



# **CHBA - ALBERTA – UDI ALBERTA AMALGAMATION BUSINESS CASE**

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**Date:** **May 3, 2017**

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## 1. Business Opportunity

CHBA - Alberta and UDI Alberta have an exciting opportunity to create a newly branded and re-invigorated organization with an expanded policy capacity. The joint organization, herein referred to as “BILD Alberta,” will have broad industry support and the resources needed to be an effective and unified voice of the land development, home building and professional renovation industry in Alberta. This initiative will require changes to both existing provincial governance and organizational structures and provincial membership fees. These changes require close and careful consideration.

The primary responsibility of BILD Alberta will be to advocate at the provincial government level on behalf of its members. BILD’s membership base will include builders, developers, renovators, suppliers, trades, and service providers. With this broad membership base, BILD Alberta seeks to be the expert industry voice at the provincial level.

The industry’s combined economic impact positions it as one of the top two to three industries in Alberta. This importance to the economy can be leveraged into a powerful and unified provincial political voice. Advocacy efforts will be stronger together and will lead to more effective and consistent messaging, benefitting all members.

BILD Alberta will work on behalf of its members, in partnership with the Government of Alberta, to ensure the industry’s home buyers are not adversely affected by new laws and regulations or changes to existing ones. BILD Alberta will continue to advocate for housing affordability and consumer choice by speaking with a unified voice when communicating key messages, engaging in the political process while remaining non-partisan, and supporting efficient regulatory systems to ensure a competitive, healthy marketplace.

This includes direct interaction with Ministers, MLAs and department officials. BILD Alberta must be able to react with agility to emergent issues while simultaneously taking a long-term and proactive approach in advocating on broader industry issues.

As part of a three-level association, BILD will be in touch with issues like building codes and environmental policy at the federal, provincial, and local levels of government. As well, work done at affiliated local and national levels can augment BILD’s knowledge and efforts on issues within the provincial realm. The unified voice of the new organization cannot be effective without strong data and information to back up advocacy efforts. As such, the increase in policy capacity of the unified organization will be supported by a broader and more unified research function.

In an association, member support and engagement is equally as important as policy capacity and issue advocacy. By merging CHBA - Alberta and UDI Alberta, the maximum amount of member expertise will be captured which will, in turn, inform the organization’s ability to fully represent the industry. BILD Alberta will have the councils, committee, and task forces to support effective member engagement and the professional staff to ensure strong communication with membership. Professional staff will work as a team to address technical issues, safety policies, economics, political realities, government processes, communications, and planning/development.

## Mission and Vision

BILD Alberta's mission is to:

***Advocate for the land development, home building, and renovation industry at the provincial level.***

This supports the organizational vision of:

***The voice of the industry.***

These two statements provide continuity with the missions and visions of the two predecessor organizations while simultaneously paving the way for the new organization and its own unique identity.

That said, the first BILD Alberta Board will be encouraged to engage in a mission / vision development exercise as part of their strategic direction setting process.

## Key Principles

- BILD Alberta will be a part of a 3-level organization (national, provincial, local).
- BILD Alberta has a governance structure/approach that allows its Board of Directors to operate in a solely governance function, effectively separating the Board of Directors from day-to-day operations; a series of standing and/or ad hoc Councils, Committees, or Task Forces will work closely with BILD staff on issues-based activities and report to the Board as required.
- BILD Alberta will have a membership fee structure with a base fee and per unit fee as approved by the Board of Directors.
- BILD Alberta will institute a “one member, one vote” system.

## 2. The Road to Amalgamation

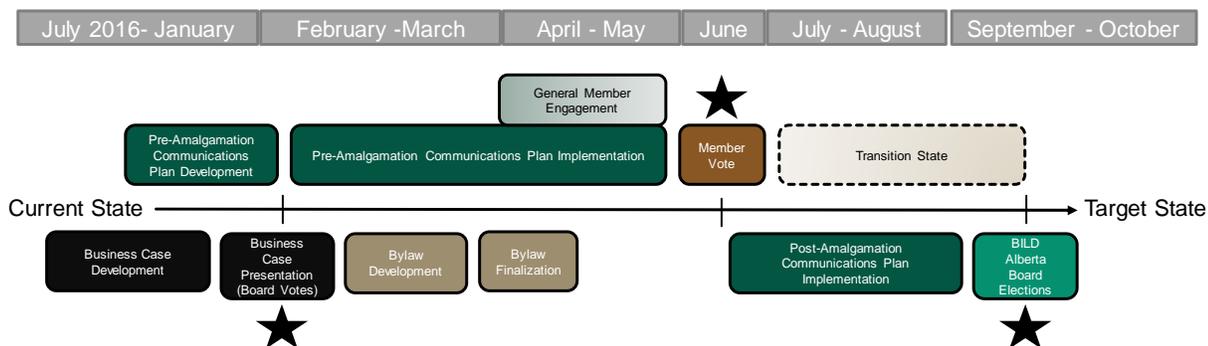
There are three essential tasks leading up to the member vote on amalgamation. These tasks constitute the core pieces of the action plan that will see the two organizations prepare for the vote and the eventuality of a single unified organization following that vote. The three essential tasks are:

1. Business Case Development (and approval by CHBA - Alberta and UDI Alberta Boards)
2. Bylaw Development
3. Communications Plan Development and Implementation

Each of the tasks above leads to a landmark or milestone. Business Case Development will end with the successful presentation of the Business Case and all of its contents to the respective Boards of UDI Alberta and CHBA - Alberta. The Board members will vote whether or not to proceed with the amalgamation process based on the evidence and recommendations presented in the Business Case.

Following the Board votes, a period of intensive member engagement and stakeholder communication will take place. This effort will be crucial in demonstrating the value of the amalgamation to members and in ensuring as many as possible will take part in the voting process. Bylaw development will take place simultaneously with the member engagement process. The (Pre-amalgamation) Communications Plan and Bylaw Development will need to be completed prior to the period wherein the membership will vote on the amalgamation of the two organizations.

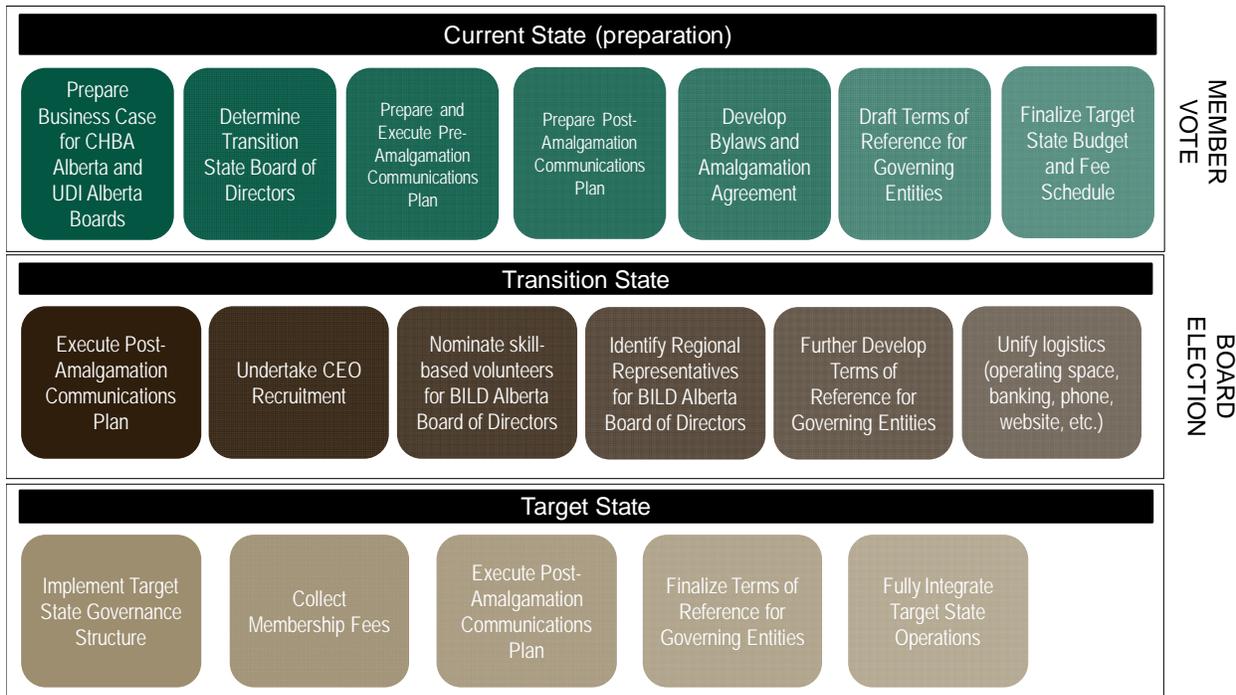
**Fig. 1: Proposed action plan for amalgamation process (essential tasks)**



Following a successful vote (likely late Spring 2017), the organization will immediately move into a “transition state” wherein the primary activities are to recruit a new CEO for BILD Alberta and to prepare for the establishment of the first Board of Directors, as a unified organization. Following the establishment of the Board (likely in Fall 2017), the organization will move out of the “transition state” and become a fully-functioning amalgamated organization.

