



RECA Board of Directors Regular Meeting

9:00 am – 3:00 pm, Wednesday, November 20, 2024
Sheraton Four Points Hotel, Edmonton / Virtual Teams Meeting

MINUTES

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

Guests: Stefan Myroniuk, *RECA IST Manager*
Tyler Grube, *Sapling Financial Consultants (virtual)*
Morne Viljoen, *Sapling Financial Consultants (virtual)*

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 9:03 am.

2. Approval of Agenda

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

MOTION: The RECA Board of Directors approves the November 20, 2024, meeting agenda as presented.

Motioned by Elena Russell

Seconded by Bill Briggs

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 delivered opening remarks and presented a revised format for the Board agenda, which is now more closely aligned with RECA's strategic priorities.

A Board member reported on a conference where he learned about Diligent Boards AI feature.

ACTION: Management will contact Diligent for further information on its AI features.

5. Information Items

The Board discussed two (2) information items included in the meeting materials, the RECA Board workplan and the Board calendar for 2024/2025.

6. In-Camera Session

The Board moved in-camera at 9:06 am.

The Board moved out of in-camera at 9:28 am.

7. Consent Agenda

The Board reviewed the consent agenda.

MOTION: *The RECA Board of Directors approves the consent agenda, including the:*

- *July 17, 2024, RECA Board of Director meeting minutes*
- *August 22, 2024, RECA Board of Director meeting minutes*
- *October 2, 2024, RECA Board of Director meeting minutes*

The following consent resolutions:

- *2025 Business & Financial Plan*
- *RECA Building Mortgage Payout*

And accepts for information purposes the:

- *Board Committee minutes*
- *Reimbursement of Expenses Policy update*
- *Board Standing Committee Terms of Reference update*
- *Quarterly Human Resources Report*
- *Quarterly External Whistleblower Report*
- *Board Litigation Report – November 2024*

*Motioned by Bill Briggs
Seconded by Elena Russell
Carried*

8. Board Action Item Register

The Board reviewed the action register.

9. Applications to the Board

The Registrar presented two (2) Admissions of Conduct submissions under section 46 of the *Real Estate Act* for the Board's review. The Registrar responded to the Board's questions regarding the submissions.

MOTION: The RECA Board of Directors accepts the statement of admission of conduct deserving of sanction provided by [REDACTED]

and refers these matters to a Hearing Panel in accordance with section 47 of the Real Estate Act.

*Motioned by Carrie Plett
Seconded by Bill Briggs
Carried*

MOTION: The RECA Board of Directors accepts the statement of admission of conduct deserving of sanction provided by [REDACTED]

and refers these matters to a Hearing Panel in accordance with section 47 of the Real Estate Act.

*Motioned by Jai Parihar
Seconded by Elena Russell
Carried*

10. Hearings Committee Update

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

The Hearings Committee has a full roster of industry members to serve on panels but is experiencing a shortage of public members, specifically lawyers. The Hearings Committee has received several applications, and interviews are scheduled for December 2024.

11. Industry Chairs Roundtable

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

The Industry Chairs Roundtable last met on September 18, 2024. The meeting addressed several topics, including: the Rules Review,

Regulatory Review update, annual self-evaluations, amendments to the Alberta Real Estate Association ("AREA") form regarding estoppel certificates, and the work of the Residential Real Estate Education Advisory Committee.

The Industry Chairs Roundtable will meet next on December 4, 2024.

12. 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.

At their November 12, 2024, meeting, the RREBIC reappointed Mr. George Bamber to the position of chair of the RREBIC for a term of two (2) years, effective December 1, 2024.

The RREBIC next meets on December 11, 2024, in a special meeting to review the proposed *Real Estate Act* Rules.

13. 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.

At their September 24, 2024, meeting, the CIC reappointed Mr. Terry Engen to the position of chair of the CIC for a term of two (2) years, effective December 1, 2024.

