

WHAT CONDO DWELLERS ARE READING

LIVING NEXT TO THE MALL



All high-rise communities provide homes integrated with some mixture of other indoor and green space that combine to become a community. Developers are mixing in new features to make that community even more appealing.

Easy access to medical services, groceries and expanded green space are all planned in the future mall as part of the next evolution in high-rise communities.

CONTINUED PAGE 5 ...

FROM THE EDITOR

This month's **Toronto Condo News** look at the growing interest in locating condo buildings near malls, how artificial intelligence is being used in building management, winter cleaning, and what is behind the need for condo loans and special assessments.

Increasingly, condo buildings are being built in the parking lots or in close proximity to malls. **Living Next to the Mall**, our feature article, looks at how malls are changing to better reflect the needs and desires of condominium communities while making better use of their underutilized parking areas.

With all the press given to artificial intelligence, and with all due respect to how it can be beneficial, **Artificial Intelligence not ready for Condo Management** shows how this technology is being misapplied in condominium management. Both condo boards and management have an obligation to ensure this technology is not misused to the detriment of our communities.

A PEEK

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ARTIFICIAL INTELLIGENCE NOT READY FOR CONDO MANAGEMENT

Artificial
intelligence
technology is
not a tool
ready for use
in
condominium
management.

Artificial
intelligence in
the wrong
hands is
dangerous. In
high-rise
communities,

the way it is currently used by building management provides all the
proof necessary that this technology is not and should not be
available for widespread use.



Following is a recent e-mail interaction between a condo owner and
the building's condominium manager. Content has been modified to
protect the guilty.

Condominium Manager

We would like to inform you about some essential repairs that
are scheduled to take place in suite XXX tomorrow, between
9:00 a.m. and 1:00 p.m. These repairs are necessary to
maintain the quality of our building and ensure the comfort of
the residents.

Please note that these repairs will involve some drilling noise,
which may cause temporary inconvenience. We understand
that noise can be disruptive, and we sincerely apologize for
any disturbance this may cause during the specified
timeframe.

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ARTIFICIAL INTELLIGENCE NOT READY FOR CONDO MANAGEMENT... CONTINUED FROM PAGE 3

Owner

XXXX, I'm sure many owners are wondering how repairs in a particular unit are essential to maintain the quality of our building, but I am actually asking -- please explain why this is so. Thank you.

Condominium Manager

This increases the value of the property. If a unit is sold at a higher price, the value of other units also increases. It is a basic real estate rule.

Owner

I am quite aware of the impact of unit improvements on property values; that's a very odd way of justifying the need for drilling. I'm not the first one to say this but emails from the management office require more thought and proofreading prior to distribution.



Condominium Manager

The notices are prepared by AI. I don't think anyone here has more knowledge and vocabulary than AI.

Owner

That's a joke, right??

Condominium Manager

No, it is not. Everyone now uses AI in their offices.

And this is my last email regarding this subject.

Throughout this interaction, the condominium manager failed to answer the initial question.

In all likelihood, the original communication was an attempt to communicate that one unit was undergoing renovation that would create noise.

We leave it up to the reader to decide if this failure to communicate a common building activity was the result of stupidity, ignorance, lack of ability to communicate or an intentional attempt to obscure from owners what work is being undertaken.

Perhaps it is all of the above.

Artificial intelligence, even if it were to eventually become a useful tool for condominium management, should be prohibited for use by licensed condominium managers for the foreseeable future.



LIVING NEXT TO THE MALL... CONTINUED FROM PAGE 1

Malls have been in trouble for years. Even before Covid, mall stores began to rethink their retail operations. E-commerce has continued to grow and more work from their suburban home.

Yorkdale and Square One are among those malls preparing for redevelopment. Some malls will soon be surrounded by high-rise condominium towers and parks. Others may be destroyed or made smaller. Malls are likely to include more services, medical offices, entertainment options and fulfilment centres in addition to libraries, schools and community centres.

The 20th century mall was designed as a meeting place where people shopped, purchased music, picked up concert tickets and socialized. Space for parking to accommodate consumers driving a distance was necessary. These activities can now be done online and large parking areas are mostly unused. Foot traffic in malls was down 42 percent in February 2020 compared to a year earlier. Traditional shopping had changed and established anchor tenants were becoming obsolete. Then we had the pandemic. Struggling retailers reached their breaking point. There was a wave of bankruptcies and restructuring filings that signalled the beginning of the end for retail as we know it.

The 21st century mall is likely to look very different. A transformation has begun as malls are redesigned to reflect their surrounding community. For some traditional stores, the physical retail location continues to have value beyond creating more sales. We are seeing more luxury services, office space, expanded food options and even valet parking. Large anchor tenants are shrinking their footprint or closing.

The number of businesses offering an e-commerce platform has doubled since the pandemic began

and, as of January 2022, around 55 percent report using their stores to fulfill online orders. This number is expected to increase. More retailers are likely to use their mall space for picking up online orders at which time they will try to sell other items. We may see more “dark stores” where spaces are used exclusively for preparing and shipping of online orders.

As malls shrink their physical size and decide how to use their excess parking areas, we are seeing large high-rise communities appearing. Promenade Mall will soon have two high-rise buildings, where Sears was once located, with direct mall access and new retail. Additional residential towers and a hotel are planned to help fill excess parking space. Malls are likely to become more community-focused as even more high-rise residential communities are built in their underutilized parking lots and within walking distance.

The golden age of malls has passed. Their resurrection will depend on meeting the changing wants and needs of local community.