This Business Case considers where the organizations are today (current state), where they will be the day after a successful membership vote (transition state) and what the organization will look like after upon the establishment of its first Board of Directors (target state). Each “phase” comes with its own challenges and opportunities and the overall time parameters within which the amalgamation team is working are largely determined by the requirements to successfully move from one phase to the next.

Fig. 2: Proposed “states” of amalgamation process with associated key tasks



### 3. Governance

#### Governing Principles

A number of principles have been specifically identified and tailored for the amalgamation of CHBA - Alberta and UDI Alberta into BILD Alberta.

- BILD Alberta has a governance structure that allows its Board of Directors to operate in a solely governance function, effectively separating the Board of Directors from day-to-day operations; a series of standing and/or ad hoc Councils, Committees, or Task Forces will work closely with BILD staff on issues-based activities and report to the Board as required.
- The governance model provides flexibility to allow member representation by industry sector and by region.
- Participants in the process act with the best interests of BILD Alberta and its membership in mind, focused on the successful amalgamation of the two predecessor organizations and the ongoing health of the industry.
- A transition period of approximately 120 days will be required immediately following a successful member vote on amalgamation; the governance framework of this transition period may not exactly match that implemented in the target state (i.e. “amalgamated” or “target state”) nor will the participants in the organization’s governance during this transition period necessarily be the same as in the target state.
- The Board of Directors, Councils, Committees, Task Forces, and BILD Alberta staff will act within the parameters defined in this framework and the attached Terms of Reference [see Appendix A].
- The Board of Directors, Councils, Committees, Task Forces, will make decisions on the best information and analysis available at the time of the decision. Where possible, decisions will be made on a consensus basis. Where consensus cannot be reached the decision will be escalated to the next highest governing entity (except in the case of the Board of Directors / Executive Committee). This should be the exception as the framework is built on each level working to find ways to collaborate and reach consensus. Due diligence will include (but is not limited to):
  - application of leading practices,
  - limiting duplication with other market activities, and
  - reviewing potential economic impacts to both members and citizens.

A list of additional general governing principles for not-for-profit associations and processes requiring significant public engagement is included in Appendix D.

**Fig. 3: Flow of provincial governance model of BILD Alberta**



## Transition State Governance

The current committee guiding the amalgamation process (i.e. the “Amalgamation Committee”) will, upon the successful member vote, become the core of the Transition Board of Directors. It is expected that the Transition Board will benefit from additional volunteers from both of the existing UDI Alberta and CHBA - Alberta Boards. The Transition Board’s role will be to oversee the implementation of the details of merging the two organizations and to work towards the joint organization’s first board elections.

## Transition State Principles

- Wherever possible, operations during the Transition State will carry on from the operations of the two organizations prior to the amalgamation vote.
- The transition period will be approximately 120 days in duration.
- The appointment of the new BILD Alberta CEO and the election of the new BILD Alberta Board of Directors will be key landmarks in the transition process. The individuals in those roles will be key drivers in setting both the short- and long-term vision of the newly unified organization.

**Fig. 4: Proposed Transition State Board Structure**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>Wendy Jabusch</b><br/>Chair (from Amalgamation Committee)</li> <li>• <b>Shane Erickson</b><br/>Vice-Chair (from Amalgamation Committee)</li> <li>• <b>Ryan Scott</b><br/>Secretary / Treasurer (from Amalgamation Committee)</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Patrick Shaver</b><br/>UDI Director at Large</li> <li>• <b>Colin Wiebe</b><br/>CHBA Director at Large</li> <li>• <b>Peter Cavanagh, Tally Hutchinson, Gord Bontje</b><br/>Amalgamation Committee Directors at Large</li> <li>• <b>Donna Moore</b><br/>CHBA-AB Executive (ex officio)</li> <li>• <b>Tracey Hill</b><br/>UDI AB Executive (ex officio)</li> </ul> |
|---|---|

During the transition period all Councils, Committees and Task Forces will continue to operate. The Transition Board and BILD Alberta staff will bring existing committees together where there is overlap and identify those that will need to be maintained within the new framework. Work currently in progress or issues being actively addressed by the committees of either organization will not be interrupted.

**Fig 5: Existing Core CBHA Alberta and UDI Alberta Committees and Task Forces**

CHBA - Alberta Committees

- Government Relations Committee
- Events Committee
- Awards Committee
- Climate Leadership Committee
- Governance Committee
- Fort McMurray Recovery Committee
- Provincial Technical Committee
- Provincial Safety Committee
- Condominium Act Task Force

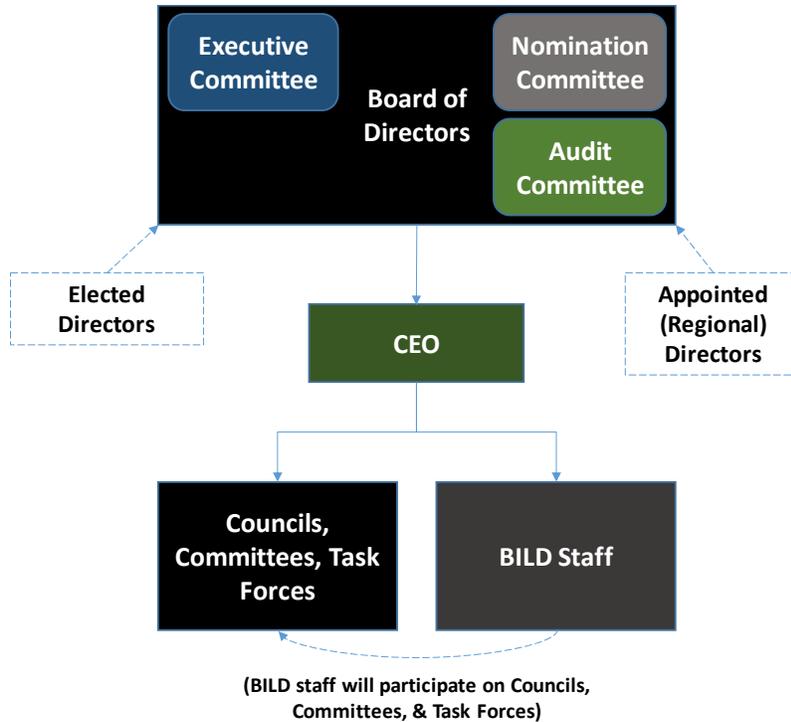
UDI Alberta Committees

- Government Relations Committee
- Shallow Utilities Committee
- Affordable Housing Committee
- Conference Committee
- Environment Committee
- Transportation/Infrastructure Committee
- Municipal Government Act Committee

## Governance Framework (Target State)

BILD Alberta will be governed by a Board of Directors which will include an Executive Committee. The Board will adopt a governance approach. A number of standing or ad hoc Councils, Committees, and Task Forces will report to the Board through the CEO and will have a more issues-based focus than the Board itself, addressing both ongoing and emergent issues faced by the organization and its membership.

Fig. 6: Proposed Governance Framework (target state)



### Board of Directors

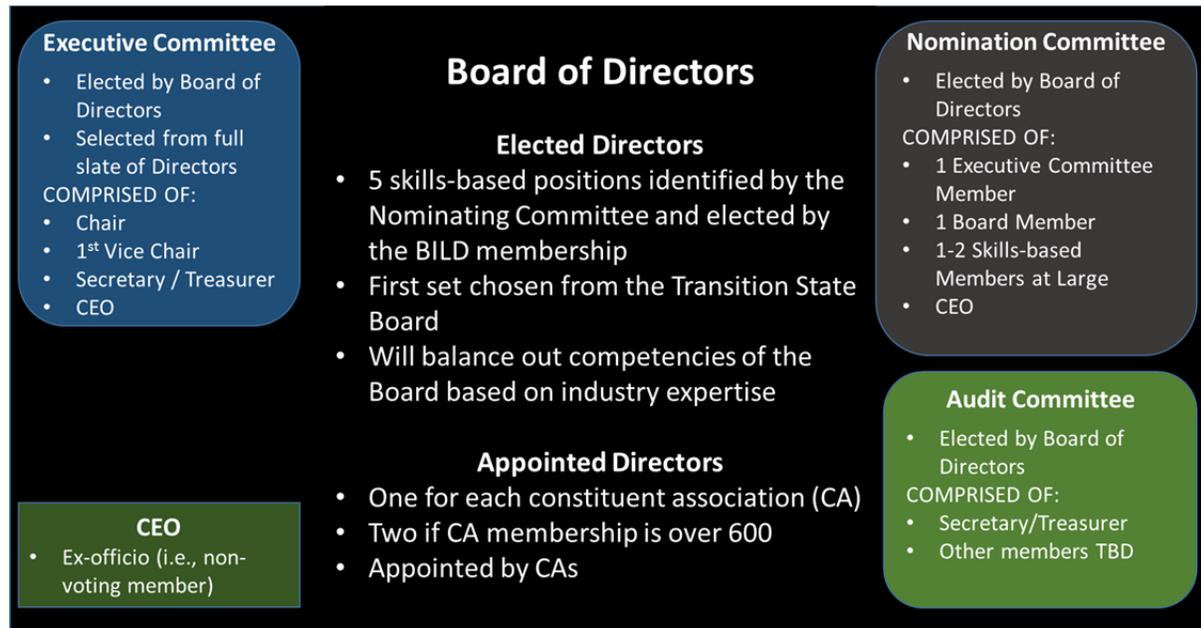
Issues will be brought to the attention of the Board through a number of potential avenues: BILD staff (through the CEO), Councils, Committees, Task Forces (also through the CEO) and the Board members themselves as representative of a particular region in the province or as subject matter experts in one or more industry niches. With multiple points of interface, members can be assured their voices will be heard on all issues.

