



RECA Board of Directors Regular Meeting **9:00 am – 3:00 pm, Wednesday, January 24, 2024** **RECA Office, Calgary, Alberta / Virtual Teams Meeting**

MINUTES

In Attendance: Elan MacDonald, Chair
Bill Briggs
Jai Parihar (*attended virtually*)
Carrie Plett
Elena Russell
Laura Sharen (*attended virtually*)
Greg Walter (*attended virtually*)

Staff Resource: Russ Morrow
Janice Harrington
Warren Martinson
Stacy Paquin
Stefan Myroniuk

Recording Secretary: Rina Hawkins

1. Call to Order

The Real Estate Council of Alberta (“RECA”) Board Chair (“Chair”) called the meeting to order at 9:00 am.

The RECA Board (“Board”) welcomed Ms. Elena Russell, RECA’s Mortgage Broker Industry Council appointee to the Board, to her first regular meeting of the Board.

2. Approval of Agenda

The Board reviewed the meeting agenda. The Board amended the agenda, moving the Red Tape Reduction Report decision item to earlier in the meeting, to follow the Regulatory Review Update.

MOTION: *The RECA Board of Directors approves the January 24, 2024, meeting agenda as amended.*

Motioned by Bill Briggs

Seconded by Carrie Plett

Carried

3. Conflicts of Interest Declared

The Chair asked if there were any conflicts of interest to declare.

Board members, Plett and Sharen, indicated a potential conflict of interest with the Regulatory Review agenda item, and will recuse themselves from voting on any decision on this matter.

4. Chairs Comments

The Chair provided introductory remarks.

The Chair and CEO have been meeting with newly appointed Industry Council members and have participated in a formal orientation session with all new Industry Council members.

5. Information Items

The Board discussed two (2) information items included in the meeting materials, the RECA Board workplan and the Board calendar for 2024.

6. Consent Agenda

The Board reviewed the consent agenda.

***MOTION:** The RECA Board of Directors approves the consent agenda, including the November 22, 2023, and December 12, 2023, RECA Board of Director meeting minutes, and accepts for information purposes the Board Committee minutes, and the Q1 2024 External Whistleblower Report, as presented at this meeting.*

Motioned by Carrie Plett

Seconded by Elena Russell

Carried

7. Discussion Items

Board Action Item Register

At their November 22, 2023, meeting, the Board requested amendments to the CEO 2024 Performance Plan. Management presented the requested amendments for the Board's review and consideration. The Board accepted the amendments as presented.

8. Committee Reports / Recommendations

- **Finance & Audit Committee**

The chair of the Finance & Audit Committee ("FAC") provided an update on the matters addressed at its January 15, 2024, FAC meeting.

Audit Findings Report & Management Letter

The FAC reported that representatives from BDO Canada (“BDO”) attended the January 15, 2024, FAC meeting to discuss and review the Audit Findings Report.

The FAC discussed and reviewed BDO’s comments on RECA’s financial statements. BDO also confirmed they received full cooperation from Management during the audit process.

Approval of 2022-2023 Audited Financial Statements

The FAC reviewed and discussed RECA’s financial statements and notes for the year ended September 30, 2023. This included a high-level review of revenue, expenses, reserves and capital resources and liquidity.

The FAC recommended the Board approve the audited financial statements as presented.

***MOTION:** Upon the recommendation of RECA’s Finance & Audit Committee, the RECA Board of Directors approves RECA’s Audited Financial Statements as of September 30, 2023, as presented in TAB 6.1A of the meeting material.*

Motioned by Jai Parihar

Seconded by Elena Russell

Carried

Approval of Unaudited Q1 Financials

Management provided a verbal update on the unaudited Q1 financials as at December 31, 2023. The unaudited Q1 financials will be circulated for the Board’s approval through secretarial motion in February 2024.

CEO Expenses Summary

At the FAC meeting on January 15, 2024, the committee reviewed the expenses of the CEO for the year ended September 30, 2023, and for Q1 2024. The expense summary was provided to the Board for information. The FAC indicated that the Board Chair thoroughly reviews and approves the CEO expenses each month, and as such, reporting on this at the FAC and Board level is not required in the future.

Annual Enterprise Risk Management (ERM) Report

For this information item, the FAC provided an update on the ERM program. Management reported that due to mitigation, three (3) potential risks have decreased:

- **Financial** – RECA is in the process of upgrading its legacy accounting software, and a digital strategy and technology roadmap is planned.