The CIC next meets on December 16, 2024, in a special meeting to review the proposed *Real Estate Act* Rules.

14. Mortgage Broker Industry Council

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

At their November 7, 2024, meeting, the MBIC reappointed Mr. Clarence Lee to the position of chair of the MBIC for a term of two (2) years, effective December 1, 2024.

The MBIC next meets on December 12, 2024, in a special meeting to review the proposed *Real Estate Act* Rules.

Private Lending Relicensing Competency Blueprint

The MBIC approved the private lending relicensing competencies at their November 7, 2024, meeting, and recommends, in accordance with *Real Estate Act* Bylaws, that the RECA Board of Directors approve the

Private Lending Relicensing Competency Blueprint provided in the meeting material, to enhance consumer protection for borrowers and lenders engaging in private lending transactions in Alberta.

***MOTION:** In consultation with and upon the recommendation of Mortgage Broker Industry Council, pursuant to Real Estate Act Bylaw 11.1, the RECA Board of Directors approves the Private Lending Relicensing Competency Blueprint, as presented in TAB 16B of the meeting material.*

Motioned by Bill Briggs

Seconded by Elena Russell

Carried

15. 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 December 16, 2024, in a special meeting to appoint a chair, as the current Chair's term expires on November 30, 2024, and to review the proposed *Real Estate Act Rules*.

16. Annual Registrar's Report: Licensing & Renewals

Management presented RECA's licence renewal results for 2024 for the Board's information. RECA experienced a robust renewal rate of 98.6%.

17. Annual Real Estate Assurance Fund Report

Management presented the Real Estate Assurance Fund ("Assurance Fund") Report for fiscal year 2023/2024 for the Board's information. The report provides a summary of pay-outs from the Assurance Fund. The Board reviewed the current balance of the Assurance Fund.

ACTION: Management will undertake, as part of the upcoming budget analysis, a review of the current amount in the Assurance Fund and whether consideration should be given to temporarily waiving Assurance Fund levy for new applicants to the industry in the next fiscal year.

18. Real Estate Act Rules

Management presented an update on the *Real Estate Act Rules* review process.

Management reported that Phase Three Consultation is currently underway, ending November 29, 2024. The Industry Councils will meet in December 2024 to review the responses from the Phase Three

Consultation and to review the proposed new *Real Estate Act* Rules in December 2024.

19. Quarterly Regulatory Scorecard

Management presented RECA's Core Regulatory Activity Scorecard for fiscal 2024. This includes statistics on labour mobility, brokerage applications, licensing renewals, practice reviews, investigations, hearings, and discipline.

Management reported that in 2024, RECA processed 5,588 eligibility applications and 656 labour mobility applications for new entrants to the industry.

Regarding complaints received, RECA has noted an increase in reported complaints and has adopted a more educational approach to discipline, resulting in a cultural shift.

ACTION: Management will include a chart outlining how long investigation files have been open in future Regulatory Scorecard updates.

20. Regulatory Review Report – Action Plan Update

Management provided an update on the Regulatory Review that was conducted by *The Regulator's Practice* ("TRP") in the spring/summer of 2024. Management presented a high-level Action Plan for the Board's review and comment.

ACTION: Management will publish the Regulatory Review Action Plan, along with the Regulatory Review Report at the end of November 2024.

The Board discussed the recommendation from TRP that RECA should be more confident in asserting its consumer protection mandate and challenge those who suggest it should work for the industry rather than for the public.

21. Management Priorities Report

The CEO reviewed the priorities of the Management team over the last quarter, including the *Real Estate Act* Rules Review, the Regulatory Review, industry and employee engagement.

22. Strategic Spotlight – Organizational Resilience

Management reviewed RECA's Organizational Resilience strategic priority. This strategy focuses on culture, finances, and resourcing.

23. Quarterly Strategic & Business Plan Report

The November 2024 Strategic Plan Progress Report was provided to the Board for information.

