

## WHAT CONDO DWELLERS ARE READING

# WHO HAS THE LOWEST CONDO FEES



Nearly 70 percent of condominium corporations have inadequate funds set aside and higher contribution amounts averaging 50 percent are necessary according to Auditor General Bonnie Lysyk in her report **Value-for-Money Audit: Condominium Oversight in Ontario** (2020). In their survey, nearly one-third of condominium corporations reported raising funds through special assessments within the last five years.

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## FROM THE EDITOR .....

This Tariff War between the United States and Canada is having huge geopolitical ramifications. At a more local level, it is expected to have a large impact on condo corporation finances.

Communities, and their local vendors, require supplies and equipment from the United States. To the extent that this equipment and supplies are subject to tariffs, costs to condo corporations will increase. Even locally sourced equipment and supplies are likely to increase as vendors see an opportunity to increase their profit margins while ensuring their prices remain lower than US-based competition.

It remains unclear if or how this will impact on delays to obtain replacement parts or supplies for infrastructure such as elevators, window systems, HVAC systems, landscaping and renovations.

Be prepared for another period of uncertainty and turmoil that may exceed pandemic-era inflation.

## A PEEK





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**MANAGE SMARTER**

*Addressing the shortage of condominium managers*

Face it. There is no solution to the shortage of condominium managers. The industry suffers from the same manpower shortages as the rest of Canada.



There are about 3,800 licensed managers in the province overseeing around 950,000 units in 12,120 condominium corporations. This is a little over three buildings per licensed manager before adjusting for those that are self-managed.

The luxury of having one full-time condominium manager assigned to a building is less common elsewhere. In British Columbia the typical manager handles a portfolio of between 12 and 16 properties working remotely from a head office. In Toronto and surrounding regions, having a manager dedicated to a single building has become accepted even in non-luxury buildings. Buildings with more than 350 units can probably justify a full-time condominium manager working onsite. Communities of more than 800 units may be able to justify a full-time condominium manager and administrator. Smaller communities can likely be managed with a less-than-full-time manager working remotely.

This shortage of condominium managers will get worse as those most qualified are nearing retirement and fewer replace them.

More experienced managers, those with

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**CONTINUED PAGE 4 ...**



# CONDO BOARDS & MANAGEMENT

## MANAGE SMARTER... CONTINUED FROM PAGE 3

skills in the areas of budgeting, mechanical systems, technology and interpersonal dealings, are in greater demand and command a higher salary. Some have advanced degrees in business, engineering or other areas.

Some claim the solution is increasing salaries which reportedly start at about \$70,000 in Ontario. Yet paying more in salary does nothing to address a country-wide shortage of people willing and able to do the work. Condominium corporations can find it difficult to justify such a salary to owners who earn less and must pay this expense.

Condominium managers handle the day-to-day operations of a condominium corporation. They work to ensure condo buildings are well-



maintained, financially sound and compliant with the law. The condominium manager is the point of contact for building residents, and the

primary contact for those dissatisfied with decisions made by the condo board to which managers report. Without condominium managers, buildings can fall into a state of disrepair. Residents can be forced to contend with infrastructure, maintenance, legal and financial problems.

### Smarter Management

Some believe there is a shortage of condominium managers. Perhaps the

real problem is how they are deployed.

Condominium corporations can be smarter in how they attract the best and brightest. This will entail changes in the way they hire and train their managers. Management companies can be more innovative and efficient in how they operate.

Condo boards are under pressure to keep costs down. One way to do this is paying less for condominium management. Another is to be smarter in their hiring practices and how they operate. Better management generally produces better results. For condominium corporations this translates to fewer issues, problems resolved more quickly at lower cost, and more satisfied residents.

Condominium corporations can be smarter about management of their community. Putting in the right procedures, policies and technology will improve all aspects of building operations. A good condominium manager knows how to use these tools and allows the corporation to operate with fewer employees. It is entirely likely that many condominium communities with two people in the

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## MANAGE SMARTER... CONTINUED FROM PAGE 4

management office may only require a single full-time or part-time manager.

[Duka Property Management](#) offers ways for condominium communities to work smarter.