The BILD Alberta Board of Directors will be comprised of Elected Directors and Appointed (Regional) Directors. A Nomination Committee will identify candidates for the Elected Director positions for the BILD membership to select through an election process. Members of the Transition State Board of Directors are expected to be the primary candidates for the first slate of BILD Alberta Elected Directors with subsequent sets of candidates coming from the full BILD Alberta membership.

Appointed Directors will be selected by constituent associations.<sup>1</sup> The Transition State Board of Directors will work closely with constituent associations to help identify the skills, experience, and knowledge desired of the first set of Appointed (Regional) Directors.

The table below provides a breakdown of the structure and roles of the Board and its subcommittees.

**Fig. 7: Proposed Board Structure (volunteer roles, subcommittees and staff liaison)**



The Board of Directors will maintain a governance focus, that is, the Board will refrain from getting actively involved in issues management or operations. The Board's core mandate is therefore, to manage the budget; implement the strategic plan<sup>2</sup>; supervise the CEO; and deal with truly emergent matters. The Board will also be representative of both the local regions in the province and of the full breadth of the industry.

The Board will elect an Executive Committee consisting of a Chair, 1<sup>st</sup> Vice-Chair, Secretary-Treasurer and CEO (in an ex-officio capacity). Like the Board, the Executive Committee will take a governance approach. Meeting more frequently than the full Board of Directors, the Executive Committee will be positioned to respond to emergent issues between meetings of the full Board. Appendix A outlines draft Terms of Reference for the Board of Directors and the Executive Committee.

The CEO will also join the Board of Directors in an ex-officio capacity in order to formalize the required communication between organizational operations and governance.

<sup>1</sup> If all current local chapters and associations of CHBA - Alberta and UDI Alberta became constituent associations of BILD Alberta, there would be a total of 13 constituent associations.

<sup>2</sup> The strategic planning process is a board-driven process that results in a consensus document providing clear, measurable goals to be achieved within a prescribed timeframe. Further detail can be outlined in an Operational Plan prepared by staff and approved by the Board of Directors. Board meeting agendas have a link to the strategic plan and the operational plan is reviewed quarterly by the Board. BILD Alberta will continue this process with a new and reinvigorated Strategic Plan.

Initially the Board might be advised to meet more frequently, however, in time the Board will adopt a quarterly meeting schedule. The Board will be supported by BILD Alberta staff as required.

## Board Committees

In addition to the Executive Committee, the Board will be supported by at least two other Board Committees as follows:

- **Nomination Committee** – This committee identifies and puts forward candidates for Board elections. The Nomination Committee is expected to consider candidates from a broad industry base and, where applicable, from other related or unrelated industries to balance out the skill sets required for optimal Board function. Consideration of the full regional spectrum within the province is also an expectation. The Nomination Committee will be comprised of at least one member from the Board and another from the Executive Committee. The CEO will also sit on the committee. One or two members at large may be selected to join the Nominating Committee in order to ensure the group has the skills and knowledge required to perform its duties.
- **Audit/Finance Committee** – In addition to arranging for any required internal or external audits, this committee reviews all BILD management’s finance-related activities as presented through established financial reporting processes and materials. Moreover, the Committee will have significant input into setting the organization’s financial objectives, financial controls, financial risk management, and financial reporting.

## Councils, Committees, and Task Forces

Standing and/or ad hoc Councils, Committees, and Task Forces will lead program initiatives related to their designated area of overview. Comprised of a mixture of volunteer and staff resources, and reporting to the CEO (and the Board of Directors through the CEO), these Councils, Committees, and Task Forces will support the ongoing activities in numerous areas. The current complement of “operating committees” and “working groups” will be the starting point for the subject matter areas for BILD Alberta’s initial set of Councils, Committees, and Task Force.

An important task of the Transition State and early days following the election of BILD Alberta’s first Board of Directors will be to solidify the standing Councils, Committees, and Task Forces and to build an effective Terms of Reference for each one. Currently, CHBA - Alberta and UDI Alberta each have 7-9 such committees (e.g. Government Relations, Affordable Housing, Shallow Services, etc.) and in the new organization it will make sense to bring many of these bodies together through expanding their focus to include full breadth of the industry/membership.

Appendix A contains a draft generic Terms of Reference for these Councils, Committees, and Task Forces. Whether standing or ad hoc, all Councils, Committees, and Task Forces will have a Terms of Reference that is approved by the Board of Directors. Councils, Committees, and Task Forces will value and work towards consensus. If consensus cannot be reached on certain issues, they will be flagged as areas that potentially require the attention of the Board of Directors. The individual bodies will set a meeting cadence most appropriate for its area of overview. The committees must be relevant and will be supported by professional staff as required.

## 4. Fees, Budget, and the Multi-Level Model

Members of BILD Alberta will pay fees supporting a three-level association and those fees will be payable by all members at the local level. The CHBA - Alberta and UDI Alberta fee structures have been used as a basis for past discussion and together form a good starting point for BILD Alberta to develop a new funding structure for builders, developers, and general members that meets the projected BILD Alberta budget.

### Fee & Budget Principles

The following principles are recommended when considering membership fees and the associated revenue coming in from fees to BILD Alberta.

- BILD Alberta will be a part of a 3-level organization (national, provincial, local).
- BILD Alberta fees will be collected locally.
- BILD Alberta will have a membership fee structure with a base fee and per unit fee as approved by the Board of Directors.
- The proposed budget for Year 1 of BILD Alberta is predicated on the principle of revenue-neutrality. Despite adjustments to membership levels and the fee structure, no significant changes to overall existing revenue are anticipated in this budget.
- The organization will strive to increase membership.

## Multi-Level Model

BILD Alberta will benefit from maintaining a model that spans across the federal, provincial, and local levels of the organization. The model at the national level should be relatively straightforward to maintain given that it will simply preserve the current relationship between CHBA - Alberta and CHBA National.

At the local level, the possibility of a slightly more fluid situation leaves room for the provincial and local associations to work together on a case-by-case basis to determine the best path forward in each region.

All current local CHBA chapters and any UDI independent associations will be defined as “constituent associations” in the bylaws. Fees will continue to be collected at the local level.

### A Note on CHBA National

*CHBA National has a successful track record of representing the industry and building relationships at the federal level. A wide array of federal policy impacts the building of every community. Infrastructure investment, renovation tax credit programs, mortgage rule changes and other issues can have major consequences.*

*In addition to regular advocacy efforts, every year CHBA National conducts the Forum For Growth – a day for focusing on the industry that brings together members from all over the country to speak with decision-makers in Ottawa en masse, and draws attention to key issues like affordability and choice.*

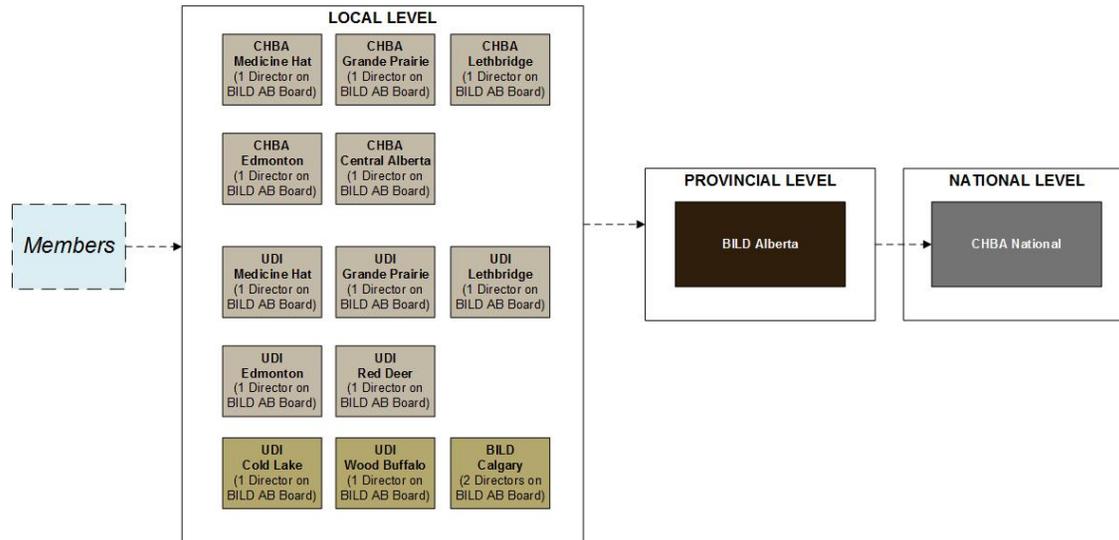
*Most notably in the recent past CHBA National led the charge against Canada Post which resulted in overturning the proposed \$200 per unit mail box tax.*

*This year, the most prominent issue that was faced at the national level was the imposition, and subsequent removal and reduction of drywall tariffs. This required the combined efforts of all three levels of the Association, and leadership from National staff and volunteers. Through rapid, coordinated and sustained work, we were able to make a real difference.*

Fig. 8: Multi-level Model and Fee Structure

Organizational Level	Fee Structure
Local	Fees determined by constituent associations
Provincial	Fees determined according to Provincial Fee Schedule [see Fig. 11 & 12]; collected locally
National	Fees determined by CHBA National; collected locally

**Fig. 9: 3-level model as of BILD Alberta “Day 1” if all existing chapters and associations become constituent associations of BILD Alberta (there is currently only one local association in each of Calgary, Wood Buffalo and Cold Lake)**



UDI Cold Lake, UDI Wood Buffalo, and BILD Calgary are currently the only local association or chapter in their respective regions. In any region where the UDI chapter entity and local CHBA entity do not wish to amalgamate at the municipal level, the option exists for the UDI chapter to become an independent association (if not already defined as such) and to remain separate from the CHBA local. Both local organizations would be a part of BILD Alberta, and would be considered constituent associations. These local organizations would still be required to pay the provincial and national membership fees.