24. Board Priority Report

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

25. Strategic Planning Process

Management outlined the upcoming strategic planning process, including key dates and expectations leading into January 2025. The Board and Industry Councils will participate in a strategic planning retreat on January 20, 2025, and the Board only on January 21, 2025. The Board will finalize and approve a new multi-year (2026-2029) strategic plan by the summer of 2025.

26. Finance & Audit Committee

The chair of the Finance & Audit Committee ("FAC") provided an update on the matters addressed at its November 6, 2024, meeting.

Service Alberta Letter re 2025 Business & Financial Plan

The Board discussed the October 24, 2024, communication it received from the Minister of Service Alberta and Red Tape Reduction ("Minister") regarding RECA's 2025 Business & Financial Plan. The Minister requested RECA re-evaluate the licence fee structure and provide recommendations back to the Minister by May 2025. RECA's Board Chair has responded to the Minister that RECA will undertake a review of all its fees, particularly those related to eligibility and credentialing.

Approval of Q3 Unaudited Financial Statements

Management presented the Q3 financial statements as of June 30, 2024, for the Board's consideration and approval.

***MOTION:** The RECA Board of Directors approves the Unaudited Financial Statements for Q3 as at June 30, 2024 as presented at this meeting.*

Motioned by Elena Russell

Seconded by Carrie Plett

Carried

Preliminary Financial Report Year Ended September 30, 2024

The FAC discussed the draft year-end financial statements as of September 30, 2024. The year-end audited financial statements will be presented to the FAC and the Board in January 2025.

A Board member inquired about what was included in the *Lease Inducements* line item on the Statement of Operations.

ACTION: Management will provide clarification on the contents of the *Lease Inducements* line item of the draft year-end financial statements.

Management discussed that a tenant in the RECA building is facing challenges and the measures taken to help stabilize their situation.

Signing Authorities Policy

The FAC discussed proposed amendments to the *Signing Authorities* Policy, for the Board’s consideration. The amendments aim to align with RECA’s transition to a digital financial management system and the integration of a new accounting software for accounts payable.

MOTION: *Upon the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves amendments to the Signing Authorities Policy, as presented in TAB 28.4B of the meeting material.*

*Motioned by Elena Russell
Seconded by Carrie Plett
Carried*

Procurement Policy

The FAC discussed proposed amendments to the *Procurement Policy*, for the Board’s consideration. The amendments include changes to the value thresholds, reflecting insights gained from the current market environment.

MOTION: *Upon the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves amendments to the Procurement Policy, as presented in TAB 28.5B of the meeting material.*

*Motioned by Bill Briggs
Seconded by Elena Russell
Carried*

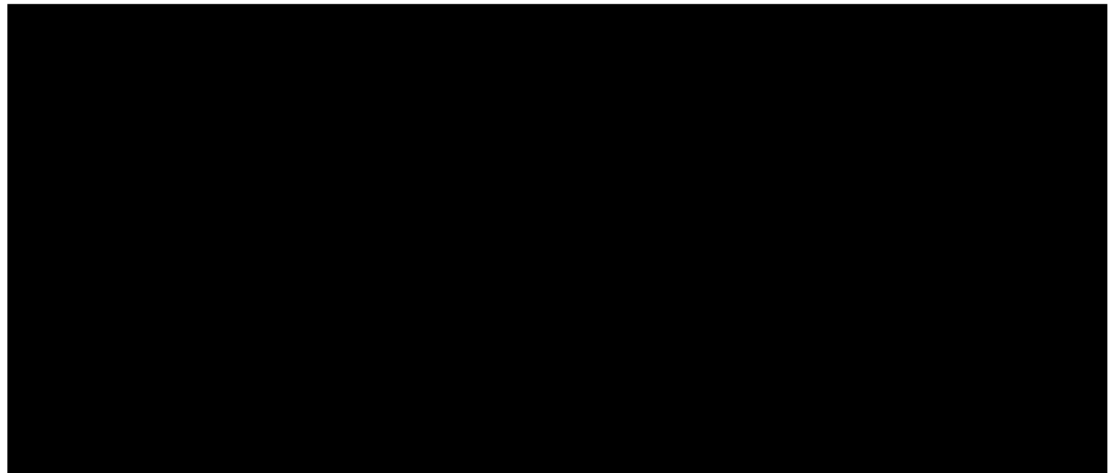
12:30 pm – Stefan Myroniuk, RECA IST Manager, joined the meeting

RECA’s IST Manager, Stefan Myroniuk, joined the meeting to provide a presentation to the Board on RECA’s Cybersecurity Program.

