



RECA Board of Directors Regular Meeting **9:00 am – 3:00 pm, Wednesday, July 17, 2024** **Virtual Teams Meeting**

MINUTES

In Attendance: Elan MacDonald, Chair
Bill Briggs
Jai Parihar
Carrie Plett
Elena Russell
Laura Sharen
Greg Walter

Staff Resource: Russ Morrow
Janice Harrington
Warren Martinson
Stacy Paquin

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.

2. Approval of Agenda

The RECA Board of Directors ("Board") reviewed the meeting agenda.

***MOTION:** The RECA Board of Directors approves the July 17, 2024, meeting agenda as presented.*

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.

No conflicts of interest were declared.

4. Chairs Comments

The Chair provided introductory remarks.

The Minister met with the Chair, several Industry Council chairs, and members of RECA's senior management team in Edmonton on July 3, 2024. This provided an opportunity for the Industry Council chairs to share their background and experience and discuss priorities of the Industry Councils.

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. In-Camera Session

The Board moved in-camera at 9:25 am with the Management team in attendance.

Management exited the in-camera session at 9:30 am.

The Board concluded the in-camera session at 10:16 am.

7. Consent Agenda

The Board reviewed the consent agenda.

MOTION: The RECA Board of Directors approves the consent agenda, including the May 15, 2024, RECA Board of Director meeting minutes, and accepts for information purposes the Board Committee minutes, Quarterly External Whistleblower Report, and the following consent resolution, as presented at this meeting.

- *Real Estate Act Section 46 – [REDACTED]*

Motioned by Bill Briggs

Seconded by Jai Parihar

Carried

8. Board Action Item Register

The Board reviewed the action register.

9. 2024/2025 Board & Industry Council Calendar

The 2024/2025 Board & Industry Council Calendar was provided for information and feedback.

10. Committee Reports / Recommendations

- **Finance & Audit Committee**

The chair of the Finance & Audit Committee ("FAC") provided an update on the matters addressed at its June 27, 2024, meeting.

April 2024 Financial Report

The FAC reviewed the April 2024 Financial Report that was provided for information purposes.

Annual Policy Review

The FAC conducted its yearly review of the *Financial Reserves Policy*. The FAC does not propose any changes to the policy at this time.

Pre-payment of Building Mortgage

Prudent financial stewardship is a top priority for the RECA Board and Management. In line with this commitment, RECA engaged with BMO in May 2024, to explore options for repaying the mortgage on the RECA office building, located at 1506 11 Avenue SW, Calgary, Alberta, T3C 0M9 ("RECA Building").

After a thorough review of the repayment options, the FAC recommended that the Board proceed with paying off the mortgage, for the following reasons:

- Savings of \$5 million in interest payments over the remaining term of the mortgage
- Reduction in annual operating costs
- Ensuring fairness to future licensees
- Capitalizing on an unexpected surplus due to a rise in the number of licensees.

Following careful deliberation, the Board proceeded with passing the following motion to pay off the mortgage for the RECA Building.

***MOTION:** On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves an unbudgeted expenditure estimated to be [REDACTED] for the purposes of payout of the mortgage of the RECA building, located at 1506 11 Avenue SW, Calgary, Alberta, T3C 0M9, as at [REDACTED] as discussed in TAB 9.3 of the meeting material.*

*Motioned by Greg Walter
Seconded by Elena Russell
Carried*

ACTION: The decision to pay off the RECA building mortgage will be communicated to the Minister and licensees.

2024/2025 Budget

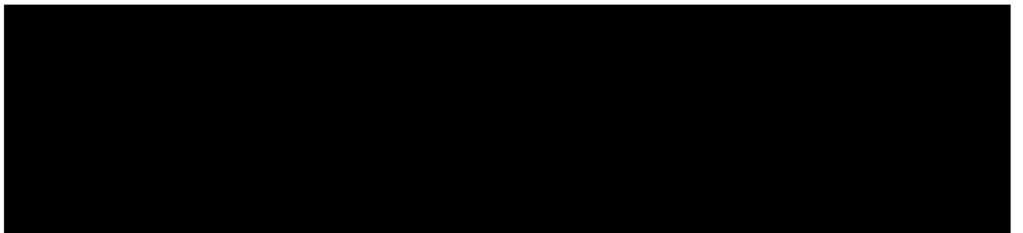
The Board reviewed the proposed 2024/2025 Budget in detail.