PROTECT YOUR HOME DURING EXTREME COLD WEATHER

When there is extreme cold weather, high-rise building residents should take measures to prevent pipes from freezing and flooding.

Most recently, temperatures dropped as low as -25C on February 3 and 4, 2023.

Residents in buildings heated by fan coils, including landlord-owners and those on vacation, should take measures to ensure that hot water circulates constantly through these systems. Turning off the fan coil to reduce electricity costs can allow these systems to freeze. Thermostats should not be set below 15 C or 60 F.

If your home is overly warm, do not turn heating off. If opening an outside door or window, only do so for a short time. Open windows or balcony/patio door during cold weather can cause pipes to freeze in a unit.

- Do not set thermostats below 15 C or 60 F during cold weather

- Avoid turning your heating/thermostats completely off

The costs of damage and repair exceed any savings you hope to obtain by reducing heating costs.

When damage and repair costs are covered by insurance, both premiums and deductibles can be expected to increase. Owners of units taking actions that cause pipes to freeze or flooding can expect to be financially responsible for damage they may have caused.



UP ON THE ROOF

The Roof is Getting Crowded



Much of the equipment needed to maintain building safety, comfort and efficiency is installed on the roof.

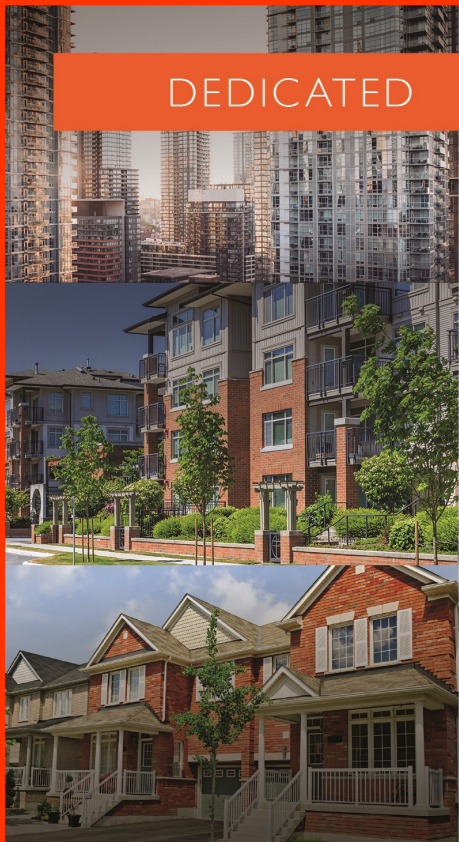
This placement of equipment requires contractors and building staff to navigate ladders and hatches for rooftop access to HVAC systems, ducts, solar panels or other equipment. Roofing membrane can be slippery when wet.

With recreational spaces so limited, roofs are becoming crowded.

Communities want to make better use of this space by having it more accessible and less dangerous while incorporating some combination of terrace, garden and growing area. They may desire this space for improving energy efficiency by installing solar panels or converting to a green roof. Safe access to all roof

areas and awareness of potential fall hazards becomes more important.

Transforming your roof for public access can be a complex process. Engineers need to ensure your roof can handle the additional weight of people, furniture, plantings and anything else it needs to support. Safe outdoor flooring and access points are required. Gardening, landscaping, design and maintenance requirements should be considered.



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OWNER ACCESS TO E-MAIL ADDRESSES - CORRECTION

We live in a world where e-mail is often the primary form of communication. This is a reality that has recently been partially acknowledged with revisions to the Condo Act which took effect on October 1, 2023

Condominium corporations no longer require extensive measures to communicate with residents in an electronic manner that is accepted throughout our society. It was initially thought that owners finally had a reasonable way to obtain e-mail addresses so that they can communicate with their neighbours and fellow owners which has since been found to be incorrect.

e-mail communication. Providing an e-mail address to the condominium corporation through other communications is sufficient authorization. Those

Exception

(4) The right to examine or obtain copies of records under subsection (3) does not apply to,

- (a) records relating to employees of the corporation, except for contracts of employment between any of the employees and the corporation;
- (b) records relating to actual or contemplated litigation, as determined by the regulations, or insurance investigations involving the corporation;
- (c) subject to subsection (5), records relating to specific units or owners; or
- (d) any prescribed records. 1998, c. 19, s. 55 (4); 2015, c. 28, Sched. 1, s. 51 (5-7); 2023, c. 9, Sched. 7, s. 9 (2).

Interpretation for s. 55 of the Act and exceptions

13.11 (1) For the purpose of clause 55 (4) (c) of the Act,

"records relating to specific units or owners" does not include records relating to persons in their capacity as directors or officers of a corporation. O. Reg. 180/17, s. 17 (1).

(2) The following are prescribed records for the purpose of clause 55 (4) (d) of the Act:

1. A record of an owner's or a mortgagee's electronic communication address that section 46.1 of the Act requires the corporation to maintain.
2. A report or opinion from a lawyer or licensed paralegal to a corporation with respect to specific units in the corporation or owners, purchasers or mortgagees of a unit in the corporation.
3. Records that contain communications for the purpose of obtaining the report or opinion described in paragraph 2 or that are in respect of the report or opinion.
4. Any portion of a ballot or proxy form that identifies specific units in a corporation or owners in a corporation, unless a by-law of the corporation provides otherwise. O. Reg. 180/17, s. 17 (1); O. Reg. 191/23, s. 15 (1).

desiring paper communication will be required to make a specific request.