- Implement condo management software and require that management fully utilize it. This provides a central filing and search system for electronic records.
- For those without condo management software, paper records should be stored in an accessible filing cabinet in an organized manner for immediate access. Records for current residents and owners, current vendors and active contracts should always be readily accessible. Older records, those unlikely to be needed, can be stored elsewhere for retrieval if necessary.
- Encourage residents to provide an e-mail address to receive electronic communications. Inform them that most information is provided only in this manner.
- Eliminate printed notices except when legally required. Require that all management and board communications be transmitted electronically through the system. Time spent printing, delivering and posting notices is

eliminated. Residents read notices if they choose to do so and at their convenience.

- Encourage residents to submit service requests through the condo management software system. Benefits of doing so include faster response, history of actions taken in addressing their requests, and status updates. Direct management to address electronic service requests ahead of those submitted verbally or in print.

When the time comes that you need to replace your condominium manager, or they become temporarily unavailable, these actions will allow any replacement to seamlessly take over.



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## WHO HAS THE LOWEST CONDO FEES... CONTINUED FROM PAGE 1



condominium corporation risk management. It states that low reserve fund contributions will likely lead to overwhelming annual increases and require lump-sum payments from owners to cover shortfalls.

Results are similar In the United States. A review of over 60,000 reserve fund studies found insufficient cash and substantial deferred maintenance for a third of them.

YCC 82 is likely a leader in having low condo fees. They owe \$8 million and repairs in the amount of \$14 million are necessary. Owners are required to pay a special assessment ranging from \$30,000 to \$42,000. In the United States, Champlain Tower South in Surfside, Fla. was likely a leader in low condo fees until a partial collapse killed 98 people. Low fees were achieved by choosing not to undertake building repairs.

When condo fees are insufficient to pay for necessary work, owners receive a bill for this work called a special assessment which can be particularly difficult on retirees with fixed incomes.

More recently, the Canadian Institute of Actuaries has published a similar warning in a research paper on

Residents become complacent when evaluating their own home after a number of years. They fail to notice doors that no longer fully close, paint peeling, common area furniture that is worn and unrepaired, spaces not cleaned as frequently or as well, and other signs of deterioration. There can be too much emphasis on having low condo fees. Many avoid speaking out about problems for fear that fees will increase. Directors are re-elected when they promise to keep fees low without consideration of the consequences.

It is easier to accept all this rather than speak out or get involved with management by serving on a condo board. When superficial issues go unresolved, this is a sign that underlying and more serious problems are likely unnoticed until too late. By the time owners are aware of problems in their high-rise home, there are few alternatives to an immediate and dramatic cash infusion to undertake repairs that are now much more expensive.

It is not a good thing when condo fees are low, and fail to increase as the cost of maintaining a building increases.



## DOORBELL CAMERAS PRESENT PRIVACY CONCERNS



Doorbell cameras are an elegant solution to improving high-rise building security.

Doorbell cameras provide security in hallways which are not typically monitored by building security or security cameras. They address a weakness in building security that is often ignored.

Doorbell cameras are inexpensive and easy to install. They help to screen visitors and monitor package deliveries.

Installing doorbell cameras in a condominium building raises privacy concerns for neighbors and can be a violation of condo rules.

Condo residents are not allowed to make exterior changes to their patios, decks or front doors which are exclusive-use common areas subject to condo rules, by-laws and declaration. When installed on a front door, the doorbell camera may capture images of another home across the hall which is an infringement of privacy or harassment.

Condo boards have authority to grant use of doorbell cameras. Any doorbell camera in a high-rise building aimed at the entrance to the unit directly across the hall is a problem. A practical solution is to mount the camera on the opposite wall or from the ceiling so it doesn't monitor any other unit. With audio capture turned off, this offers a reasonable accommodation. Condo

boards can allow doorbell cameras to be used in this way subject to signing an agreement stating it can't be used for harassment or invasion of privacy, any audio features are turned off, it is not adhered in a way that can damage building property, and must be removed when a resident moves out. Permission can be revoked if these terms are broken. The corporation should retain the right to periodically check footage captured by the doorbell camera, ensure no audio is captured and can utilize footage for security purposes.