## Proposed BILD Alberta Budget

The proposed BILD Alberta budget aligns with revenue generated from the new fee structure to support the expanded activities and staff capacity of a merged organization. In essence, it combines the current CHBA - Alberta and UDI Alberta budgets especially as pertaining to membership revenue, conference-generated revenue and salary/benefits costs. As the organization moves through its early stages, the new BILD Alberta Board of Directors will carefully review and adjust the budget as part of and in alignment with the strategic planning process.

**Fig 10: Proposed BILD Alberta fiscal Year 1 budget**

<b>Revenue</b>	Membership Fees	\$1,380,500
	Conference (2)	\$100,000
	<b>TOTAL REVENUE</b>	<b>\$1,480,500</b>
<b>Expenses</b>	Salary & Benefits	\$900,000
	Administration	\$300,000
	Business Plan / Research	\$210,500
	Board Development / Travel	\$70,000
	<b>TOTAL EXPENSES</b>	<b>\$1,480,500</b>
	<b>NET SURPLUS (LOSS)</b>	<b>(\$0)</b>

## Fee Structure (Target State)

A new member fee schedule has been developed for BILD Alberta. This structure will be provided to BILD Alberta's constituent associations as they are responsible for invoicing and collecting membership fees in their respective regions. It is important to the provincial organization that there is consistency of membership fee assessment across the entire province. The reality is that many industry players operate in more than one region. These members will be well-served by a consistent provincial fee schedule.

It is also important to BILD Alberta that all members be treated equitably and that their fees are set according to level of activity in the industry. No system is perfect in measuring that level of activity in real time and, as such, the proposed fee schedule aims to be as fair as possible to builders, developers, manufacturers, suppliers, trades, service professionals<sup>3</sup> and consultants who contribute to the industry and who, as such, benefit from the products and services provided through the provincial association.

**Fig 11: Proposed BILD Alberta annual membership fee schedule (excluding national fee)**

<b>Base Fee (all members)</b>	\$400.00
<b>Per Unit Fee (builders, renovators, developers)</b>	\$25.00 ("unit" = building permit or registered plan)

### Fee Structure and Definitions

- "Unit" refers to a building permit on the building side or lots from the registered lot plan on the development side. Cumulative "Unit Fees" will be based on the previous years' official records. BILD Alberta will provide these statistics to the constituent associations as appropriate.
- "Unit Fee" for multi-family dwellings will be assessed at the number of individual units specified on the building permit.
- "Unit Fee" for commercial or industrial developments will be assessed at the number of building permits and registered lot plan associated with the development.
- The new schedule will take effect following the amalgamation vote at the constituent association renewal date or January 1, 2018 whichever comes first.
- BILD Alberta members who hold active memberships in two (2) constituent associations within the same region (i.e., both UDI and CHBA) will pay one (1) Provincial base fee and one (1) National fee, and two (2) local fees.
- BILD Alberta members who hold active memberships in more than one region will continue to pay all required fees in each region.
- In future years, the board will set fees based on budgetary needs. This could include an increase or decrease in the "unit fee" or a change to the base membership fee.

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<sup>3</sup> Lawyers, engineers, accountants, etc.

**Figure 12: Fees overview by various member-types**

Member Type	Local Fee	Provincial Fee	National Fee
<i>General Member</i>	TBD by CA*	\$400 base fee	\$350
<i>Member belonging to one CA* in one region</i>	TBD by CA	\$400 base fee + \$25 per unit fee**	\$350
<i>Member belonging to two CAs in one region</i>	TBD by CA (2 fees)	\$400 base fee + \$25 per unit fee	\$350
<i>Member belonging to two or more CAs across multiple regions</i>	TBD by CA (2+ fees)	\$400 base fee per region + \$25 per unit fee	\$350 per region

Using the table above, a member can calculate how many times and how much he/she will pay each year. It is important to keep in mind that the provincial base fee and per unit fee are based on previous year totals and, as such, are subject to change. Likewise, local fees are set by the constituent associations (CA) themselves and the national fee is set by CHBA National; both are subject to change.

## 5. Operations

### Organizational Structure

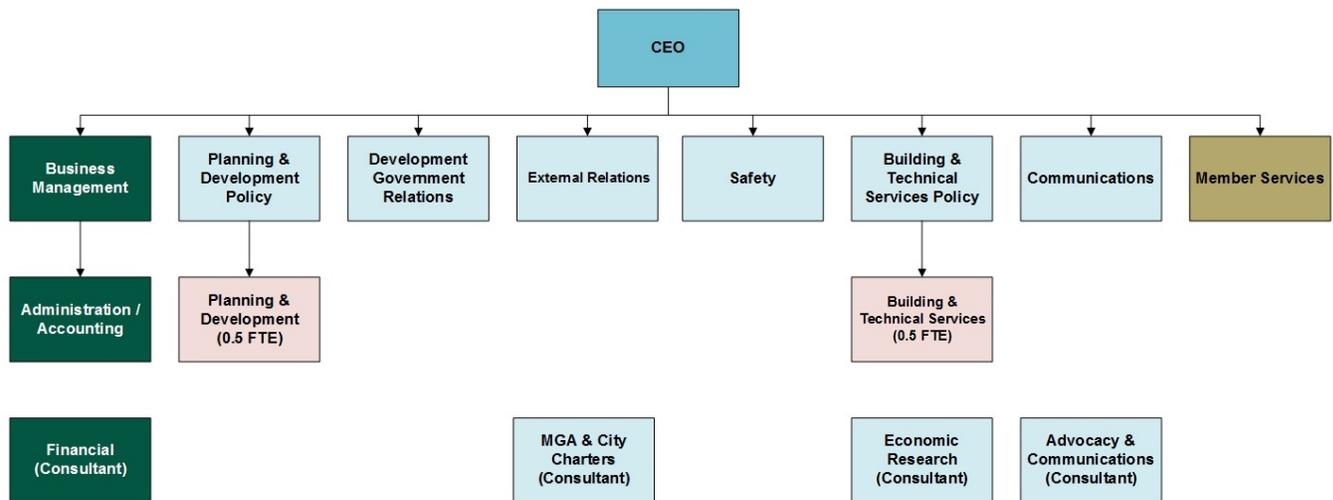
Policy capacity will continue to be the hallmark of the unified organization. With pooled financial resources of the two associations, BILD Alberta will be dedicated to overseeing both building and development issues. The resources envisioned for BILD Alberta’s operations align with the five focus areas identified over the course of amalgamation discussions between the two groups.

**Fig. 13: Proposed Functional and Topical Areas for BILD Alberta**

FUNCTIONAL AREAS	Business Management	External Relations	Policy & Industry Issues	Communications	Member Services
TOPICAL AREAS	Administration Accounting	Gov't Relations / Communications Partnerships	Building / Technical Safety Planning & Development Environment Economic Impact (Research) Leading Practices (Research)	Internal & External Communications Media Relations Social Media Marketing	Events Regional Relations Awards

When it comes to determining the resources required for BILD Alberta to meet its mandate, in some circumstances, staff positions may be consolidated and combined, while the new organization could also hire additional staff to provide value to members, support the Board, and to more effectively represent the industry (e.g. benchmarking, reference libraries, etc.).

Fig. 14: Proposed Organizational Structure for BILD Alberta



Excluding the four consultant roles, this structure aligns with the current combined staff complement of UDI Alberta and CHBA - Alberta. The exact level, roles and responsibilities, and remuneration for each role will be determined by the new CEO. In the graphic above, roles indicated in pink are expected to be administrative-level roles.

The CEO's main tasks will be to spearhead operations, guide and develop member services, and manage communications. Additionally, the CEO will play a key role in the policy and industry issues, and external relations functions. The ideal CEO will have the capacity to bring together builder and developer issues as well as issues important to suppliers, trades, renovators, and consultants. As the organization coalesces both in terms of operations and culture, the CEO may revise the structure proposed above to fit the evolving needs of the organization.

Determining the exact level of staff support required within each functional area (i.e., number of roles, type of position – director, manager, assistant, etc.) will be one of the CEO's first tasks following the Transition Period. As such, specific job tasks will vary by specific position.

## Strategic Partnerships

Industry/business associations deal with many shared issues. BILD Alberta is interested in effectively representing its membership on regulatory, public policy, and industry issues. BILD Alberta will respond to priority issues as confirmed by members, it will identify issues for advocacy that would benefit member, it will facilitate effective member committees and working groups, and it will strengthen relationships with all industry participants and stakeholders. An organization is stronger when it stands together on common issues and through information sharing and communication, it gains an understanding of those issues on which collaboration is possible. This relationship will continue under BILD Alberta.