Owners and mortgagees are no longer required to submit an Agreement to Receive Electronic Notices before a condominium corporation can send them

Along with this change, the Record of Owners and Mortgagees has been updated to include e-mail addresses for delivering documents. This

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WINTER CLEANING REQUIRES A MODIFIED APPROACH



Excess moisture, salt, sand and debris during winter months makes it more difficult to maintain common areas. Extra attention is necessary to keep areas clean, maintain appearance and prevent damage. Pandemic concerns create further challenges.

Cleaning procedures differ from what occurs during other seasons.

Increase the frequency of daytime cleaning. Indoor areas are used more during the winter, during daytime hours, so more frequent cleaning can help stop the spreading of viruses. Colds, flu and Covid are at their peak in winter months. Focus on common touchpoints including light switches,

doorknobs or bars, and elevator buttons.

A greater focus on floors and carpets, particularly near building entrances, can prevent damage and injury from moisture, salt and sand. Increased cleaning limits the amount tracked beyond the lobby and reduces the required frequency of interior cleaning. Indoor and outdoor matting should be placed by entrances and regularly vacuumed. Pools of water or moisture on floors and matting should be addressed immediately.

Greater care in maintaining entrance areas means fewer cleaning concerns throughout a building and increased safety.

OWNER ACCESS TO E-MAIL ADDRESSES - CORRECTION... CONTINUED FROM PAGE 8

interpretation was based on [regulation 12.6.1 subsection 1 of Ontario Regulation 4801](#) which states that the Record of Owners and Mortgagees is to be updated to include e-mail addresses. This is a core record of the corporation to be provided to owners making a proper records request.

Inexplicably, other legislation grants an exclusion to condominium corporations providing e-mail addresses. One owner, asking about access to the Record of Owners and Mortgagees inclusive of e-mail addresses was informed that "... if an owner were to request this record they would not be able to obtain this information of other owners email address's" (sic). In response to an inquiry from **Toronto Condo News**, the Condominium Authority of Ontario provides clarification. "There is an

exception provision in section 13.11 of O. Reg. 48/01 which notes that owners do not have the right to access the electronic communication address in the record of owners and mortgagees". Relevant sections of this exception are provided.

While current legislation makes it easier for condominium corporations to communicate with owners, roadblocks continue to be imposed against owners. Our Provincial Government continues to impose roadblocks preventing owners from working together to improve their communities.





WHY CONDO LOANS AND SPECIAL ASSESSMENTS BECOME NECESSARY

Throughout 2023, **Toronto Condo News** has published articles that focus on preventable financial problems experienced by condominium communities failing to properly budget and plan. Among the responses received is this letter from a group of condo directors providing insight to some of the reasons why condo loans and special assessments occur. It includes a welcome series of recommendations recognizing the failures of builders, engineering firms, condominium management and condo boards.

The letter is reproduced in its entirety.

Thank you so much for the interesting discussion about construction loans in the July 2023 **Toronto Condo News**. We really appreciate the efforts to broaden the discussions of finances, special assessments, loans and reserve funds - it is much needed in this industry.

Allow me to introduce myself: I am the former board president of MTCC1400 (168 townhouse units (King/Strachan)) and a member of the GTA Condo Directors Group. I led our corporation through both a special assessment of 1.7 million dollars (2019) and a 7.9 million dollar loan and subsequent special assessment to pay this loan (2023), in order to re-do and repair damage from a failed roofing project (still under litigation), as well as address other building envelope issues. Both the special assessment and the construction loan saved our property from bankruptcy and allowed us to secure the property through six capital projects. However, this resulted

in a substantial burden on the 168 units owners in terms of construction disruption (three years) and financial costs (my two special assessments = \$70,000). As I am sure you can appreciate, an almost 8.0 million dollar construction loan in the middle of a pandemic was consequential for all our owners, approximately 18% of whom sold their properties and altered future plans due to the expense involved.

The article regarding construction loans unfortunately only touches upon/does not address the root cause of **why** corporations need loans in the first place - i.e.: often under-funded/under-executed reserve fund studies/projects. The article also provides limited solutions to address the root cause of the need for loans. Our collective condo board expertise has uniquely positioned us to recognize that the root cause of problems leading to loans are easily identifiable and reparable, if all entities worked together. All of these ideas presented have been shared with the current government/CAO via our GTA Condo Director's working group and below, we present the "problem" in black and a potential next step solution in "green". On behalf of our team, I hope you find this useful.

1. Initial reserve fund contributions are set too low **by the builder** to keep common element costs attractive to buyers, impeding success of new corporations from the inception of the property.
 - **In order to ensure appropriate consumer awareness and protection, all common**