1:30 pm – Stefan Myroniuk, RECA IST Manager, left the meeting

Office Space Utilization Discussion





1:34 pm – Mr. Morne Viljoen and Mr. Tyler Grube, Sapling Financial Consultants, joined the meeting

27. Revenue Modelling

Mr. Morne Viljoen and Mr. Tyler Grube from Sapling Financial Consultants (“Sapling”) joined the meeting to provide the Board with a presentation on revenue modelling. Sapling specializes in financial modelling, data analytics, and due diligence services.

Sapling has been tasked with preparing a three-statement financial model incorporating bottom-up drivers, scenario analysis, and rebates. Sapling provided an overview of the project to the Board.

2:01 pm – Mr. Morne Viljoen and Mr. Tyler Grube, Sapling Financial Consultants, left the meeting

ACTION: Management will prepare a progress report on revenue modelling initiative for the January 2025 Board meeting.

28. Current Risk Evaluation Report & Discussion

Management provided an update on RECA’s Enterprise Risk Management program.

29. Complaints Management Process

During Board meetings on July 17, 2024, and August 22, 2024, the Board deliberated on the benefits of formalizing a complaints management process with respect to RECA staff and services. The Board discussed various options and agreed to formalize a complaint management process. RECA will publish a complaints management process on the RECA website and provide quarterly reports to the Governance & Human Resources Committee.

30. Consumers

Management provided a briefing on RECA’s strategic activities concerning consumers. Initiatives include consumer awareness,

development of a new RECA website, and stakeholder engagement plans.

31. Licensees

Management provided a briefing on RECA's strategic activities related to supporting and regulating licensees. Initiatives include the Rules Review, development of a separate new website for licensees, new Broker Forum format, increase in brokerage visits and presentations, and the Regulator newsletter format improvements.

32. Government Relations

Management provided a briefing on RECA's strategic government relations activities. Initiatives include government communication, Regulatory Review, Rules Review, and monitoring of government initiatives and direction.

33. Associations & Boards

Management provided a briefing on RECA's strategic activities related to engagement with industry associations and boards to foster collaborative relationships, support shared goals, and maintain regulatory standards.

ACTION: Management will update future Association & Board briefings to separate out CEO engagement activities.

34. Red Tape Reduction

Management provided a briefing on RECA's strategic red tape reduction activities. Initiatives include, conducting a Regulatory Review, creation of a digital strategy, streamlining complaints handling to increase educative regulatory responses, and launching corporate process improvements.

35. Governance & HR Committee

The chair of the Governance & Human Resources Committee ("GHR") provided an update on the matters addressed at its October 23, 2024, meeting.

Review Evaluation Process for Board, Chairs & Committees

The GHR discussed the Board evaluation process and Board and standing committees' assessment questionnaires. The GHR agreed to proceed with using the current evaluation survey, along with one-on-one sessions between the Board/Committee Chairs and its members if time permits during this evaluation cycle. Management will explore the possibility of introducing peer assessments for 2025.

Management has distributed the member assessment questionnaires for completion. The results will be shared with the Board and standing committees in January 2025.

Board Competency Skills Matrix Review

The GHR discussed the Board Competency Skills Matrix. Management will circulate the matrix to the Board for updating, in December 2024.

Approval of Standing Committee Appointments

Pursuant to the standing committees' terms of reference, appointments to standing committees are for a one-year term, commencing on December 1 or on the date of appointment, to November 30 of each applicable year, unless specified otherwise by the Board.