- **Government Relations** – continuing efforts of RECA and RECA’s public relations firm has mitigated this risk considerably.
- **Mandate** – proactive communications, stakeholder engagement, and an enhanced consumer awareness campaign have all contributed to mitigating any risk with executing on RECA’s mandate.

Preliminary Analysis of Potential Impact of Rules Review on the Budget

At the November 22, 2023, Board meeting, Management was asked to provide a preliminary analysis on the potential impact of the Rules Review on the budget. Management reviewed an analysis with the Board for its consideration. While licencing structure itself is the purview of RECA’s Industry Councils, RECA’s Board is responsible for licencing fees.

The Board discussed how to use the fiscal 2023 surplus. The Board expressed support to providing licensees with a one-time licencing fee credit at the next renewal cycle. The exact fee reduction will be announced to licensees after the budget has been approved in July 2024.

ACTION: Management will complete additional analysis of the potential impact of the Rules Review on the budget (specific to licencing fee structure), for the Board’s review and consideration at the May 2024 Board meeting.

- **Governance & Human Resources Committee**

The chair of the Governance & Human Resources Committee (GHR) provided an update on the activities of the committee at its meeting on January 19, 2024.

Annual Evaluation for Standing Committees Feedback

The GHR reviewed the results of the annual evaluation for Board standing committees that was conducted in December 2023. Summaries were provided to the Board for information purposes.

Board Priority Report

At the November 22, 2023, Board meeting, Management was asked to prepare a Board Priority Report, taking into consideration the feedback from the Board annual evaluation survey. Management presented the Board Priority Report for discussion.

ACTION: Management will add “Rules Review process oversight” to the Board Priority Report and will further populate the report to include tasks and timelines, for the May 2024 Board meeting.

2022-2023 Stewardship Report

The GHR reviewed the 2022-2023 Stewardship Report. This report was provided to the Board for information purposes.

Quarterly Human Resources Report

The GHR provided the Quarterly Human Resources Report to the Board for information purposes.

- **Hearings Committee**

The chair of the Hearings Committee provided an update on the activities of the committee.

In March 2024, the Hearings Committee will be seeking applications for both public and licensee members to sit on RECA's hearing panels. The Board will review and approve new panel members in July 2024.

10:28 pm meeting recessed
10:40 pm meeting reconvened

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9. Strategic & Operational Matters

- **Approval of 2022-2023 RECA Annual Report**

Management reviewed the highlights of the 2022-2023 Annual Report.

***MOTION:** The RECA Board of Directors approves the 2022-2023 Annual Report in substantially the form presented in TAB 9B of the meeting material. Pursuant to Real Estate Act section 16(1), the RECA Board of Directors directs Administration to deliver a copy of the 2022-2023 Annual Report and Financial Statements to the Minister of Service Alberta and Red Tape Reduction no later than January 28, 2024.*

*Motioned by Bill Briggs
Seconded by Carrie Plett
Carried*

- **Regulatory Review Update**

The Board discussed the upcoming Regulatory Review.

In March 2020, KPMG provided to the Minister, an *Operational Review of the Real Estate Council of Alberta* ("Report"). One of the recommendations in the Report was for *the Minister to consider requiring RECA to conduct independent reviews of its regulatory performance on a regular, periodic basis (e.g. every five years)*. RECA's last regulatory performance review was conducted in 2016.

Since the new RECA governance structure was implemented, the Board has been working to address the KPMG recommendation.

The Board reviewed and discussed the submissions to the Request for Proposals from potential service providers.

***MOTION:** The RECA Board of Directors approves The Regulator's Practice as the service provider to conduct a regulatory review of RECA in accordance with the scope of work outlined in the Regulatory Review Request for Proposal. The RECA Board directs RECA Administration to negotiate the terms and conditions of the contract with The Regulator's Practice and execute and manage the contract.*

Motioned by Elena Russell

Seconded by Greg Walter

Carried

Board members Plett and Sharen recused themselves from voting on the motion, to appoint a service provider to conduct a regulatory review, due to a potential conflict of interest.

The Board provided further direction to Management to ensure *The Regulator's Practice* is aware of the Board's expectations, and that any cost overruns must be pre-approved by the RECA Board.

- **Quarterly Business Plan/Management Report**

Approval of Annual Red Tape Reduction Report

At the request of the Board, Management presented a 2023 Red Tape Reduction Report for the Board's consideration and approval. This report will accompany RECA's 2022-2023 Annual Report to be sent to the Minister of Service Alberta and Red Tape Reduction at the end of January 2024. The report highlights RECA's successes in the reduction of red tape including streamlining licensing approvals, completing the divestment of education, and reducing regulatory sanctions.