## 6. Communications Plan for Amalgamation Process

This overview of a communications plan is focused on internal stakeholders, that is, existing CHBA - Alberta and UDI Alberta staff and volunteers as well as the full membership of both organizations.

All members of UDI Alberta and CHBA - Alberta need to have the information required to make an informed decision at the upcoming amalgamation vote. The list of issues/topics around which they need to be informed includes but is not limited to:

- The opportunities driving the amalgamation process;
- The process(es) leadership went through to arrive at the decision to hold a membership vote on amalgamation;
- BILD Alberta’s proposed mandate, vision statement, and mission statement;
- BILD Alberta’s primary strategic objectives;
- The benefits members will enjoy from an amalgamated organization;
- The means by which BILD Alberta will attract new members;
- The structure and impacts of membership fees;
- The high-level financial implications of merging;
- Changes to governance structure and governance personnel; and,
- The legal/practical implications of transitioning from two to one organization.

Members will also need to be educated around the voting process and have the opportunity to ask additional questions. Both organizations are required to provide the voting package to members at least 30 days in advance of the vote.

There are several core communications tools that will be used to inform the targeted stakeholders. There are also a number of audiences—members, prospective members, locals, current UDI/CHBA - Alberta Boards—towards which each communication tool is intended. These tools and associated audiences are summarized in the table below.

**Fig. 15: Pre-amalgamation communications plan**

Communications Tool (or Document)	Description	Audience
<b>Amalgamation Business Case</b>	This document will be available to all Board members in order to provide them with the contextual information required to prepare them for voting on whether or not to forge ahead with the amalgamation process.	UDI Alberta Board CHBA - Alberta Board
<b>Amalgamation Business Case Summary (“Member Brochure”)</b>	This short version of the Business Case may be limited to a high-level summary or brochure style document that overviews the more detailed content of the full version. Focuses on the value proposition for	Members

Communications Tool (or Document)	Description	Audience
	<p>amalgamation.</p> <p>This document will be posted on the web and/or distributed to members in hard-copy through the mail.</p>	
<p><b>Materials for Amalgamation “Champions” (Staff and Board Members)</b></p>	<p>Members will have several opportunities to provide feedback and ask questions of staff and board members / volunteers. This package will prepare those staff and board members identified as amalgamation “champions” for those questions and will ensure the consistency of response they provide to members. Materials will include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Amalgamation “Champion” Plan (each champion will likely be required to conduct one-on-one interviews with a number of members)</li> <li>• Amalgamation “Champion” FAQ One-on-One Script</li> <li>• Draft Town Hall Meeting Agendas</li> </ul>	<p>UDI Alberta Board                      CHBA - Alberta Board                      UDI Alberta Staff                      CHBA - Alberta Staff</p>
<p><b>Local Board Information Sessions</b></p>	<p>A series of information sessions with the Boards of those local CHBA (and UDI) will be required to update them on the process, provide feedback, answer questions, etc.</p>	<p>Local Boards</p>
<p><b>Town Hall Meetings</b></p>	<p>Members in each region (both UDI and CHBA) will have the opportunity to provide feedback and ask questions of board members and staff. It is important that members have the chance to voice their opinions in a public setting and the town hall meetings provide this opportunity.</p>	<p>Members                      Prospective Members</p>
<p><b>Voting Package</b></p>	<p>Given to all members in advance of the vote, this package will include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Bylaws</li> <li>• Amalgamation Agreement</li> <li>• Notice of Voting (includes date, time, and media available for vote casting)</li> </ul>	<p>Members</p>

Fig. 16: Post-amalgamation communications plan

Communications Tool (or Document)	Description	Audience
<b>Results Communiqué (for Members)</b>	Immediately following the vote, members will be provided with a press release informing them of the result of the vote.	Members
<b>Results Communiqué (for Key External Stakeholders &amp; Partners)</b>	Following the vote, key external stakeholders and partners will be provided with a press release informing them of the result of the vote.	Key External Stakeholders Partners
<b>Transition State Updates</b>	Period updates via the website and/or newsletter will be provided in respect to key transition agenda items such as the search for a CEO and BILD Alberta Board Nominations.	Members

## 7. Risk

There are several risks to amalgamation that must be considered. The list below outlines six key risks. It is important to recognize that for each risk there is at least one mitigation strategy.

Risk	Mitigation Strategy
<p>1) A merged organization may have an increased risk of losing focus in respect to key issues (i.e. having too long a list of issues and, as a result, not addressing any of them very effectively).</p>	<ul style="list-style-type: none"> <li>• Board Chair, Board of Directors, and CEO to manage issues log, assessing against Strategic Plan and using established decision criteria where applicable.</li> </ul>
<p>2) Developer issues could be overshadowed due to the greater number of builder members (i.e. the new organization must ensure that all industry needs are being effectively represented).</p>	<ul style="list-style-type: none"> <li>• Ensure representation from all constituent associations at the Board level. Ensure skills-based roles on the Board and Councils, Committees, and Task Forces account for both builders and developers.</li> </ul>
<p>3) The organization fails to unify its voice, resulting in confusion in its policy development and advocacy activities.</p>	<ul style="list-style-type: none"> <li>• Develop materials and train BILD staff and volunteers around accepted mission, vision, values and strategic direction of the organization.</li> <li>• Strike tone of industry unity/similarity from Day 1 of the new organization; develop press releases, website, branding, etc. that encourages the organization to present a unified face both internally and externally.</li> </ul>
<p>4) Branding activities are ineffective in raising awareness of BILD’s differences from the respective predecessor organizations.</p>	<ul style="list-style-type: none"> <li>• Educate key stakeholders, members, and the public around the multi-level model and the affiliations with constituent associations, and CHBA National.</li> <li>• Educate key stakeholders and around the new organization’s mandate, mission, and membership.</li> <li>• Educate members around the similarities and differences from predecessor organizations.</li> <li>• Ensure CHBA and UDI brand are not used at the provincial level.</li> </ul>
<p>5) The new organization fails to adequately account for and facilitate the voice of suppliers, manufacturers, and trades.</p>	<ul style="list-style-type: none"> <li>• Ensure skills-based roles on the Board and Councils, Committees, and Task Forces account for suppliers, manufacturers, trades, renovators and consultants, etc.</li> <li>• Broaden communication strategy and language to accommodate this group.</li> </ul>
<p>6) Members feel they are paying too much for the services they receive, especially those paying twice in a given region or in multiple regions.</p>	<ul style="list-style-type: none"> <li>• Ensure value of membership is well understood.</li> </ul>

## 8. Conclusion

Representatives from the CHBA - Alberta and UDI Alberta Boards have worked to design a new, exciting and re-invigorated organization that will possess a more effective and unified voice in the land development, building and home renovation industry. With this added strength the industry can solidify its existing voice and influence, enabling it to better serve a broadened membership base.

## Appendix A: Draft Terms of Reference

1. Board of Directors
2. Executive Committee
3. Councils, Committees, and Task Forces

**BILD Alberta – Board of Directors****DRAFT TERMS OF REFERENCE****1. Background**

The BILD Alberta Board of Directors (the “Board”) is a duly constituted body governing the society on behalf of its membership. BILD Alberta is governed in accordance with the *BILD Alberta Bylaws* of [INSERT DATE]. The non-profit organization is part of a multi-level model consisting of a national body (CHBA National) and a number of constituent associations. The governance of these affiliated organizations is independent from that of the provincial organization, BILD Alberta.

**2. Purpose**

- A.** The BILD Alberta Board of Directors (the “Board”) has a primary responsibility to respond to, guide and foster the short- and long-term strategic direction of the organization in accordance with the best interests of the full spectrum of its membership.
- B.** The Board acts as the steward of BILD Alberta’s future. The Board has the responsibility to oversee the conduct and effectiveness of executive management, which is in-turn responsible for the day-to-day operation of the organization.
- C.** These terms of reference are prepared to assist the Board and management in clarifying the responsibilities and ensuring effective communication between Board and management.

**3. Composition & Organization**

- A.** The Board is composed of two groups of directors:
  - i. Appointed Directors are selected by the Boards of each constituent association with those of under 600 members having one representative on the BILD Alberta Board and those over 600 having two; and,
  - ii. Elected Directors are elected by BILD membership based on the key needs of the Board at any given moment; a Nominating Committee identifies the candidates for these competency-based positions.
- B.** An Executive Committee is elected by existing directors and will be comprised of, at least:
  - i. Chair;
  - ii. 1<sup>st</sup> Vice-Chair;
  - iii. Secretary/Treasurer; and,
  - iv. CEO (ex-officio).

[See Executive Committee Terms of Reference.]

- C.** The Board operates by delegating to management certain of its authorities, including spending authorizations, and by reserving certain powers to itself.

- D. Certain of the Board's responsibilities may be delegated to Board committees (e.g. a Nomination Committee or an Audit Committee). The responsibilities of those committees will be as set forth in their respective terms of reference, as amended periodically.
- E. Executive management, namely the CEO, will provide expertise to the Board and Executive Committee and arrange for administrative support as required.
- F. All Board of Directors members must be BILD Alberta members.