CONTINUED PAGE 11

WHY CONDO LOANS AND SPECIAL ASSESSMENTS BECOME NECESSARY... CONTINUED FROM PAGE 10

- element/reserve fund contributions should be based on a mathematical algorithm which is mandated by the Condo Authority Ontario/Ministry (including # units, size, location, construction accessibility, amenities etc.)
- Builders should be accountable for substantial under-funding of the reserve fund and required to pay the difference back to corporations for seven years (same time period as Tarion warranty).
2. Lack of accountability of engineering firms conducting reserve fund studies (RFSs), or recourse for corporations when those studies are substantially under-funded.
- All RFS should require an on-site, detailed inspection by the engineer every three years. Early detection of building issues is critical in keeping the cost of repairs from escalating.
 - 40-year planning needs to be incorporated from the very first reserve fund study (as noted in another article in this edition)
 - Engineering firms should be accountable for substantially under-inspected/under-funded reserve funds and required to pay the difference back to corporations. (Our former engineer was the on-site engineer for over a decade. Our corporation had saved as per the RFS expectations determined by the engineer and yet our first roofing project was grossly under-scoped to match available funding and under-funded/under-scoped as a result.)
3. Lack of accountability by property management and boards of directors to adhere to RFS repairs and/or dismiss engineers when they don't like the opinions they have received.
- Reserve funds should be audited by CAO/Ministry annually (potentially as part of the annual financial audit). Boards/management companies should be required to submit a RFS status update at their year end and provide proof of job completion/justification for deviation from the RFS, signed off by the corporation/management/engineer. These should be reviewed and flagged by the CAO as needed to ensure appropriate consumer protection and oversight.
 - There should also be a third-party review capability for boards/management when it comes to capital project costs – the CAO/Ministry has the ability to collect and publish capital project costs and create a database for volunteer boards/inexperienced management to be able to use and confirm the appropriateness of proposed project costs.
4. Ability of owners to vote out a Board trying to fulfill their responsibilities and maintain a corporation.
- Removal of boards/board members who are following the engineering/legal recommendations for the corporation should be subject to an appeals process/review by the CAO/Ministry. Many properties are owned by absentee/"stepping stone" owners who do not necessarily have a long-term vested interest. Better owner education prior to purchase and more realistic financial literacy/obligations from the start of a building would likely reduce this problem (see #1).
5. Lack of accountability/legal recourse for owners/corporations for any of the above scenarios.

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FINANCIAL MANAGEMENT

WHY CONDO LOANS AND SPECIAL ASSESSMENTS BECOME NECESSARY... CONTINUED FROM PAGE 11

- Create a zero/low interest fund, paid for by all builders, contractors, governments (responsible for inspections/building permits and building passes), condos and owners to support corporations through legitimate litigation. (The burden of suing a former engineer/roofing company and their unknown sub-contractors who were also added as defendants has been entirely on the 168 unit owners of MTCC1400).
- 6. Inability of corporations to change operating documents due to government regulations unique to condo corporations.
- This very broken condominium system starts with improved government regulations and requirements, as well as the creation of mandatory draft templates of core operating documents and mathematical algorithms for common element/board director representation.
- The creation of standard templates of core operating documents including draft bylaws, declarations and rules by the CAO/Ministry (not the builder!) would level the playing field across all condos in the province. It would save millions of dollars in substantial legal costs for all corporations who independently pay for each new bylaw/revision and set boards of directors, engineers, management and condo owners up to be financially prepared and more successful in the future. These core operating documents would be submitted by the builder in draft form when the property is registered and require ratification by the board of directors within one year of property hand-over.
- The government should align expectations for core operating document changes for condo corporations with other non-profit organizations. All condo corporations are unfairly burdened by the government requirements of 80%/66% owner agreement to change core operating documents – this is unique to the condo industry. Older properties, in particular, are currently burdened by core operating documents written before the internet and technological advances occurred and are unable to change them.
- Similarly, a mathematical algorithm based on building complexity to determine the maximum number of board directors to effectively manage a corporation needs to be developed by the CAO/Ministry, not determined by the builder. It defies logic that a 168-unit townhouse complex with no amenities has five board directors (100 Strachan), while a 470-unit high-rise down the street with pool, spa, gym, common BBQ areas, has three board directors (19 Western Battery Road). Changing the number of board directors representing owners, as defined in the core operating documents (i.e.: declaration) by the builder would require 80% or 376 unit owners to agree at 19 Western Battery Road.

On behalf of the [GTA Condo Directors](#) group, thank you for allowing us to share our collective expertise and grassroots understanding of some of the root causes of poor financial management in condos and the resultant issues this creates.

Regards

M. O.

On behalf of the [GTA Condo Directors](#) Group
Sheila Alofs, Adriana Arevalo, Linda Brett, Albert Ferranti, Dennis Moir, James O'Hara, Maria Oldfield, Karen Ritchie, John Saryiannis, Mary Throop

MEETING MINUTES IS NOT A NEWSLETTER



Board meeting minutes are a record of actions of the Board. They are the only recognized and official record of a board's decisions and actions, and one of the most important documents for condominium corporations.

Meeting minutes are a permanent record of corporation business – that is, a record of all actions taken at a meeting. Without meeting minutes, it is as if a condo board meeting never took place. There is no record of what was said, by whom or what decisions were made. Decisions or actions taken by the board can be questioned by any owner or resident who wishes to do so. A board would have no way to defend itself in court should this become necessary.

Meeting minutes are generally brief and to the point when recording all board votes and decisions made at the meeting. They are not prepared as verbatim record of discussions. Details or background information is considered by some as inappropriate for inclusion. Officially, anything not mentioned in meeting minutes did not occur.

Meeting minutes should not be confused with “in camera minutes”; “In camera” refers to sessions where a portion of a meeting is not for disclosure. This may include legal matters, or information on individual owners or employees, that should not be disclosed.

