



2023 AGM minutes

Real Estate Council of Ontario
(hereinafter called the "Corporation" or "RECO")
Annual General Meeting of Members
RECO 2023 AGM Livestream
May 25, 2023 at 10:00 a.m.

Call to order

Mr. Steve Boxma, Chair of the meeting, called the meeting to order at 10:06 a.m. Dr. Atul Kapur was asked to act as Parliamentarian and Ms. Elizabeth Benson was asked to act as Recording Secretary for this meeting.

Mr. Boxma welcomed those in attendance, specifically the Honourable Kaleed Rashid, Minister of Public and Business Services Delivery, RECO's Board of Directors, RECO staff and representatives from the Ontario Real Estate Association and other boards across the province.

Notice of meeting and quorum

Mr. Boxma declared that the notice of the meeting had been duly given to the members in accordance with the Corporation's by-laws and governing legislation. Mr. Boxma further declared that a quorum of the members was present, and the meeting was duly constituted to conduct business. Mr. Boxma confirmed that only registered individual members of the Corporation were entitled to vote on the motions that would be presented at the meeting.

Minister's remarks

Minister Rasheed thanked RECO for its continued support of consumer protection in the real estate sector. He noted the tremendous impact that the real estate industry has on the province's economy and that for over 25 years, RECO has been a valued partner of the provincial government, fulfilling a vital consumer protection role.

He added that the Ministry looks forward to working with RECO to address those recommendations made by the Auditor General in the value for money audit, specifically those that related to strengthening RECO's operations and the Ministry's oversight of RECO.



He concluded by thanking everyone in the real estate industry for ensuring consumers feel safe and informed as they make the most significant purchase of their lives.

Keynote address

Mr. Benjamin Tal, Managing Director and Deputy Chief Economist, CIBC World Markets delivered the keynote address, providing insights into the housing market.

Voting members

It was noted that only individual members of the Real Estate Council of Ontario who are registered under the *Real Estate and Business Brokers Act, 2002* were entitled to vote. It was also noted that more than 50% of the total number of votes cast must be in favour of a resolution to pass and 2/3 of the votes cast must be in favour of a special resolution to pass.

Minutes from the June 9, 2022 Annual General Meeting

The following motion was duly moved and seconded:

IT IS RESOLVED THAT, the minutes of the June 9, 2022 Annual General Meeting are approved as presented.

There was no discussion, the motion was carried.

Presentation of annual report

Chair's remarks

Mr. Boxma presented his remarks noting that the meeting marked the conclusion of his ninth year serving as a director and two years as Board Chair. He further noted that it has been a time of tremendous change and transformation at RECO, in Ontario's real estate market and in the world at large. Looking back on 2022, he noted that much had been achieved, despite the challenges brought on by COVID-19. RECO is committed to addressing the recommendations of the Value for Money Audit Report by the Auditor General of Ontario, with the plan to be shared publicly in the near future. Mr. Boxma concluded his remarks by stating that he was confident that RECO will continue to adapt so that it can continue to serve both consumers and registrants in the years ahead.

CEO's remarks

Mr. Beard thanked Mr. Boxma for his leadership as Chair, noting that he had been instrumental in the progress that RECO had made as an organization. Continuing his remarks he discussed the progress made in the strategic plan, including the implementation of significant changes to consumer protection laws in Ontario's real estate



industry. Additionally, RECO has broadened outreach to consumers and registrants and has taken strides in enhancing education for registrants.

In addressing RECO's 2022 financial results, Mr. Beard noted that the surplus was nearly \$5 million compared to \$11.3 million in 2021. Capital expenditures were higher than the prior year, due mainly to office renovations resulting in a reconfigured, scaled-down workspace that better aligns with the hybrid work model. Non-invest revenues remained in line with 2021 while investment income went from \$1.4 million to minus \$3.7 million in 2022, reflecting a challenging year for investments. The losses were in line with RECO's risk tolerance and benchmarks in the RECO's investment policy.

Registrar's remarks

Mr. Joseph Richer outlined a number of noteworthy initiatives in 2022, including efforts to restore processing times, resulting in service targets being met. RECO also moved to paperless registration certificates, an initiative that has been well received by registrants. Work continued in the next phase of the long-term vision for registration education which will move to an open market for the delivery of programs with multiple education institutions. The launch of a new learning management system for the Continuing Education program means greater flexibility and more access to content. RECO also published updates and videos to support the key changes to REBBA as part of the phase two of legislative reforms.

Appointment of auditors

The following motion was duly moved and seconded.

IT IS RESOLVED THAT, the firm of KPMG LLP be appointed as auditors of the Real Estate Council of Ontario until the close of the next Annual General Meeting of the corporation following their appointment.

There was no discussion. The motion was carried.

Election of Industry Directors

The following motion was duly moved and seconded.

IT IS RESOLVED THAT, the successful nominees for the position of Industry Director:

- **John Lusink, from Region 1**
- **Brent King, from Region 2**
- **Sandra Lee Moore, from Region 3**



Each of whom received the most votes in RECO's electronic nomination process, be declared elected to hold offices as Industry Directors of the Corporation.

IT IS RESOLVED THAT, Katie Steinfeld from Region 1, receiving the second most votes in that region and fulfilling a 2-year term of a vacant position, declared elected to hold office as Industry Director of the Corporation.

The departing Directors, Rui Alves, David Schooley and Janet Cloud were thanked for their service.

By-law 1 amendments (ONCA)

This item was withdrawn from the agenda.

Amending articles

This item was withdrawn from the agenda.

Question and answer session

Mr. Beard led the question-and-answer session. Topics of discussion included the following:

- Fines collected from realtors through the discipline process are reflected as revenue, in financial reports.
- Insurance claims paid are not reported on a per year basis, as the insurance cycle is far broader than that. What is paid out in any particular year could be from claims made in previous years, so it would not be reflective of claims made in that specific year.
- While every effort is made to address all questions posed by registrants, RECO is unable to provide specific legal advice, but may provide information on provisions that would apply in respect of the question. It would be recommended that Registrants seek independent legal advice in those matters.
- In determining the effectiveness of changes made to the education program, RECO seeks feedback from learners through surveys, which allow us to identify positive trends and build on those.
- Election results for 2023 are available on RECO's website.



- Although RECO is a non-for-profit corporation, there is no taxpayer funding to RECO, as each Delegated Administrative Authority in Ontario has been designed to be self-funded.
- Independent, external auditors are required to provide an opinion on the validity of the organization's financial position.
- The Auditor General's report recommended that RECO's Board moved to a skills-based Board. More information on that process will be provided in the coming months.

Adjournment

Mr. Boxma concluded the meeting at 12:07 p.m.