Doorbell camera footage can be shared with building management or the police to identify individuals undertaking illegal or improper activities in the building.

Doorbell cameras are an effective way to improve building security when their placement and use is controlled by reasonable rules.





## RELATABLE CONDO BOARD PROBLEMS

Too many condo board members feel or find that their role is more akin to being a property manager. This takes away from their primary role and has them involved in operational aspects better handled by management. The primary reasons for this can be avoided by establishing and enforcing both board and management practices.

### Management Overload

Some condominium managers are overwhelmed. They handle too many properties or have too many responsibilities. Communities where their condominium manager has insufficient time to do everything expected of them need assistance. This often comes from volunteer condo board members. This can be avoided by employing competent management, having a job description and providing them with support by helping to control the workflow.

### Quiet Quitting

Unhappy employees don't quit which means the condominium corporation continues to pay salary, and eventually severance pay, without receiving the services and support being paid for. They are more likely to do the least work possible, make mistakes and not care about their work. This leads to dissatisfaction with management. Eventual dismissal and severance pay gives the underperforming employee time to search for alternate employment and paid time off between jobs.

Condo boards suspecting that management is not

doing their job well should find a replacement before this occurs, and terminate their employment before the situation worsens.

### Technology Gap

Lack of technology means everything takes longer, costs more, or that critical decision-making information is missing. Building systems should be accessible remotely from management's office computer. Board and resident communications should be timely and accessible. Responses to service requests should be prompt with requests being logged for ongoing analysis and decision making. Accounting should be electronic to the greatest extent possible.

### Board Support of Management

Board support means regular contact with management without board members doing the job of management. Too many people making independent decisions tends not to go well.

### Warm Seats

Some condo directors like the idea of "being in charge" without doing the hard work. They lack passion and focus. There can be dozens of e-mails about paint colour or questions about prior management decisions, and limited interest in evaluating upcoming major expenditures. A condominium manager responding to these individual minor inquiries and detailed explanations of prior decisions has no time to deal with more important matters.

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## TREE CARE



Trees serve an important and necessary purpose in our communities. Yet, urban and suburban environments are not the best for trees which evolved in forests without concrete, pollution and salt.

Trees are living organisms. Much like people, they are sensitive to irritants, health threats and other challenges. Protecting them from these threats is necessary to keep trees healthy and thriving.

Condo and high-rise communities fill their tree pits with mulch or peat moss, and plant annuals around them. These beautification efforts cut trees off from the water and oxygen they require, and are about the worst thing that can be done to preserve healthy trees.

Annuals and mulch absorb water. They rob trees of the moisture and nutrients required to survive unless trees are watered on a regular basis. Annuals planted around a tree can damage tree roots. That tree which is intended to survive decades gets damaged for flowers that survive no more than a couple of months. These flowers

suffocate the base of the tree and damage the bark. Contractors that place mulch up against the trunk deprive a tree of the oxygen, nutrients and water it requires.

If trees are to survive, old mulch should be removed and new mulch added at least once a year. Old mulch can be left in the earth to decompose into the soil and provide nutrients, but not up against trees or their roots. This will suffocate a tree.

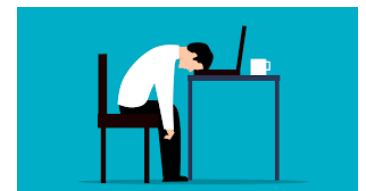
Knowledgeable and experienced tree professionals can advise on the best types of trees for a property, proper maintenance and care for them, and best practices to ensure they remain vibrant for future generations to enjoy.



### RELATABLE CONDO BOARD PROBLEMS... CONTINUED FROM PAGE 8

Board members should meet separately to identify concerns and questions, then present them to the condominium manager in writing or at a separate meeting. This allows the manager to focus more of their time on managing the community and building.

The condo board controls how their community and management operate. They decide priorities and efficiencies.