It is not uncommon for boards and owners to treat meeting minutes as a newsletter

It is not uncommon for boards and owners to treat meeting minutes as a newsletter. They are a legal record of decisions made by the board

CONTINUED PAGE 14

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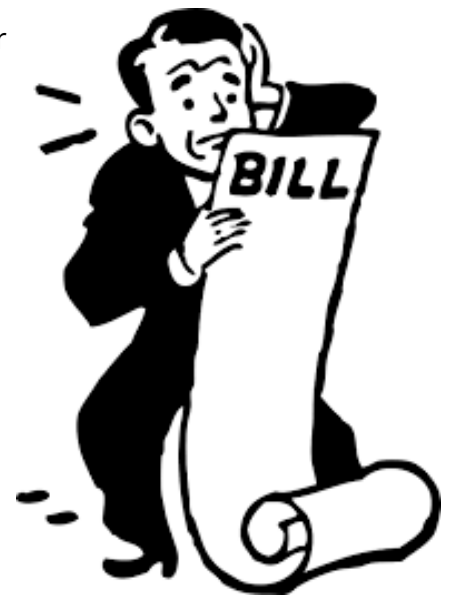
BILL PAYMENT AVOIDANCE

In Ontario, when taking someone to court, most actions must be started within two years of the date the claim was “discovered”. This would normally be the date when an injury, damage or loss occurred or was first discovered.

In condominium-related disputes, an individual or corporation owing money may try to extend a dispute beyond the two-year period to avoid making payment. A condominium corporation may try to avoid paying a vendor in this manner while “working” on processing invoices, or an owner may try to avoid paying fees due to the corporation. In each case, the group owing money may provide assurances of payment to extend a dispute beyond the two-year window. One party has created a problem by failing to pay what they owe and creates a barrier to collecting funds. Such assurances have been viewed by the courts as creating a good faith belief that payment is forthcoming. There is no

expectation that a loss or damage will occur thereby making court proceedings unnecessary.

When assurances are made, verbally or in writing, that payment will be made and this does not occur, the two-year period commences at the time it becomes clear payment is not forthcoming. It is at this time that it is reasonably known that a legal proceeding is an appropriate way to seek a solution.



MEETING MINUTES IS NOT A NEWSLETTER... CONTINUED FROM PAGE 13

without commentary as to discussions or reasoning prior to votes. Some boards choose to include details on discussions, opinions and other non-decisions. In the event of litigation, meeting minutes with these details are a desirable resource.

Many board discussions do not result in an immediate decision. Until a decision has been made, this information does not need to appear in the minutes. It falls under the designation of Unfinished Business until such time as a decision

has been made.

Any owner, purchaser or mortgagee of a unit can request access to meeting minutes. Keeping them simple and unbiased helps maintain the integrity of board decisions and the corporation. Providing a newsletter with information to be shared with owners is a more effective and safer way to communicate. Anything provided in a newsletter that may misquote or misinterpret cannot be used against the board in same way as meeting minutes.

COMPLEXITIES OF RESIDENTIAL HIGH-RISE PARKING



Parking management is more difficult than it appears. Done correctly, it balances the needs of residents for parking, visitor parking, security of vehicles while on the property, and maintaining infrastructure that is physically supporting an entire building.

To those residing in the building, it appears simple. Drive in, park and depart. Making this appear simple and uncomplicated is a major undertaking. Meeting the needs of a large community can be exceedingly complex and affected by factors that include location, space available and staffing.

Smart Parking Management Systems

Smart parking systems are designed to simplify parking management utilizing technology to automate. Technologies rely on presence or absence of a vehicle in a specific area or parking space. Vehicle data, when detected, is collected, processed and analyzed by a central management platform, specific actions are taken and information is sent to users and management. This provides improved management of parking areas and increased enforcement. Revenues from parking spaces are easily implemented where desired.

Most communities choose to internally manage their parking services, and may utilize parts of smart management systems. Condo management software or apps can track resident parking spaces, record visitors and provide parking permits. Management handles maintenance, repairs and cleaning as part of normal building operations.

Building patrols include parking areas and may be responsible for enforcement. Communities desiring more extensive, comprehensive and timely parking management services, or want to generate additional income from their parking facility, utilize more aspects of smart parking management systems. A comprehensive solution requires expertise and services provided by those that specialize in parking management operations.

Space-management is one consideration. Parking needs to be available to residents and visitors. When not utilized, excess parking space can be turned into revenue. Virtual registration systems simplify management of space without requiring the concierge or security to be pulled from other duties.

It begins at the driveway entrance. Automated gate systems control access to the property. An automated gate allows residents to enter using a transmitter or fob. A license plate recognition system may be utilized to open the gate for pre-registered vehicles. A guard controls access for visitors, home care workers, contractors and service providers.

Once on the property, residents may access underground parking through a security door opened using an electronic fob or transmitter. As with gate security, a license plate recognition system may be utilized to open the garage door for pre-registered vehicles. Parking spaces may include parking meters and electric vehicle charging

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COMPLEXITIES OF RESIDENTIAL HIGH-RISE PARKING... CONTINUED FROM PAGE 15

stations. Pay stations dispense tickets. Systems combine to manage resident parking and collection of parking fees.

Parking areas require maintenance. Lines are necessary on roadways and to separate parking spaces. Signs help to navigate the parking structure. Stains, salt, oil and moisture, all of which are damaging to the parking infrastructure, require periodic cleaning and repair. Landscaping, snow removal, and infrastructure and equipment repairs are part of ongoing maintenance.

Not all communities own their parking spaces. Residents may be required to pay separately for parking located beneath their building or nearby. These facilities are typically managed by a company specializing in management of parking areas.

Visitor parking may be provided at no cost or for a fee. Various systems are utilized for payment.

Communities that manage parking internally may require visitors to register at the security desk, provide vehicle details and the unit being visited. They may be provided with a parking permit to be placed in the vehicle. Periodic enforcement of the area requires this permit to be visible to avoid receiving a parking ticket or having the vehicle towed. Smart parking management systems can gather this same information and ensure unauthorized vehicles are subject to appropriate enforcement measures which can involve ticketing or towing.



