

# AGM 2024 Minutes

REAL ESTATE COUNCIL OF ONTARIO  
(hereinafter called the “Corporation” or “RECO”)  
ANNUAL GENERAL MEETING OF MEMBERS  
RECO 2024 AGM LIVESTREAM  
MAY 30, 2024 at 10:00 a.m.

## Welcome and call to order

Ms. Katie Steinfeld, Chair of the meeting, called the meeting to order at 10:00 a.m. She welcomed those in attendance, specifically the Honourable Todd J. McCarthy, Minister of Public and Business Services Delivery, Benjamin Tal, Managing Director and Deputy Chief Economist, CIBC World Markets, Dr. Atul Kapur, Parliamentarian, Erica Richler, Co-managing Partner, Steinecke Maciura LeBlanc, RECO’s Board of Directors, RECO staff, representatives from the Ontario Real Estate Association and other boards across the province.

Ms. Steinfeld 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. She further declared that a quorum of the members was present, and the meeting was duly constituted to conduct business. It was noted that only registered individual members of the Corporation were entitled to vote on the motions presented at the meeting.

## Remarks by The Honourable Todd J. McCarthy

Minister McCarthy 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 RECO has had many achievements including supporting the development and implementation of the Trust in Real Estate Services Act, 2002, with the second phase of the legislative and regulatory changes which came into force with significant measures to strengthen consumer protection, educate homebuyers and sellers, and enhance industry professionalism.

He acknowledged the efforts made to implement recommendations made by the Auditor General in the Value for Money Audit Report, in addition to the orders issued by the Minister in January to strengthen Board governance, including updating bylaws, articles, and the code of conduct for Directors.

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.

## Remarks by Dr. Atul Kapur

Dr. Atul Kapur provided an overview of voting procedures.

## Minutes of the May 25, 2023 Annual General Meeting

The following motion was duly moved and seconded:

**IT IS RESOLVED THAT, the minutes of the May 25, 2023 Annual General Meeting are approved as presented.**

There was no discussion. The motion was carried.

## Presentation of Annual Report 2023

### Chair's remarks

Ms. Steinfeld presented her remarks noting the importance of an effective real estate industry regulator to ensure that agents and brokerages are compliant with the laws that RECO administers. RECO has provided strong oversight and strategic direction to ensure that as a regulator it is delivering on its consumer protection mandate. Ms. Steinfeld noted the tremendous amount of work that RECO has undergone in 2023 to complete more than 70% of the recommendations made by the Auditor General in the Value for Money Audit Report. This work serves to strengthen RECO capabilities and improve its ability to deliver on its mandate.

Ms. Steinfeld noted that earlier in the year RECO received orders from the Minister of Public and Business Service Delivery, which related to the composition of the Board and selection of directors. Significant work has been underway to ensure the orders are implemented following the annual general meeting.

Ms. Steinfeld acknowledged the Directors who completed their terms in 2023 and thanked them for their service and contributions to the organization.

### CEO's remarks

Mr. Beard reported on the progress and results made during a year of tremendous change in Ontario's real estate sector, including the implementation of the Trust in Real Estate Services Act. The changes represent the most significant legislative and regulatory changes in the sector in decades. Consumer

protection initiatives such as the introduction of designated representation and the RECO Information Guide will strengthen Ontario's real estate sector for years to come.

He reviewed a number of financial highlights from 2023, noting that there was continued growth in registrants to just over 112,000 (agents and brokerages). RECO's approach to budgeting and cost management resulted in a year concluding with a strong financial position partly due to healthier investment returns than previously experienced. RECO's operating surplus was \$10.6 million, driven mainly by gains in the investment market, but offset by the impact of the 30% reduction in fees implemented in early 2023. He noted that RECO's investment portfolio strategy remains conservative with the goal of preservation of capital over the long term.

Mr. Beard concluded his remarks by thanking the Board for their expertise and oversight in a year of significant change.

## Registrar's remarks

Mr. Joseph Richer outlined a number of significant changes to law that came into force in 2023, which represent enhancements to consumer protection in the Ontario real estate sector.