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## ENSURE YOUR STATUS CERTIFICATE IS TRUTHFUL



One of the provisions in the Condo Act is that a condominium corporation must issue a status certificate, on request, to a prospective purchaser or mortgagee of a condo unit bringing to their attention matters that may affect their purchase or financing of a unit. This includes information on a corporation's financial status, ongoing legal disputes, its rules and regulations.

A condominium corporation failing to adequately disclose to a prospective purchaser in a status certificate the existence of a likely special assessment or loan has costly consequences.

One individual purchased a unit after relying on a Status Certificate that stated "The Corporation has no knowledge of any circumstance that may result in an increase in the common expenses for the unit. Except: The Corporation's fiscal year end is August 31, 2021. Therefore, monthly common element fees may be increased in accordance with the new budget which has yet to be determined."

Shortly after purchase, the owner learned that the condominium corporation was seeking authorization from owners to borrow up to \$2.5 million to undertake repairs. The new owner's share of repair costs was estimated to be around \$34,000. Payment was due up-front as part of a special assessment or as part of the loan. The corporation was aware of these repairs since at least 2017. It had obtained quotes, retained a consulting engineer, and the corporation's auditor had flagged this project as needing a special

assessment and/or loan. None of this had been disclosed in the status certificate.

The court agreed and decided that the corporation's status certificate failed to fully disclose existence of this work and likelihood of a special assessment. It exempted the owner from the special assessment or loan for however long the unit is owned. The result of this is that all other owners were required to contribute a larger amount to pay for the necessary work.

Condo boards failing to recognize their duty to make full disclosure in a status certificate place a financial risk on all owners.

[Click here to read Bruce v Waterloo North Condominium Corporation No. 26, 2023 ONSC 2995 .](#)





## DESIGNING THE IDEAL TERRACE OR BALCONY

Higher-end condo units with large terraces are in greater demand. Once purchased and moved in, it comes time to consider what can be done with these massive spaces. Preliminary decisions are made and condominium management needs to approve any renovation plan before proceeding.

A plan drawn up by a landscape architect is needed for any terrace or balcony renovation. Plan approval by the condo board is more likely if based on an accurate original (or base) architectural plan complete with three-dimensional colour renderings.

An original architectural plan can be obtained from the building developer or local municipal building department. Once obtained, a site inventory is required to determine what is currently missing from the original plan which may include metal plates covering anchor points for window cleaning and safety equipment, hose and gas connections, electrical outlets, exterior floor materials and underlying materials, area drains and changes to original angling or pitch of the floor.

Your new design is likely to include:

- Screens or walls to emphasize desirable views or hide undesirable views
- Outdoor furniture for relaxation and dining
- Food preparation facilities such as an outdoor kitchen or barbeque
- Barrier-free or handicap access to and from the interior of the home
- Flooring to cover underlying concrete or replace older flooring

- Planters or growing spaces including flowers and other greenery
- Water element

Once these elements are decided, weight of everything inclusive of tubs, saunas, structures, planters and people will have to be calculated and compared against total floor load capacity.

Wind patterns - strength, direction and frequency - needs to be considered, particularly at higher levels. All elements of the space should be structurally sound based on prevailing winds.

### Aesthetics and Safety Considerations

Screens and panels will need to be well-anchored without penetrating the underlying concrete.

Drainage needs to be sufficient for handling heavy rains expected in the coming years without overwhelming the drainage system.

Storage units, outdoor kitchen and barbeque, vertical panels and plantings need to be secure and not visually unsightly when viewed from other units.

There should be sufficient clearance from metal plates covering anchor points for roof cleaning equipment and materials used for window cleaning.

A large terrace or balcony is an extension of the home providing a space for relaxation and entertainment. It's worth the time and effort to do it properly.

## OUT OF BREATH

### *Elevators Constantly Out of Service*



Condo building elevators are more frequently out of service and taking longer to repair. Building residents are having to climb up to 40 floors while those unable to travel by stairs remain stuck at home. One study, in 2018 by the Auditor General, found

that most elevators were not in compliance with safety laws and that the situation was getting worse. Despite only a few elevators posing a serious safety risk, about 80 percent of elevators fail their TSSA inspections each year. What this means, presumably, is that there are “failures” which do not pose a safety risk requiring an elevator to be closed down but which should be addressed.