USE ROAD SALT SPARINGLY

Road salt should be used sparingly and has been deemed a hazardous substance by Environment Canada.



We rely on it to create a safer environment for walking and driving during winter. We then pay for the damage it causes to our waters, landscaping, home and building interiors, cars and parking garages. It enters our homes on footwear and automobile tires. Cleaning costs increase, metal corrodes and salt is painful for pets when they walk. It seeps into concrete and damages rebar necessitating costly repairs.

We use salt in excessive amounts on roads and walkways of our condominium properties as protection against slip-and-fall lawsuits both legitimate and frivolous. The increased frequency of these lawsuits increases the cost of managing snow and ice. Reliance on vendors to protect condominium corporations from potential lawsuits is a consequence.

When used, salt should be applied sparingly on a narrow bank of the walkway just wide enough to walk on. When applied to the margins of a hard surface, it runs off when it melts which damages grass, trees and other greenery.

REDESIGNING THE LOBBY FOR PACKAGES

Lobbies that have not been redesigned for 20 years don't match today's needs, particularly when it comes to package storage.

Lobbies designed in the 1960s, and even many new lobbies, include a doorman, security or concierge station and minimal package storage. Those lobbies frequently include extensive seating and open spaces. There may be an installed a screen or unit to partially hide but not protect packages which are likely lined up and in the open, against a wall or window. This approach is an inefficient use of space putting packages at risk of theft.

When redesigning the lobby, consider the complete space rather than trying to solve a single problem. Take a closer look at your entire lobby including what may be a cramped or unprotected mail room. Consider how much lobby seating is actually needed. Then review your package flow and determine how much space is really needed.

One approach is to rebuild the security/concierge desk with less space in the front and more behind nicely designed panels and a door leading to a larger and more accessible storage room for packages. Smart parcel lockers, if added, do more than create space for packages. They simplify the receipt of packages by residents while freeing up security to focus on other matters.

Space can be set aside for dry cleaning or laundry pick-up and delivery. A cooler can be installed for storage of perishable deliveries. The rest of the lobby can be used for seating. Depending on available space, a reading or card room can be created.



WHO OWNS YOUR STORAGE LOCKER

Storage lockers may be owned by the unit owner or controlled by the condominium corporation.

Look to your governing declaration for clarity. When purchasing a condo, the deed may specify storage unit number or physical location if part of your purchase. The corporation remains responsible for maintaining common storage areas which may include walkways and doors. Locker owners may store virtually anything they want in these spaces so long as nothing impacts on other lockers and common areas. Flammable items are likely prohibited. Open food items, which attract pests that can infiltrate spaces and constitute a health hazard, are prohibited.

When the corporation declaration states that the storage unit is part of the common area and under control of the corporation, lockers may be assigned and managed as they deem appropriate.



FINANCIAL FRAUD IN 2023

Technological change creates new ways to perpetuate fraud.

Condominium corporations are particularly susceptible to fraud. Fraudsters are attracted to them because of large cash balances maintained in accounts combined with potentially poor oversight.

Virtually all fraud is preventable with proper practices and procedures. Here we provide examples of fraud that can occur when these are not undertaken.

Electronic Bank Deposits

At one time payment to contractors was made by a physical cheque that had to be deposited at a bank. Cheques can now be deposited by taking a picture with a phone without visiting the financial institution or providing the actual cheque for deposit. Anyone in possession of the physical cheque can change the payee information or amount, then deposit it to their own account via ATM or

photograph.

A condominium corporation that does not reconcile its bank statement monthly would not be aware of the fraud for some extended period. By the time it is noticed, recovery of funds may not be possible.

Electronic Transfer or Electronic Payment

An individual, perhaps a former employee, obtains the condominium corporation's branch and bank

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FINANCIAL FRAUD IN 2023... CONTINUED FROM PAGE 18

account numbers. They could establish an automatic payment or electronic transfer from the corporation's bank account to their account or one used to redirect funds. The charge would appear on the corporation's bank statement.

If undetected or the statement is not reconciled in a timely manner, these funds may not be recoverable.

Investment of Reserve Fund Money



Investing reserve fund money in a guaranteed investment certificate (GIC) is a responsible practice when working with a reputable financial institution. While it is possible to obtain a higher return by working with a less-known institution, be sure they are legitimate before transferring funds and verify the account number is correct.

Given the ease with which funds can be electronically transferred, condominium corporations can take steps to avoid being victimized.

- Require that all revenues be deposited to the corporation's bank account
- Verify the legitimacy and correctness of invoices before making payment

- Reconcile bank accounts at least monthly; act on any identified discrepancies or suspicious activities
- Do not delay reporting any suspected fraud to the police
- Prior to transferring funds to any financial institution, ensure they are legitimate and verify account numbers

Financial Advisors

Financial advisors provide a valuable service to condominium corporations. They help structure investments so funds are available when needed and may work with institutions providing higher investment rates. When transferring funds through a financial advisor, they should provide written confirmation for each investment and monthly statements.

The Auditor

The auditor's role for a condominium corporation is not to identify fraud unless employed specifically for this purpose. Communities that wait for an auditor to identify fraudulent transactions during the annual audit, and do not monitor for discrepancies, may never realize they are a victim of fraud.





LEAK PREVENTION

One area where high-rise residents should be more diligent than those who reside in single family homes is monitoring and dealing with water leaks.