#### **4. Duties and Responsibilities**

- A. The Board takes a “governance” approach and retains the responsibility for managing its own affairs including the responsibility to:
  - i. Annually review the skills and experience represented on the Board in light of BILD Alberta's strategic direction, for the purpose of recommending the criteria and potential candidates for the elected director roles on the Board;
  - ii. Determine the composition and set the terms of reference for the Board, the Executive Committee, and Board committees;
  - iii. Approve the composition and the terms of reference of BILD Alberta Councils, Committees and Task Forces;
  - iv. Implement an appropriate process for assessing the effectiveness of the Board, the Executive Committee, other Board committees and directors in fulfilling their responsibilities;
  - v. Assess the adequacy and form of director compensation; and,
  - vi. Assume responsibility for BILD Alberta's governance practices and ensure they meet the needs of the organization, its membership, and the public.
- B. In respect to Human Resources, the Board has the responsibility to:
  - i. Appoint the Chief Executive Officer (the “CEO”) and plan succession of the CEO role;
  - ii. Approve terms of reference for the CEO role;
  - iii. Monitor and review the CEO's performance against agreed upon annual strategic and business objectives;
  - iv. Approve the CEO's compensation;
  - v. Review (for information only) executive management structure, including such duties and responsibilities to be assigned to executive management;
  - vi. Review compensation plans for executive management including salary, incentive, benefit, and pension plans;
  - vii. Approve certain matters relating to all employees, including:
    - a) The organization's high-level compensation strategy and philosophy;

- b) New benefit programs or material changes to existing programs; and,
  - c) New employee pension plans or material changes to existing plans;
- viii. Ensure succession planning programs are in place, including programs to train and develop management; and,
- ix. Provide advice and counsel to the CEO in the execution of the CEO's duties.
- C.** In respect to Planning, the Board has the responsibility to:
- i. Participate with executive management in the development of, and ultimately approve, BILD Alberta's Mission, Vision, and Value Statements;
  - ii. Participate with executive management in the development of, and ultimately approve, BILD Alberta's Strategic Plan;
  - iii. Approve annual business plans, operating and capital budgets that support the organization's ability to meet its Strategic Plan;
  - iv. Direct executive management to develop, implements and maintain a reporting system that accurately measures performance against annual business plans and the Strategic Plan;
  - v. Monitor progress towards strategic objectives and performance against business, operating and capital plans, and to adjust the organization's direction in light of changing circumstances and/or trends; and
  - vi. Review and approve any significant changes to business, operating and capital plans.
- D.** In respect to Finance and Risk, the Board has the responsibility to:
- i. Take reasonable steps to ensure the implementation and integrity of the organization's internal controls and information management systems;
  - ii. Ensure executive management identifies all key risks (financial and non-financial) and implements appropriate systems and measures to manage these risks;
  - iii. Through an Audit Committee, monitor operational and financial results;
  - iv. Approve annual and quarterly financial statements, and approve release of those statements by management;
  - v. Through an Audit Committee, appoint external auditors and approve auditor's fees.
- E.** In respect to Policies and Procedures, the Board has the responsibility to:
- i. Approve and monitor, through executive management, compliance with all major internal corporate policies and procedures;
  - ii. Approve and act as the guardian of BILD Alberta's corporate values, including approving a Professional Code of Conduct for the organization;

- iii. Direct management to ensure BILD Alberta operates at all times within any applicable legislative framework and to the highest ethical and moral standards; and,
- iv. Review significant new policies or material amendments to significant existing policies.

**F.** In respect to Stakeholder and Member Communications, the Board has the responsibility to:

- i. Ensure BILD Alberta has the policies and/or plans in place to enable management and the Board to communicate effectively with the Province, other external stakeholder, members and the public generally;
- ii. Ensure the financial performance of the organization is adequately and promptly reported to all relevant stakeholders; and,
- iii. Ensure timely reporting of any other developments that have a significant and/or material effect on the organization to all relevant stakeholders.

**G.** In respect to Legal Obligations, the Board has the responsibility to:

- i. Direct executive management to ensure legal requirements have been met, and documents and records have been properly prepared, approved, and maintained;
- ii. Ensure legal duties, as stipulated in common law, are imposed on directors;
- iii. Carry out the fiduciary duties of their office:
  - a) Honestly and in good faith;
  - b) With a view to the best interests of the organization; and
  - c) With the care, diligence, and skill of a reasonably prudent person.
- iv. Meet statutory duties and obligations as set out in any relevant legislation.

## **5. Term of Service**

- A.** The term for the initial set of all directors will begin immediately following Board elections at the Fall AGM; an effective term start-date will be established at that time;
- B.** Elected members will have a term of one year with an option of up to three extensions of one year each.
- C.** The terms of the Appointed (Regional) Directors representative of the constituent association will be determined by the boards of those constituent associations.

## **6. Meetings**

- A.** The Board will meet quarterly or at the discretion of the Chair;

**B.** Preference will be for in-person meetings, but a combination of conference call and/or video conferencing may be utilized as appropriate.

**C.** Board members are expected to:

- i. Attend the meetings and any additional conference calls or video conferences that may be scheduled;
- ii. Ensure sufficient time and resources to take on any additional work required;
- iii. Report on Board-identified actions and issues to their constituent association;
- iv. Bring forward issues of concern or items of interest from their constituent association and/or area of industry expertise;
- v. Provide a positive contribution to the meeting they attend.

## **7. Resources**

**A.** The CEO (or designate) will support the Board and Board meetings by:

- i. Setting up meetings;
- ii. Preparing agendas in conjunction with the Chair;
- iii. Compiling minutes and information;
- iv. Bringing relevant information forward to the Board for discussion and resolution;
- v. Monitoring emerging and existing policy;
- vi. Preparing reports to the constituent associations and CHBA National; and,
- vii. Working with the chair to identify paths for issue resolution.

**B.** The annual budget for board development and travel will be set by the Board and will be reviewed on an annual basis.

**C.** Funds from BILD Alberta will cover refreshments, meals, conference call costs, video conferencing costs, travel costs, research, etc.

**BILD Alberta – Executive Committee****DRAFT TERMS OF REFERENCE****1. Background**

The Executive Committee is a subcommittee of the BILD Alberta Board of Directors (the “Board”). As such, it is part of a duly constituted body governing the society on behalf of its membership. BILD Alberta is governed in accordance with the *BILD Alberta Bylaws* of [INSERT DATE]. The BILD Alberta Board of Directors Terms of Reference lay out the chief roles, responsibilities, and make-up of the Board of Directors and these also hold true for the Executive Committee. This Terms of Reference clarifies any additional roles, responsibilities and details pertaining to the Executive Committee.

**2. Purpose**

- A. The BILD Alberta Executive Committee (the “Committee”) has a primary responsibility to guide the Board in its duties and hold the Board accountable for its decisions and actions; and,
- B. The Executive Committee is nimbler than the full Board of Directors and, as such, may be better positioned to address certain emergent issues, especially those arising between Board meetings.

**3. Composition & Organization**

- A. The Executive Committee is elected by existing Directors and will be comprised of, at least:
  - i. Chair;
  - ii. 1<sup>st</sup> Vice-Chair;
  - iii. Secretary/Treasurer; and,
  - iv. CEO (ex officio).
- B. All Executive Committee members must be BILD Alberta members.

**4. Duties and Responsibilities**

- A. Like the Board, the Executive Committee takes a “governance” approach and retains the responsibility for managing its own affairs including the responsibility to:
  - i. Make decisions, especially in respect to emergent issues arising between meetings of the full Board; and,
  - ii. Advise the CEO in his/her duties as required.

**5. Term of Service**

- A. The term for the initial set of all members of the Executive Committee will begin immediately following the first full Board meeting wherein the Executive Committee will be appointed by the Board; an effective term start-date will be established at that time;

- B. The terms of the Executive Committee Members will be for one year with an option of up to three extensions of one year each.

6. **Meetings**

- A. The Executive Committee will meet bi-monthly or at the discretion of the Chair;
- B. Preference will be for in-person meetings, but a combination of conference call and/or video conferencing may be utilized as appropriate.

**BILD Alberta –Councils, Committees, & Task Forces****DRAFT TERMS OF REFERENCE****1. Background**

The BILD XXXX Committee is designed elevate and highlight BILD issues at the provincial level. The Committee's core membership is made up of BILD Alberta members dedicated to advancing BILD positions and advocating for industry priorities.

BILD Alberta is governed in accordance with the *BILD Alberta Bylaws* of [INSERT DATE]. BILD Alberta needs to analyze ongoing and emergent industry issues, trends, innovations, and the potential and actual impacts Government policies have on all aspects of the builder/developer industry. The Councils, Committees, and Task Forces of BILD Alberta are formed and conduct activities in respect to these critical issues.

**2. Purpose**

- A. To engage BILD Alberta's members across the province to assess and comment on and lead provincial and national government legislation, codes, standards, and policy that impact the industry in Alberta and to identify and resolve issues that may arise as a result of these;
- B. Identify, develop and champion various methods, policies or tools that can improve the position of all BILD Alberta members across the industry;
- C. Review provincial legislation and assess the impact on members operating in the topical area(s) of the Council, Committee, or Task Force.
- D. Build consensus within the membership on issues and provide feedback on key issues to members through the appropriate channels; and,
- E. Track new industry challenges, trends and changes.