Management is not recommending a licence fee increase for 2024/2025. The proposed 2024/2025 Budget includes a fee credit back to licensees.

Management discussed the proposed salaries and benefits budget for 2024/2025. The Board requested amendments as discussed at this meeting.

12:21 pm – meeting recessed

12:55 pm – meeting reconvened



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MOTION: *On the recommendation of the Finance and Audit Committee, the RECA Board of Directors approves the 2024/25 Operating and Capital Budget and waiver of the Assurance Fund levy on renewal of licences as presented in TAB 9.4A of the meeting material and as amended at this meeting.*

Motioned by Greg Walter

Seconded by Elena Russell

Carried

2024/2025 Business & Financial Plan

The Board reviewed the proposed 2024/2025 Business and Financial Plan (“Plan”).

The Board directed further amendments to the Plan, focusing on financial stewardship.



ACTION: Management will complete further amendments to the Plan, which will then be sent to the Board by secretarial resolution for consideration and approval.

- **Governance & Human Resources Committee**

The chair of the Governance & Human Resources Committee (“GHR”) provided an update on the matters addressed at its July 4, 2024, meeting.

Annual Policy Review

The GHR completed its annual review of the following policies:

- *Professional Development Policy*
- *Professional Development Options for Board & Industry Council Members*
- *Remuneration Policy for Board & Industry Council Members*

The GHR is not recommending any changes to the policies at this time.

Performance Review Process for CEO & Registrar

The GHR completed its annual review of the Performance Review Process and Job Descriptions for the CEO and Registrar and is not recommending any changes to the documents at this time.

CEO Succession Planning

The GHR reviewed the *CEO Succession Plan*. The GHR is recommending that Management review the list of executive search consultant firms to ensure the information is still up to date.

RECA Onboarding and Governance Training Update

The GHR received and provided feedback on RECA's May 12-14, 2024, Governance Training retreat facilitated by *The Regulator's Practice ("TRP")*. The feedback was very positive.

Some of the takeaways from the training included:

- Management will revisit the RECA orientation/onboarding process for new Board and Industry Council members. Management will consider dividing up the onboarding into 2-hour sessions, once a week, for six (6) weeks, as to not overwhelm new members with new information.
- The GHR discussed the need to have governance 101 training for new members shortly after they are appointed (within the first few months), especially for those with limited governance experience.
- Management is also looking at whether the elections could be held earlier, four (4) months before the effective date, to allow for more training for new members and the opportunity to attend an Industry Council meeting prior to members' beginning.

The Board recommended that future governance training include an extensive overview of fiduciary responsibilities.

Quarterly Human Resources Report

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

Employee Engagement Survey Update

RECA's Employee Engagement Survey was completed at the end of May 2024. A report is being prepared and will be brought to the next Board meeting in November 2024.

Alberta Real Estate Foundation (AREF) Appointment

Section 2(1)(b) of the *Real Estate Act ("REA") Real Estate (Ministerial) Regulation* provides that the AREF Board of Governors shall consist of, among others, two (2) persons who are appointed by the RECA Board.

Mr. Anand Sharma, one of RECA's appointees, will complete his term on October 31, 2024. He is eligible for reappointment. The AREF Board of Governors has asked that Mr. Sharma be reappointed for a second and final, three-year term, commencing November 1, 2024.

***MOTION:** The RECA Board of Directors approves the reappointment of Mr. Anand Sharma to the Alberta Real Estate Foundation Board of Governors, for a second and final, three-year term, commencing November 1, 2024. Mr. Sharma's appointment will expire on October 31, 2027.*

*Motioned by Bill Briggs
Seconded by Laura Sharen
Carried*

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- **Hearings Committee**

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

The Hearings Committee presented Hearing Panel Roster reappointment and new appointment recommendations for the Board's consideration.