Easily addressable water leaks can occur at any time. Some come from leaking appliances, faucets or drains. The problem may be as simple as a damaged washer or fan coil unit leak. Appliances or pipes may have exceeded their estimated useful life. Water leaks may also come from outside or inner walls, and visible by staining or surfaces soft to the touch. Pinhole leaks are a leading cause of inner wall damage that eventually works its way into units along the water path.

Unlike single family dwellings where only those residing in the home are affected, high-rise water leaks result in greater water damage affecting not only the unit but other units and common areas as water travels down to the lowest level of a building.

Water damage is the leading cause of insurance claims, their volume doubling over a ten-year period ending in 2012. Overall, 40 percent of insurance claims relate to water damage. This increases to between 60 and 90 percent for condominiums according to a KMPG study.

Be Proactive

Proactive maintenance requires taking action or measures to prevent water leaks.

For fan coil units, this means regular maintenance

1. Fan coil unit drain pans rust which create holes where water leaks out.
2. Insulation or other debris in the fan coil unit falling and clogging the drain pan, hose or condensation lines.
3. Units turned off in the winter allow pipes and coils to freeze and burst.
4. Water valves can crack and leak as risers expand and contract throughout the year.

Monitor under sinks and appliances

- Water pipes or valves can crack and leak as they wear out over time.
- Replace flexible plastic hoses with metal braided flexible hoses which are more durable.

Water damage can be catastrophic, yet a 2019 Chubb Homeowners Risk Survey found that only 20 percent of homeowners initiated any water-related risk mitigation. A similar number undertook regular HVAC system inspections. To avoid this intentional neglect, the damage it causes to other units and costs to the condominium corporation, communities undertake water mitigation activities so all are protected.

Water Sensors

One of the most basic and effective preventative measures is to place water sensors near any location with a water source. Any sensor detecting water sends an electronic notification to the

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LEAK PREVENTION... CONTINUED FROM PAGE 20

resident, owner and/or management, allowing problems to be addressed before they escalate and cause more damage to other units and common areas.

Plumbing Audit

Communities can undertake a building-wide plumbing audit. This is an effective way to prevent water leaks and reduce water use. The cost of electricity and gas, used in the transport and heating of water in a high-rise building, are likely to decrease.

Best practice is to undertake a plumbing audit every five years. A contractor visits each suite to identify and repair small leaks. Toilets, showers, faucets, appliances, walls, ceilings and floors are checked for indications of water or leaks. Appropriate in-suite upgrades and repairs for owners or residents to consider at additional cost are provided. The audit typically includes a report on findings and work done. Management becomes aware of units with issues that could impact on common areas and other suites.

A plumbing audit can result in a 15 to 30 percent decrease in water use plus additional savings in other utilities. More important, it can reduce the frequency of water problems thereby reducing water damage, repairs, insurance fees and deductibles.



BEHIND CLOSED DOORS

People have a funny way of wasting utilities they think are free.

One condo owner loves his combination shower-nap. He gets into the tub, turns the shower on, lays down, and sleeps for up to six hours. Why not - "water is free". This is just one example of excesses that occur in communities where water, electricity and gas are paid by monthly condo fees. Nobody receives a bill, is aware of actual costs, or curbs excessive practices.

It is faster to defrost frozen food under hot water than allowing it to defrost. Air conditioning can run on warmer days, or heat during winter, with windows open. All are wasteful and costly practices that can be curbed when owners and residents directly pay for water, electricity and gas they utilize.

Everyone should pay for their personal use of utilities. This is achieved when each unit has an energy meter measuring their use of electricity, water and possibly gas. Larger families, and those who are more wasteful, would no longer be subsidized by more conscientious owners.

Some oppose this practice believing savings do not justify metering costs. Others don't want to be responsible for paying another bill. Available data on conversions to unit metering show that some see savings in excess of 30 percent.

Submetering, also described as smart metering, remains a best practice for reducing utility use and wasteful practices.

COMMON AREAS AND AMENITIES



ELECTRIC VEHICLE CHARGING STATIONS

Process and Practical Considerations

Requirements, process and considerations surrounding electric vehicle charging stations (EVCSs) are clearer as technology is enhanced and put into practice.

Most condo buildings were not built to accommodate electric vehicle charging. Communities choosing to offer this amenity must comply with the Condominium Act and address practical considerations.

The Condominium Act incorporates regulations for approving the installation of electric vehicle chargers and charging systems in condominium buildings.

1. A condominium corporation must provide owners with 60 days notice before making upgrades for EVCSs so long as costs are estimated to be less than 10 percent of the corporation's annual budget.
2. When upgrades for an EVCS are estimated to cost more than 10 percent of the corporation's annual budget, condominium corporations must provide notice to owners and include an opportunity for them to requisition a meeting to vote on the proposed upgrades.
3. When an owner requests an electric vehicle charger, condominium corporations must give their approval UNLESS there is expert advice justifying refusal. This is generally an engineering report stating that necessary upgrades are impractical because of cost or other considerations. If approval is granted, the owner must enter into an agreement dealing

with responsibility for costs and other matters registered against the owner's unit.

Practical considerations for which there are currently no clear answers should be addressed.

- A. Who pays the cost of necessary infrastructure upgrades to support electric vehicle charging systems? Is this a common expense payable by all owners or just those allowed to install an electric vehicle charger?
- B. After upgrading a building's electrical system to support electric vehicle charging, it may still not be possible to provide a charging system for each unit. What then?
- C. What happens if or when demand for electric vehicle charging systems exceed the available supply?
- D. Can owners relinquish their access to an electric vehicle charging system? If so, is there a cost to do so and/or reimbursement for infrastructure payments previously paid?