**3. Composition and Organization:**

- A. The Committee's core membership is made up of BILD Alberta members dedicated to analyzing and elevating the issue of XXXXX.
- B. Committee members will elect a Committee Chair from amongst the membership.
- C. The Committee membership consists of:
  - i. Elected Members:
    - a) [INSERT APPROPRIATE DETAILS]
  - ii. Appointed Members
    - a) [INSERT APPROPRIATE DETAILS]
  - iii. Members-at-Large:
    - a) [INSERT APPROPRIATE DETAILS]

- iv. BILD Alberta Staff
  - a) [INSERT APPROPRIATE DETAILS]

#### 4. **Duties and Responsibilities**

##### A. Members are expected to:

- i. Attend the meetings and any additional conference calls or video conferences that may be scheduled;
- ii. Ensure sufficient time and resources to take on any additional work required;
- iii. Report on Committee-identified actions and issues to their constituent association;
- iv. Bring forward issues of concern or items of interest from their constituent association and/or area of industry expertise;
- v. Communicate on an ongoing basis with industry stakeholders to both gather and share information relating to the topical area(s); and,
- vi. Provide a positive contribution to the meeting they attend.

B. The Chair is encouraged to work closely with BILD Alberta staff, especially those on the Council, Committee, or Task Force, to ensure both internal and external communication is consistent. Together they will prepare and approve meeting notes after each meeting, provide status updates between meetings and keep members apprised of any relevant news and/or issues that require their attention.

C. [ADDITIONAL DUTIES & RESPONSIBILITIES TBD]

#### 5. **Term of Service**

- A. The term for all members shall begin on [INSERT DATE] of each year;
- B. The terms of the Council, Committee, and Task Force members will be for one year with an option of up to three extensions of one year each.
- C. The term of members also serving on the constituent Boards or Committees should, wherever possible, coincide with their terms on this Council, Committee, or Task Force or by agreement.

#### 6. **Meetings**

- A. The group will meet bi-monthly or at the discretion of the Committee itself;
- B. Preference will be for in-person meetings, but a combination of conference call and/or video conferencing may be utilized as appropriate.

## 7. Resources

- A. Staff provides administrative support and facilitation, including:
  - i. Setting up meetings;
  - ii. Preparing agendas;
  - iii. Compiling minutes and information;
  - iv. Monitoring emerging and existing policy efforts and outcomes;
  - v. Bringing relevant information forward to the Committee for decision making;
  - vi. Collaborating with the Chair to prepare reports to the Board of Directors;
  - vii. Acting on guidance from the committee members with respect to issue advocacy;
  - viii. Proactively identifying issues relevant to the committee work; and,
  - ix. Interfacing with committees, councils or task forces of CHBA National, where appropriate.
  
- B. The annual budget for board development and travel will be set at \$XX,XXX and will be reviewed on an annual basis.
  
- C. Funds from BILD Alberta will cover refreshments, meals, conference call costs, video conferencing costs, travel costs, research, etc.

## Appendix B: Frequently Asked Questions (FAQs)

The following selection of Frequently Asked Questions has been prepared in advance of the member engagement period. These questions (and their answers) provide insight into some of the key issues for members that the Amalgamation Committee has identified throughout the process to date and/or anticipates to hear from members going forward.

### Amalgamation and the Vote

1. *What is the status of amalgamation talks between UDI-Alberta and CHBA - Alberta?*

The boards of both organizations have approved the design for a new organization called “BILD Alberta.” This organization will come into being only if UDI Alberta and CHBA - Alberta members choose to amalgamate. Ultimately, it will be members of both organizations who must approve the amalgamation in a vote to be administered and monitored by an independent third party.

Our industries’ combined economic value based on 2016 statistics is \$13.9 Billion in wages and \$19.3 Billion in investment value. This is substantial. We can leverage this value into a substantial and unified political voice. Advocacy efforts will be stronger together and will facilitate more effective and consistent messaging to the benefit of all members.

2. *How much will an amalgamation cost?*

\$285,000 shared by both organizations, plus additional costs to bring the organizations under one roof, to rebrand to BILD Alberta, and to provide communication materials on the new brand. Refer to Appendix C for detailed information.

3. *What happens to the CHBA - Alberta reserve funds?*

All assets and liabilities will be transferred to BILD Alberta as part of the amalgamation.

4. *What happens to the UDI Alberta reserve funds?*

All assets and liabilities will be transferred to BILD Alberta as part of the amalgamation.

5. *What is the new name?*

BILD Alberta is the proposed name (“Building Industry and Land Development Association Alberta”). BILD GTA has provided a letter that states that they are “open to the perspective that license applications for local or regional HBA’s or UDI’s in Alberta would be initiated through the newly formed BILD Alberta”

6. *What are the principles/strategic objectives of BILD Alberta?*

The first BILD Alberta Board of Directors will be responsible for setting principles/strategic objectives.

*7. Who will set BILD Alberta's Vision, Mission, Values and Strategic Priorities?*

The first BILD Alberta Board will be encouraged to engage in a mission / vision development exercise, and a values discussion as part of their initial strategic planning session.

*8. What specifically will members vote on?*

The vote is only to approve amalgamation at the provincial level. It will not address any potential local level amalgamation or mergers.

*9. Why the push to amalgamate?*

CHBA - Alberta and UDI Alberta have the opportunity to come together as a new unified organization that will act as the voice of the land development, home building, and renovation industries in the province. Recent trends within the home building and land development industries indicate that an amalgamation between UDI Alberta and CHBA - Alberta would enhance value to members of both organizations. Value will include:

- expanded policy capacity;
- broader membership;
- increased linkages with national and local industry associations; and,
- a more unified approach to engaging government and external stakeholders.

*10. Is the amalgamation necessary given the economic slowdown?*

Yes. The work of a stronger more effective organization is more important in times of economic stress to mitigate any potential legislative changes that would further erode member success. These and other current issues being faced by both organizations require immediate action, and can be better addressed by a unified, more efficient, and effective entity.

*11. How will an amalgamated association benefit our respective industries?*

Our industries' combined economic value – created through capital investment and employment – is substantial. We can leverage that value into a substantial and unified political voice. Advocacy efforts will be stronger together and will facilitate more effective and consistent messaging to the benefit of all members.

In 2015, Alberta's residential construction industry employed 213,463 individuals making it one of the province's largest employers. This figure results in \$13.6 Billion in wages and \$19.3 Billion in investment value.

*12. How is one voice better than many voices saying the same thing?*

One organization can more easily align its messaging than two separate groups, and ensure it is the exclusive voice of the home-building, land development, and renovation industries. In the public's mind, our two industries are largely one and the same. Becoming one organization simplifies the industry in the eyes of government and provides them with a single point of contact and relationship-building.

13. *How will you ensure all member voices are heard and their rights upheld?*

The new Board of Directors will be structured to ensure representation from all **constituent associations**. The Board of Directors will include an Executive Committee. A number of standing or ad hoc councils, committees, and task forces will report to the Board through the CEO and will have a more operational focus than the Board itself, addressing both ongoing and emergent issues faced by the organization and its membership.

Issues based Councils, Committees, and Task Forces will be more operational in nature and will report to the Board of Directors through the CEO. The initial complement of Councils, Committees, and Task Forces will be derived from existing CHBA - Alberta and UDI Alberta standing and ad hoc committees and working groups. The Transition Board will be tasked with starting the process of bringing those entities together as appropriate for the new organization.

14. *Is the mandate of the organization going to change?*

Not materially. It will encompass and build on both organizations existing mandates.

- **Mission:** “Advocate for the land development, home building, and renovation industry at the provincial level.”
- **Vision:** “The Voice of the Industry”

15. *When is the vote?*

June 15-20 is the proposed window for online voting.

16. *How many votes are required for an amalgamation to be approved?*

UDI Alberta will require a measure of 75% in favor of amalgamation. CHBA - Alberta will require a measure of 75% of the votes cast to be in favor of amalgamation.

17. *Who will vote on amalgamation?*

Eligible members from each CHBA Local Association and UDI Chapters and Locals according to each organization’s by-laws.

18. *How do I vote?*

Voting instructions will be emailed to each eligible member company.

*19. What do I have to do as a member prior to the vote?*

Educate yourself on the issues and read the materials that have been disseminated. Contact a Board member to discuss your concerns or questions. Most importantly, vote.

*20. What will the staff and resources of the new organization look like?*

At least initially, the current staffing levels of both organizations will stay in place (i.e., will be combined). Depending on need and budget, support/part-time staff may be added, especially as it relates to a broadened research function.

*21. Who will be the new CEO?*

The Transition Board will take on the responsibility of identifying a new CEO during the first 120 days of the amalgamation.

*22. When will the new Board of Directors be constituted?*

The appointed Transition Board will form a Nomination Committee who will seek out potential nominees for the new Board of Directors in accordance with the BILD Bylaws. The “elected directors” on the new Board will be elected by BILD members at a Special Meeting of Members at the end of the Transition Period.

*23. What is the makeup of the new Board?*

See pages 9 - 11.

*24. Will BILD still be affiliated with the Canadian Home Builders Association?*

Yes.

*25. How will the Committees, Councils, and Task Forces function?*

See pages 9 – 11 and Appendix A.