***MOTION:** Upon the recommendation of the Hearings Committee, the RECA Board of Directors approves the reappointment of the following Hearing Panel Roster members for a second, three-year term, commencing November 1, 2024:*

1. Jennifer Lucas (residential real estate)
2. Jessica Puddicombe (residential real estate)
3. Aron Scraba (residential real estate)
4. Bradley Woodward (residential real estate)
5. Marika Chen (commercial)
6. Mark Kolke (commercial)
7. Walsh Mannas (commercial)
8. Kevin Mroczek (mortgage)
9. Darlene Rannells (mortgage)
10. Anil Asrani (property management)
11. Jeffrey Fitzgerald (property management)
12. Joanne Archibald – (lawyer - public)

13. Dr Gail Forsythe (lawyer - public)
14. Karen Scott (lawyer - public)

*Motioned by Bill Briggs
Seconded by Carrie Plett
Carried*

MOTION: Upon the recommendation of the Hearings Committee, the RECA Board of Directors approves the following appointments to the Hearing Panel Roster for a three-year term, effective November 1, 2024:

Mortgage

1. Gordon Appel (mortgage) – first term
2. Rose Di Fazio (mortgage) – first term
3. Phillip McDowell (mortgage) – first term

Residential Real Estate/Property Management

4. Michael Brodrick (residential real estate) – first term
5. Thomas Bradford (property management) – first term
6. Humaira Palibroda (residential real estate) – first term
7. Colleen Roenspies (residential real estate) – first term

Condominium Management

8. Sandra Robertson (condominium management) – first term
9. Anand Sharma (condominium management) – first term

*Motioned by Bill Briggs
Seconded by Jai Parihar
Carried*

Board Member, Carrie Plett, abstained from voting due to conflict of interest.

11. Industry Council Activities

- **Industry Chairs Roundtable**

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

The Industry Chairs Roundtable last met on June 12, 2024. The discussions at the meeting focused on the REA Rules review, inducements and incentives, and feedback on governance training.

The Industry Chairs Roundtable will next meet in mid-September 2024.

- **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.

The Residential Real Estate Education Advisory Committee (RREEAC), an advisory committee of the RREBIC, has completed its review of

the residential real estate education competencies. The RREEAC has provided the final report of recommendations to RECA's Credentialing department for comment. The final report, along with any comments from RECA's Credentialing department will be provided to the RREBIC for their consideration and approval.

The RREBIC next meets on September 26, 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 be focusing on relicensing and pre-licensing education at their next meetings.

The CIC next meets on September 24, 2024.

- **Mortgage Broker Industry Council**

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

The MBIC is currently focused on two primary strategic initiatives, completion of the REA Rules Review and private lending relicensing education. The MBIC will also continue to monitor changes to industry practices regarding the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") reporting requirements that take effect in October 2024.

The MBIC next meets on September 19, 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 will be focusing on graduated licensing, relicensing education, and reviewing the residential property management education competencies.

The RPMIC next meets on September 17, 2024.

Condominium Examination Blueprint Amendments

In the Fall of 2023, based on feedback from industry, learners, and education providers, the RPMIC convened an ad-hoc committee, the Condominium Property Manager Education Competencies Ad-Hoc Committee (CPMECAC), to review the curriculum for the three courses that comprise the Condominium Management stream of licensing credentials offered by RECA.

The CPMECAC completed its work and made recommendations to the RPMIC. Pursuant to legislation, the RPMIC is providing the final recommendations to the RECA Board of Directors for approval.

***MOTION:** On the recommendation of the Residential Property Manager Industry Council, the RECA Board of Directors approve amendments to the following condominium management examination blueprints as outlined in TAB's 16E2, 16E3, and 16E4 of the meeting material:*

- *Fundamentals of Condominium Management*
- *Practice of Condominium Management*
- *Broker Condominium Management*

The amended examination blueprints will be effective January 6, 2025.