Four key changes to the Trust in Real Estate Services Act are:

- clarification of how consumers engage with brokerages
- the introduction of designated representation, reducing the frequency of multiple representation
- the introduction of the mandatory RECO Information Guide, offering a plain language explanation of the rights and responsibilities of all parties
- enhanced disclosures to parties that brokerages engage with which offer a clear understanding of risks and responsibilities for those who opt to forgo working with a real estate agent.

He continued, noting that a new learning management system was implemented for the registrant continuing education program. The new system allows for greater agility in updating and adding content and provides for an improved user experience.

The course, "Introduction to TRESA", was launched in November. It provides a comprehensive explanation of changes to the law, obligations and opportunities.

RECO continues its journey to advance registrants education as we prepare to move toward an open market with an expanded roster of education institutions in 2025, allowing registrants to select the school of their choice.

Mr. Richer referenced the analysis of complaint trends provided in the annual report, noting that the data-driven approach will enable RECO to better identify and address issues to reduce the frequency of underlying behaviour.

Mr. Richer concluded his presentation by thanking registrants who go above and beyond to guide and support consumers in what is for most individuals the single largest financial transaction of their lives.

## 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.

## Overview of by-law changes

Members were provided with an overview of the four categories of by-law amendments:

- to comply with Minister's orders
- to bring RECO in compliance with the Ontario Not-For-profit Act (ONCA)
- to reflect governance best practices
- housekeeping items to align with various elements of the by-laws.

## Election of non-sector directors

The following motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members elect the following as non-sector Directors, for terms beginning at the conclusion of the 2024 AGM:**

- **Judy Pfiefer, for a term of four years**
- **Karim Karsan, for a term of three years**
- **Jasvinder (Jessie) Singh, for a term of two years**

Questions of clarification pertaining to the changes in Board composition, Director terms and the process to select the non-sector Directors were addressed by Mr. Beard and Ms. Richler. The motion was carried.

## By-law 1 amendments related to ONCA

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members approve the proposed amendments to By-law 1 to bring the by-law into compliance with the Not-for Profit Corporations Act, 2010 (ONCA).**

Questions of clarification pertaining to the by-law changes related to ONCA were addressed by Mr. Beard and Ms. Richler. The motion was carried.

## By-law amendments related to governance best practices (exclusive of amendments related to membership)

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members approve the amendments to By-Law 1 related to governance best practices, exclusive of those related to membership.**

Questions of clarification pertaining to the amendments related to governance best practices were addressed by Mr. Beard. The motion was carried.

## By-law amendments related to governance best practices (related to membership)

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members approve the governance best practices amendments to By-law 1 related to the Composition of Membership, Conditions of Membership, Termination of Membership, reflecting a single class of individual members, and the Articles of Amendment.**

There was no discussion. The motion was carried.

## By-law amendments related to housekeeping

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members approve the proposed housekeeping amendments to By-law 1.**

There was no discussion. The motion was carried.

## By-law 2 amendments related to housekeeping

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members repeal By-law 2.**

There was no discussion. The motion was carried.

## Approval of update to board directors' remuneration

The motion was duly moved and seconded.

**IT IS RESOLVED THAT, the members approve the Director's remuneration.**

Questions of clarification pertaining to changes in Director remuneration were addressed by Ms. Steinfeld and Mr. Beard. The motion was carried.

## Question-and-answer session

Questions were addressed by Ms. Steinfeld, Mr. Beard, Mr. Richer and Ms. Richler.

Topics of discussion included the following:

- The types of complaints that are dealt with at the local Board level versus those addressed by RECO
- The process involved in selecting Board Directors
- Confirmation that a call for non-sector Directors was made public through various platforms
- It was noted that RECO has no affiliation with the wellness program developed by OREA
- A recording of the AGM will be available on RECO's website in the next few days
- Non-sector Directors are vetted by the nominations committee, presented to the Board of Directors and subsequently recommended to the members who vote for them at the AGM.
- Votes submitted during AGM are done so anonymously
- Suspected breaches of regulation related to advertising may be submitted by registrants through the complaints process

## Adjournment

Ms. Steinfeld concluded the meeting at 12:10 p.m.