*26. How will BILD ensure that the committee work underway will not be compromised?*

The Transition Board – made up of representatives of both current boards will ensure that the agendas of both organizations will continue unaffected.

*27. Can I be on a Committee and the Board?*

Yes. All members will be given the information on how to do so.

*28. Who will determine staffing levels and organizational structure of the new organization?*

The CEO will be selected by the Board of Directors and will be tasked with staffing the organization and designing a structure that meets the organization's needs within identified budgetary constraints. This will include ensuring the full breadth of member issues, across industry sectors, is well-addressed through skilled and experienced staff.

*29. Where will the new office be located?*

BILD's offices will temporarily be located the CHBA - Alberta location in Edmonton. The new Board of Directors will review any lease obligations and possible reconfiguration of space in order to accommodate the immediate and future needs of the organization.

**Impact and Implications for Constituent Associations**

*30. How will amalgamation benefit individual constituent associations and their members?*

- Constituent associations and their members will become part of a larger, more efficiently-resourced organization that will become the respected "Provincial" voice of the entire industry;
- Member services including enhanced advocacy, research, and networking opportunities will be delivered more effectively and professionally;
- Interests of members will be better represented by a unified and consistent voice particularly when responding to government;
- Better public recognition for the industry and its members through enhanced communication and a new brand; and,
- Constituent associations will be provided additional services as required that will include items such as database management, accounting, board and membership development, websites development and administration, and communication tools which will improve services at the local level as well.
- UDI Members will gain:
  - Association with an organization that is represented at all three levels of government;
  - Potential participation in the national CHBA Form for Growth – a Day to meet MP's and Ministers on Parliament Hill in Ottawa;
  - Other opportunities to participate at the National Board Level and on National Committees such as the Urban Council, and at National Conferences;
  - Participation will continue on all UDI Committees and access to a much larger professional staff to compliment and assist volunteers in advocating for industry; and,
  - Enhanced voting capacity for all members, not only developer members.
- CHBA Members will gain:
  - Membership in a Larger Provincial Organization, representative of the full breadth of the land development, home building, and renovation industries;
  - An expanded development agenda;
  - Enhanced services to the constituent association; and
  - An improved communication program with clearer and more effective messaging.

*31. What happens to current unincorporated UDI Chapters?*

Local UDI Chapters that are not currently independent (Grande Prairie, Cold Lake, Red Deer, Lethbridge and Medicine Hat Chapters) will incorporate before the amalgamation vote. If they choose not to incorporate, then beginning the day after the successful provincial vote, the UDI Chapter that does not incorporate will cease to exist under the Societies Act of Alberta. UDI Alberta has committed to providing financial and resource support to its Chapters, ensuring a smooth incorporation process.

*32. What happens to current incorporated UDI Local Associations?*

They will automatically become constituent associations and become members of CHBA National and BILD Alberta.

*33. What happens to CHBA Local Associations?*

There is no change other than the opportunity to re-brand.

*34. Is this a takeover of one association by the other?*

No. While one organization has more members, we have become equal partners in creating the new organization model.

*35. What are the risks of an amalgamation?*

One key risk is that members leave the organization because they believe it will not meet their needs. For others see page 22.

*36. How are you mitigating those risks?*

We will provide all members with an extensive package outlining how the new organization will operate and the benefits it will provide to members.

*37. What happens if the new organization fails after a year or two? Does it revert to the old organizations?*

The old organizations cease to exist the day following a yes vote. The new Board of Directors will be responsible for future organizational decisions.

### Fees and Voting Rights

38. *Will we still be equal members with equal votes?*

Yes. Each member company gets one vote. UDI Members not currently having a vote will have one in the new organization.

39. *Which members have voting rights in the new organization?*

The new organization will have a one member, one vote policy.

- CHBA - Alberta:
  - All members currently have the same status.
- UDI Alberta:
  - Full members and associate members will have a vote:
    - a. A FULL member is a member who currently has the right to vote at the Annual General or an Extraordinary General Meeting of the Society;
    - b. An ASSOCIATE member is a member who does not currently have the right to vote at the Annual General or any Extraordinary Meeting of the Society except on those matters deemed appropriate by the Board of Directors.

40. *When will the new fees be payable?*

Fees will be payable at the current membership renewal date of each constituent association. As noted previously, the Transition Board and/or new BILD Alberta Board of Directors will review these fees as appropriate after the first year.

41. *Who are our members?*

General members include suppliers, manufacturers, trades, service professionals and consultants. All members will be assessed fees according to the same schedule.

42. *How will joint ventures be assessed fees at the provincial level?*

Members do not join at the provincial level and will become members at the local level based on the constituent associations membership criteria.

43. Will my membership fees go up? By how much?

Both groups will pay according to the structure below:

<b>Base Fee (all members)</b>	\$400.00
<b>Per Unit Fee (builders, renovators, developers)</b>	\$25.00 (“unit” = building permit or registered plan)

**Fee Structure and Definitions**

- “Unit” refers to a building permit on the building side or lots from the registered lot plan on the development side. Cumulative “Unit Fees” will be based on the previous years’ official records. BILD Alberta will provide these statistics to the constituent associations as appropriate.
- “Unit Fee” for multi-family dwellings will be assessed at the number of individual units specified on the building permit.
- “Unit Fee” for commercial or industrial developments will be assessed at the number of building permits and registered lot plan associated with the development.
- The new schedule will take effect following the amalgamation vote at the constituent association renewal date or January 1, 2018 whichever comes first.
- BILD Alberta members who hold active memberships in two (2) constituent associations within the same region (i.e., both UDI and CHBA) will pay one (1) Provincial base fee and one (1) National fee, and two (2) local fees.
- BILD Alberta members who hold active memberships in more than one region will continue to pay all required fees in each region.
- In future years, the board will set fees based on budgetary needs. This could include an increase or decrease in the “unit fee” or a change to the base membership fee.

Member Type	Local Fee	Provincial Fee	National Fee
<i>General Member</i>	TBD by CA*	\$400 base fee	\$350
<i>Member belonging to one CA* in one region</i>	TBD by CA	\$400 base fee + \$25 per unit fee**	\$350
<i>Member belonging to two CAs in one region</i>	TBD by CA (2 fees)	\$400 base fee + \$25 per unit fee	\$350
<i>Member belonging to two or more CAs across multiple regions</i>	TBD by CA (2+ fees)	\$400 base fee per region + \$25 per unit fee	\$350 per region

\*Constituent Association

## Appendix C: Estimated Cost of Amalgamation

The figures below outline the costs to date and the future costs anticipated to complete the amalgamation process. These figures should be understood as estimation. Actual costs are being carefully monitored.

These costs are not accounted for in the proposed first year BILD Alberta budget as outlined on page 15 of the Business Case.

CONSULTING FEES	\$100,000	
LEGAL FEES	\$50,000	
BRANDING/MARKETING	\$50,000	
COMBINE CONTRACTS & LEASES	\$10,000	
OFFICE CLOSE/MOVE	\$50,000	
EXECUTIVE SEARCH SERVICES	\$15,000	
ADDITIONAL EQUIPMENT	\$10,000	
<b>ESTIMATED TOTAL</b>	<b>\$285,000</b>	(*not including staff resources)

## Appendix D: Common Governing Principles

The governance framework described in this business case includes a structure that has been built with the following principles as its foundation. The participants of the various governing bodies will use these principles to provide guidance and to act as enablers in their work with BILD Alberta.

- **Responsibility:** Authority and responsibility for setting and managing BILD's budget, monitoring its strategic goals, and ensuring the effective performance of other governing bodies and executive-level staff lies with the Board of Directors who, in turn, have a responsibility to the membership. The governance framework establishes the roles and mandates of the other governing bodies in detail.
- **Transparency:** The governance structures and practices adopted by the governing bodies should be communicated to membership together with an explanation of why these structures and practices will best support the organization going forward.
- **Independence:** All committee members should exercise independent judgment. They must also provide independent oversight. The committees should have policies and procedures on avoiding and managing conflicts of interest in place.
- **Knowledge:** Committee members should act diligently on an appropriately informed basis and have access to accurate, relevant and timely information.
- **Communication:** The committees should require that the organization communicates with stakeholders and the public in a regular and timely manner. Communications should be made in a way that provides all stakeholders equal access to information concerning the organization and should be proactive, timely, effective and easily accessible. Committees should also involve the public and stakeholders appropriately in the decision making process.

Given the clearly articulated requirement for member engagement and consultation during the amalgamation process (both leading up to and following a member vote), the governance framework should also be grounded in some Principles of Engagement. Through discussions with the University of Alberta's Centre for Public Involvement and additional research and experience with community consultation, a number of key engagement principles are offered below. These principles draw on work done by the Institute for Local Government, International Association for Public Participation (IAP2) and the National Coalition for Dialogue and Deliberation.

- Plan ahead and dedicate resources.
- Design an inclusive governance framework that enables participation.
- Provide authentic intent that engagement will affect results.
- Encourage inclusiveness and engage members broadly.
- Provide participants the information and expertise they need to effectively participate.
- Use information gathered and provides feedback on its use.

The principles listed in this section form the foundation for the governance framework and sets the standard for involvement and action of the participants in the process. Participants should reflect on these principles throughout the duration of the initiative to ensure that the implementation of the process reflects the foundation that has been established.