As more people require and have access to electric vehicle charging stations in high-rise communities, these and other considerations will have to be addressed.



FIRE CODE COMPLIANCE *Inspections*



Fire code compliance is a journey, not a destination. Once achieved, remaining in compliance requires diligence. This is a year-round activity that doesn't end once an inspection or assessment has been completed.

Fire code compliance has become more complex as life safety systems have become more complicated and integrated. At one time, only pull stations and alarms were essential. Today there are alarms, doors, elevators, vents and fans. Codes and safety standards are constantly updated to ensure life safety systems are understood, functional and used properly.

A new building is required to pass every building and fire code compliance test. The next day, work begins at ensuring the building is fully in compliance for its next inspection. This task is more difficult since people are now residing and working in the building.

Life safety system compliance requires a mixture of daily, weekly, monthly, quarterly and annual inspections of individual components. Residents need to be prevented from dangerous activities that include propping doors open, storing boxes or personal items in hallways, and disconnecting in-suite intercoms or detection systems.

Management can stay on top of this by undertaking a weekly inspection of the building and addressing identified infractions, keeping fire record documentation organized, updating the fire safety plan, and ensuring residents and employees are

familiar with the plan. An annual in-suite inspection can ensure alarms; smoke, fire and carbon monoxide detection systems; sprinklers and intercom speakers are functional.

Scrambling to pass a compliance inspection is hard. Making fire safety a part of your everyday operations is easier than struggling to ensure compliance just prior to an inspection. An inspector that sees you have been working to achieve compliance is more willing to work with you when infractions are identified. They can be more likely to grant an extension to complete repairs rather than issue a formal notice.

It makes little sense for a condo board to wait for a fire inspection where deficiencies can be recorded. At this point, what was once regular maintenance becomes emergency repairs at greater cost.



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PROACTIVE PET WASTE MANAGEMENT

Pets in high-rise buildings offer benefits to their owners so long as they are properly managed on a building-wide scale.

Some pet owners don't pick up after their pets which creates health hazards and environmental effects on all building residents and property. This is a genuine health concern and contaminant.

Unscopped pet waste is a nuisance. Nobody wants to see it, let alone smell or step in it.

Pet waste is dangerous for people and pets. It contains harmful pathogens and bacteria. Risks are considerably higher in areas where humans and animals live in close proximity, such as high-rise communities. Bacteria in pet waste can survive for years. It enters water sources through storm sewers, ending up in local lakes, rivers and streams.

Where these challenges are not properly met, property values and rents drop, and repair costs increase.

It is estimated that 40 percent of pet owners fail to clean up after their pets which forces building management to play an active role to address the problem.

A community where "someone else" cleans up pet waste is one where residents quickly learn that someone will do this work for them.

Proactive pet waste management begins with establishing expectations. Management should

have a registration system for all pets. Owners should know they are responsible for cleaning up after their pets in all common areas, ensure pets don't cause damage to property and don't act in a threatening manner. Noisy pets don't belong in a high-rise community.

To aid pet owners in acting responsibly, some communities establish pet waste stations stocked with pet waste disposal bags and a receptacle. Underground receptacles work best to keep disposed pet waste away from people and pets without it smelling. These large receptacles are periodically emptied by a disposal service.

Biotechnology in the form of pet dna services ensure that those who fail to pick up after their pets are identified and charged the cost of their irresponsible actions.

Communities which implement effective pet waste management solutions report up to a 95 percent reduction in pet waste problems.





REQUISITION MEETINGS

When an Owners' Meeting is requisitioned, who runs the Meeting?

1. Is it the Board or requisitioners who run such a meeting?
2. Must owners comply if a Board wants all questions for discussion submitted at least one week prior to the meeting?

This meeting relates to financing a window replacement project - no binding votes, just free-flow discussion!

E. D.

Response from Toronto Condo News

Requesting, or requisitioning, a meeting of owners can be an effective way to inform the board that certain issues are important to, and possibly require action of, owners.

In your case, the meeting pertains to financing of a window replacement project. This suggests condo fees have been too low. Raising condo fees is, at this point, unlikely to provide necessary funds as quickly as required. A special assessment provides immediate funds. Financing avoids having owners make an immediate payment but obligates them to

repay this money over time inclusive of interest and fees.

Once a meeting requisition is delivered, the board must call and hold an owners' meeting within 35 days. The board would run the meeting. If the board fails to call a meeting, owners can do so.

You describe the stated purpose of the meeting as a "free-flow discussion" with no "binding votes". Asking for questions to be submitted in advance of the meeting is a reasonable and responsible approach to ensuring a productive meeting. It allows board members to be prepared with answers to questions. Without this preparation, owners could find that the board is unable to respond to specific concerns or questions. Advance submission of questions does not preclude other or follow-up questions at the meeting.

Owners may choose not to comply with the request that questions be submitted in advance. It may also mean the board is unable to provide a satisfactory response to unexpected questions at the meeting.

Financing of this project may not eliminate the need to raise monthly condo fees, implement a special assessment, or both. What is clear is that your reserve fund is not adequately funded for this project. If it were otherwise, there would be no need to obtain financing. It would not be surprising to find that your reserve fund is not adequately funded for other projects that have yet to be discussed.

Your corporation's current need for financing likely signifies failure by your current or past boards. It would be helpful for your community to understand the cause of this failure and to implement changes so that it is not repeated.





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