***MOTION:** The RECA Board of Directors approves the 2023 Red Tape Reduction Report ("Report") in substantially the form presented in TAB 16C of the meeting material. The Board directs Administration to deliver the Report to the Minister of Service Alberta and Red Tape Reduction and to post the report publicly on the RECA website.*

Motioned by Bill Briggs

Seconded by Laura Sharen

Carried

10. Industry Council Activities

- **Industry Chairs Roundtable**

The Board discussed proposed agenda items for the February 7, 2024, Industry Chairs Roundtable ("Roundtable"), including:

- Proposed amendments to RECA's Stakeholder Engagement Policy (which will also be discussed at the June 2024 Industry Council meetings)
- Discussion on the proposed Industry Council workplan template to assist in setting priorities for the coming year.

The Roundtable action register was provided to the Board for information.

- **Residential Real Estate Broker Industry Council**

The Residential Real Estate Broker Industry Council (RREBIC) Board appointee provided an update on the activities of the RREBIC.

Residential Real Estate Education Advisory Committee Update

The next meeting of the Residential Real Estate Education Advisory Committee is scheduled for February 2, 2024.

- **Commercial Real Estate Broker & Commercial Property Manager Industry Council**

The Commercial Real Estate Broker & Commercial Property Manager Industry Council (CIC) Board appointee provided an update on the activities of the CIC.

The CIC will hold a special meeting on February 16, 2024, to discuss the Rules Review Steering Committee activities to date.

- **Mortgage Broker Industry Council**

The Mortgage Broker Industry Council (MBIC) Board appointee provided an update on the activities of the MBIC.

The MBIC next meets on March 7, 2024.

- **Residential Property Manager Industry Council**

The Residential Property Manager Industry Council (RPMIC) Board appointee provided an update on the activities of the RPMIC.

The RPMIC next meets on March 5, 2024, and the agenda will include discussions on graduated licensing and education competencies.

Condominium Property Management Education Competencies Ad-Hoc Committee (CPMECAC) Update

Management discussed that the final meeting of the CPMECAC took place on December 11, 2023.

The CPMECAC Education Expert will be compiling a discussion paper describing proposed changes to the Condominium Management Broker competencies, and the approach that was taken. This discussion paper will be provided to the RPMIC at their March 5,

2024, meeting. Next steps will include stakeholder and education provider consultation.

11:46 am Board member, Parihar, left the meeting

11:46 am meeting recessed

1:00 pm meeting reconvened

11. Strategic & Operational Matters Continued

- **Quarterly Business Plan/Management Report Continued**

2024 Quarterly Business Plan Report

The January 2024 Business Plan Progress Report was provided to the Board for information.

Quarterly Management Report

The CEO reviewed the activities of the Management team over the last quarter. Highlights included continued consumer awareness activities including vulnerable community outreach and general awareness radio advertising, and continued stakeholder engagement through Broker Forums and brokerage visits.

Discipline File Outcomes Fiscal 2022/2023

Management reviewed complaints and discipline outcomes from the 2022/2023 fiscal year, noting that the number of complaints are down over the last two (2) years.

- **Rules Review Steering Committee Update**

Management provided an update on the progress of the Rules Review Steering Committee ("RRSC").

The RRSC is presently working on Phase Two, Part Two questions (standards of conduct) to go to all licensees. Draft proposed rule changes have been prepared and will shortly be tested by RECA's survey question consultant.

1:43 pm – RECA Information Security & Technology Manager, joined the meeting

- **RECA Digital Roadmap**

RECA's Information Security & Technology Manager, joined the meeting and provided a high-level presentation on RECA's Digital Roadmap, outlining how RECA will leverage digital technologies, platforms, and data to achieve its business objectives.

2:03 pm – RECA Information Security & Technology Manager, left the meeting

- **Legal Matters**

General Counsel provided a quarterly litigation update report for the Board's review.

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The following minutes are confidential and protected by litigation privilege.



12. In-Camera Session

The Board moved in-camera at 2:11 pm.

13. Next Meeting

- Wednesday, May 15, 2024, Banff/Canmore, Alberta

14. Final Adjournment

The meeting adjourned at 2:16 pm.

MOTION: The RECA Board of Directors approves the final adjournment of the January 24, 2024, meeting.

Motioned by Bill Briggs

Seconded by Carrie Plett

Carried

Approved at Canmore/Banff, Alberta on May 15, 2024

Elan MacDonald, Board Chair

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