds in instruments other than Schedule A Banks, the Municipal Finance Authority, and Government of Canada Treasury Bills/Bonds or Provincial Bonds, or as otherwise determined and approved by council.

2.3.6 Use any Contingency Reserve Funds without council approval.

2.3.7 Allow cash to drop below the amount needed to service: payroll; operating costs and obligations; and debts in a timely manner.

2.3.8 Allow tax and other required payments or filings to be overdue or inaccurately filed.

2.3.9 Fail to submit to the council, on a quarterly basis, a financial statement that summarizes the financial condition of the organization and indicates the level of compliance with the council's financial planning/budgeting and financial management policies.

2.3.10 Fail to ensure that organization-issued cheques have the signature of the Executive Director and one officer of the council or one designated council member (as per Bylaw 3.5).

2.3.11 Commit the organization in any manner to unbudgeted expenditures greater than $20,000 without prior council approval, and will report to council in a timely fashion, unbudgeted expenditures or commitments of amounts greater than $10,000.

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.4: POLICY FOCUS: ASSETS MANAGEMENT

2.4.1 The AIBC shall manage its assets prudently in order that they be appropriately protected, maintained, and not be unnecessarily at risk, consistent with best practices for like organizations.

Accordingly, the Executive Director will ensure that:

2.4.2 Adequate property, liability, third party, and Directors and Officers liability insurance, commensurate with policies for comparable organizations, is in place.

2.4.3 Steps are taken in order that the organization, its council and staff are not exposed to foreseeable claims of liability.

2.4.4 Any asset purchase, commitment or activity complies with council policies and is consistent with those contemplated in the approved budgets and plans.

2.4.5 Real property is acquired, encumbered, or disposed of only with council approval.

2.4.6 There are adequate internal controls in place to protect the organization's assets.

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.6: POLICY FOCUS: EMPLOYEE SALARY, BENEFITS AND PERQUISITES

2.6.1 In compliance with legislation, AIBC bylaws, codes and policies with respect to employment compensation and benefits to employees, consultants and contract workers, the AIBC will not cause or allow undue financial risk or negative public image.

Accordingly, the Executive Director will:

2.6.2 Have his/her own compensation and benefits set and changed by council only.
2.6.3 Establish compensation and benefits which:
- 2.6.3.1 Are fair and competitive, commensurate with like organizations of size, type and complexity in geographic and professional market for the skills required.
- 2.6.3.2 Create no obligations over a longer term than revenues can be safely projected, in no event longer than three years.
- 2.6.3.3 Are consistent with established AIBC policies.

2.6.4 Establish no deferred or long-term compensation and benefits which cause unfunded liabilities to occur, or in any way commit the organization to benefits which incur unpredictable future costs.
2.6.5 Refrain from placing management personnel or employees in a supervisory role directly above an immediate family member.
2.6.6 Ensure a transparent and fair process for awarding all employment contracts.
2.6.7 Annually review and 'benchmark' the pertinent market sectors apropos salaries, benefits and perquisites.

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.7: POLICY FOCUS: CONTRACTING INTEGRITY

2.7.1 In compliance with legislation, AIBC bylaws, codes and policies with respect to contracting services to consultants, specialists, contract workers, and volunteers, the AIBC will not cause or allow jeopardy to the fiscal integrity or public image of the Institute.

Accordingly, the Executive Director will not:

2.7.2 Engage in any conflict of interest with respect to the Executive Director's contractual responsibility including without limitation:
- 2.7.2.1 Allowing or engaging in self-dealing or any conduct of private business or personal services between the Executive Director and his/her family, private business associates, and the institute except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
- 2.7.2.2 Failing to withdraw from the selection process, should a member of the Executive Director's family or private business associates be considered for employment by, contract with, or volunteer service to the Institute.

2.7.3 Act on agreements that are not signed and agreed to by both parties.
2.7.4 Enter into agreements with any party without exercising due diligence.

2.0 POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.11 POLICY FOCUS: SPECIAL LEVIES

Council may occasionally require a special levy to address unanticipated and/or emergency financial requirements. In that event the members of the AIBC will be consulted and will be required to approve the assessment of a special levy, and any accompanying penalty for non-payment of the levy.

Accordingly, council will ensure that:

2.11.1 Any proposed special levy is considered and passed in accordance with the *Act*, Bylaws and Council Policy and, following its passage, is distributed according to the rules for all members payment.
2.11.2 Any proposed special levy is presented as a bylaw for member consideration and vote at a special meeting held for that purpose.
2.11.3 The Executive Director is directed to assess a fee for non-payment of special levies.

2.0 POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.12 POLICY FOCUS: CONTINGENCY RESERVE FUND

The Council of the Institute may occasionally be required to address unanticipated and emergency financial requirements. In anticipation of such an event, the Council will develop a contingency reserve fund (CRF) from which it may draw to satisfy such requirements.

Accordingly, the council will:

2.14.1 Ensure that a CRF is held separate from operational funds and will not be used for ongoing operational requirements.
2.14.2 Ensure that any contributions to such a fund are made only from surplus operating funds following satisfaction of all institute programs and needs at the end of the fiscal year.
2.14.3 Direct the Executive Director when it will be appropriate to assign funds from the contingency reserve fund and in what amount.
2.14.4 Ensure that the CRF will contain $350,000 to cover (i) Senior severances and related costs; and (ii) Insurance coverage deductibles in the event(s) of damages and/or civil suits.

2.0: POLICY CATEGORY: OPERATIONAL CONSTRAINTS
2.14: POLICY FOCUS: COUNCIL MEMBERS' EXPENSES*

2.14.1 AIBC council members are entitled for reimbursement of any reasonable, receipted expense incurred during the course of exercising their duties and fulfilling their mandate.

Accordingly:

2.14.5 Council members must seek pre-approval of expenses beyond $300 from the Treasurer.
2.14.6 Expense claims must be submitted in the calendar year they occurred.
2.14.7 The Treasurer will approve council members' expenses. The Treasurer will only need to ensure they conform to the policy statement above in order to approve them.
2.14.8 In the absence of the Treasurer the President may approve council members' expenses.
2.14.9 The President will approve the Treasurer's expenses.
2.14.10 If a council member's expense claim is denied by the Treasurer, in whole or in part, the council member may appeal to the President in writing stating the reasons why the claim is in accordance with the policy. The President's decision, based solely on this policy, shall be final.
2.14.11 This policy is retroactive to the beginning of the 2012-13 council term.

* (This policy, and its underlying principle that approval of council members' expenses should be by council members, draws its authority from the *Architects Act (section 18)* and AIBC Bylaws 6 & 7)