Motioned by Carrie Plett

Seconded by Elena Russell

Carried

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12. Strategic & Operational Matters

- **Strategic Spotlight**

Management reviewed RECA's Regulatory Excellence strategic priority. This strategy focuses on the Rules Review, governance, licensing framework, education, and compliance. Management discussed complaints, information received, and investigations statistics, as well as the continued increase in licensees and the activities involved in the registration process.

After discussion, the Board directed the following action.

_____ Management will prepare a summary, highlighting the increase in complaints and registration related activities since early 2020, for presentation to the Minister on August 22, 2024.

- **Quarterly Strategic Plan/Management Report**

2024 Quarterly Strategic Plan Progress Report

The May 2024 Strategic 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.

Red Tape Reduction

The Registrar has initiated moving RECA disciplinary decisions to Decisia, a cloud-based database. Decisia is a service provider used by several regulators to store and make decisions accessible.

Stakeholder Engagement

RECA continues to meet with stakeholders, specifically the Alberta Real Estate Association (“AREA”), the Calgary Real Estate Board (“CREB”), the REALTORS® Association of Edmonton (“RAE”), the Alberta Mortgage Brokers Association (“AMBA”), the Building Owners and Managers Association of Edmonton (“BOMA Edmonton”), and several brokers.

In May, RECA held Broker Forums in both Calgary and Edmonton with good attendance at both forums.

Government Relations

RECA continues to meet regularly with the Minister and the Assistant Deputy Minister.

Board Priority Report

The Board Priority Report was reviewed and discussed. Management will continue to update the report for discussion at each quarterly Board meeting.

- **Approval of Stakeholder Engagement Policy**

RECA’s *Stakeholder Engagement Policy* was last reviewed by the Board in March 2021. Management sought input from the four Industry Councils on suggested changes to the *Stakeholder Engagement Policy* during the June 2024 cycle of Industry Council meetings and adjusted where appropriate.

***MOTION:** Following consultation with RECA’s Industry Councils, the RECA Board of Directors approves the proposed amendments to RECA’s Stakeholder Engagement Policy, as presented in TAB 19B & 19C of the meeting material.*

Motioned by Carrie Plett

Seconded by Elena Russell

Carried

- **Complaints Management**

The Board discussed the value of implementing a policy for managing external complaints about service received by RECA. Management provided examples of how other organizations handle these types of complaints.

The Board agreed to further discuss this concept at a special meeting of the Board on August 22, 2024.

- **Regulatory Review Update**

The Regulator’s Practice is progressing with the regulatory review of RECA. The initiative is proceeding as planned, and it is expected that the findings will be reported to the Board, Industry Councils, and government in October 2024.

- **Rules Review Steering Committee Update**
Management provided an update on the progress of the Rules Review Steering Committee. Phase 3 of the Rules Review project is scheduled for September/October 2024.

- **Legal Matters**



13. In-Camera Session

The Board moved in-camera at 3:12 pm with the CEO. Following the in-camera session the Board passed the below motion:

***MOTION:** The RECA Board of Directors approves the 2024/25 goals and objectives for the CEO Performance Evaluation, as presented in TAB 24A of the meeting material.*

Motioned by Bill Briggs

Seconded by Laura Sharen

Carried

The Board then moved in-camera with the Board only at 3:18 pm.

14. Next Meetings

- Thursday, August 22, 2024, Special Board Meeting, Calgary, Alberta
- Wednesday, October 2, 2024, Information Session on Regulatory Review, Edmonton, Alberta & Virtual
- Wednesday, November 20, 2024, Regular Board Meeting, Edmonton, Alberta

15. Final Adjournment

The meeting adjourned at 3:37 pm.

***MOTION:** The RECA Board of Directors approves the final adjournment of the July 17, 2024, meeting.*

Motioned by Carrie Plett

Seconded by Laura Sharen

Carried

Approved at Edmonton, Alberta on November 20, 2024

Elan MacDonald, Board Chair