The GHR discussed the proposed reappointments to Board standing committees.

RECA Board of
Directors – Regular
Meeting

Minutes of Meeting

November 20, 2024

***MOTION:** Upon the recommendation of the Governance & Human Resources Committee, the RECA Board of Directors approves the following reappointments to the standing committees commencing December 1, 2024, to November 30, 2025:*

1. To the Finance & Audit Committee

- Jai Parihar, Committee Chair*
- Elena Russell*
- Laura Sharen*

2. To the Hearings Committee

- Bill Briggs, Committee Chair*
- Carrie Plett, Committee Vice Chair*
- Elena Russell*
- Laura Sharen*
- Joanne Archibald*

3. To the Governance & Human Resources Committee

- Greg Walter, Committee Chair*
- Bill Briggs*
- Carrie Plett*

Motioned by Carrie Plett

Seconded by Bill Briggs

Carried

Governance Policy Review

The GHR reviewed the *Communication Protocol for RECA Board of Directors and Industry Council Members* ("Protocol"). The Protocol was last amended in September 2021. The GHR is recommending minor housekeeping amendments.

***MOTION:** Upon the recommendation of the Governance & Human Resources Committee, the RECA Board of Directors approves amendments to the Communication Protocol for Board & Industry*

Council Members, as presented in TAB 34.4B of the meeting material.

Motioned by Jai Parihar

Seconded by Elena Russell

Carried

Annual Mandatory Governance Training

The GHR discussed RECA's Board and Industry Council member orientation process and mandatory governance training.

Following feedback from the May 2024 Board and Industry Council member governance training retreat, the GHR is recommending enhancements to RECA's onboarding and governance training for new members, including several short, focused onboarding sessions in the month prior terms commencing.

Employee Engagement Survey Update

The GHR reviewed the 2024 Employee Engagement survey results and action plans. The survey was rolled out to 58 respondents from May 7 to May 22, 2024, with a 98% response rate. Engagement levels at RECA showed a significant increase from 2022, scoring on par with the benchmark for small organizations. Overall engagement rose to 73%, a substantial 21-point increase from the 2022 results. 77% of employees recommend RECA as a great place to work, a 20-point increase from the 2022 results

Real Estate Act Bylaws

In accordance with section 11.1(2) of the *Real Estate Act*, every three (3) years, the Board must repass those Bylaws pertaining to the conduct of its members, the members of the Industry Councils, and the roles and responsibilities of the Board and Industry Councils and its members, Executive Director, and Registrar.

The GHR is not recommending any changes to the current Bylaws. In September 2024, Management consulted with RECA's four Industry Councils regarding potential amendments and no amendments were proposed.

***MOTION:** Following consultation with RECA's four Industry Councils and upon the recommendation of the Governance & Human Resources Committee, the RECA Board of Directors, in accordance with section 11.1(2) of the Real Estate Act, approves and repasses the Real Estate Act Bylaws pertaining to the conduct of members of the Board and Industry Councils, and the roles and responsibilities of the Board and Industry Councils and its members, the Executive Director, and the Registrar.*

Motioned by Carrie Plett

*Seconded by Jai Parihar
Carried*

36. In-Camera Session

The Board moved in-camera at 2:35 pm with the CEO.

The Board moved in-camera with the Board only at 2:55 pm.

37. Next Meetings

- Monday, January 20 and Tuesday, January 21, 2025, Strategic Planning Session
- Wednesday, January 22, 2025, Regular Board Meeting, Calgary, Alberta

38. Final Adjournment

The meeting adjourned at 3:23 pm.

MOTION: The RECA Board of Directors approves the final adjournment of the November 20, 2024, meeting.

Motioned by Carrie Plett

Seconded by Bill Briggs

Carried

Approved at Calgary, Alberta on January 22, 2025

Elan MacDonald, Board Chair