Ontario has far more elevator inspectors in relation to the number of elevators compared to any other jurisdiction in North America and operate under the strictest elevator codes.

In under elevated condominium buildings with aging elevators, a lack of elevator mechanics and condo boards failing to maintain elevators properly explain why these problems are unlikely to disappear.

#### Elevator Servicing

Four major companies build 90 per cent of the elevators in Ontario and maintain more than half of them. Elevators may have been installed at reduced rates with maintenance generally charged at above market value. For the first ten years of operation, elevator servicing is typically done by the manufacturer. After this time, a building can hire an independent contractor to service the elevators.

Elevators contain proprietary components which limit who can service it, cost and availability of parts. Parts manufactured overseas can take months for delivery. Condominium buildings will often maintain their service contract with the

**CONTINUED PAGE 14 ....**



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**OUT OF BREATH... CONTINUED FROM PAGE 13**

manufacturer to ensure they can be serviced during an elevator’s 20-to-25-year lifespan.

Elevator companies will often assign one mechanic to about 30 residential buildings. Commercial buildings, where one mechanic can be assigned to two or three buildings, pay more for this level of service.

Failure to Maintain

“Some condo boards choose not to pay for the necessary level of maintenance to ensure elevators remain operational” explains Phil State of [Quality Allied Elevator](#). “They may know a part needs to be replaced or that servicing is required even though the elevator is still working. They choose to delay repairs or servicing until failure occurs.” When an elevator eventually stops working, it is out of commission longer, more damage must be repaired and costs are higher. Remaining elevators are under greater strain and can fail faster.

A higher level of servicing is unappealing to many condo boards focused on not having owners pay a proper level of condo fees to maintain their building.



**BRINGING POOR OUTDOOR AIR QUALITY INDOORS**

When outdoor air quality is poor, what can managers do to maintain better indoor air quality?

If your first thought is to close the building’s makeup air equipment to maintain superior air quality inside the building, think again. Shutting down equipment to prevent fresh air from entering the building has adverse consequences and should be avoided.

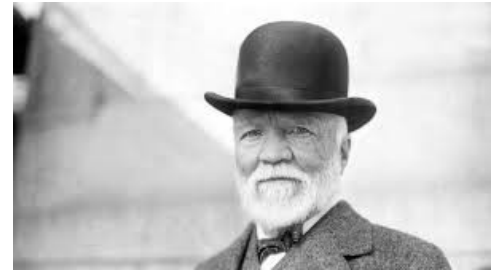
Air makeup equipment is designed to ensure adequate ventilation within the building. It supplies fresh air to pressurize hallways and common areas which prevents odours from entering units and common spaces, producing a healthier and more comfortable environment.

The most immediate solution to maintain good air quality and avoid the negative consequences is to upgrade air filters and adjust ventilation rates. More airborne particles, including those which are harmful, get caught in the filters. MERV rated filters help improve indoor air quality even when outside air quality is poor. More frequent filter changes also help to improve indoor air quality.

Your building’s ventilation rate can be adjusted to reduce the intake of temporarily poor-quality outdoor air while continuing to provide sufficient fresh air to meet minimum requirements.

Finally, keep your air management equipment clean. Accumulation of dirt, debris or pollutants in filters, coils or ductwork will restrict airflow, reduce system efficiency and allow pollutants into the building.

## RETHINKING MEETING MINUTES



Meeting minutes are a crucial part of condo corporation records. Any owner, purchaser or mortgagee of a unit can request and is entitled to access meeting minutes and other corporation records. Keeping them simple and unbiased helps maintain the integrity of board decisions and the corporation.

Yet, condo board meeting minutes often appear intentionally written to obscure conflicts, disagreements or discussions that occur during the course of board meetings.

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. Without meeting minutes there may be no way for a Board to defend itself in court should this become necessary.

Meeting minutes should show how condo assets are managed and how condo fees are spent. They document the financial position of the corporation and decisions that affect residents. Minutes are legal documents used by legal authorities, auditors, tax authorities and others as representation of actions by the Board. They are admissible in court as a reliable accounting of board actions.

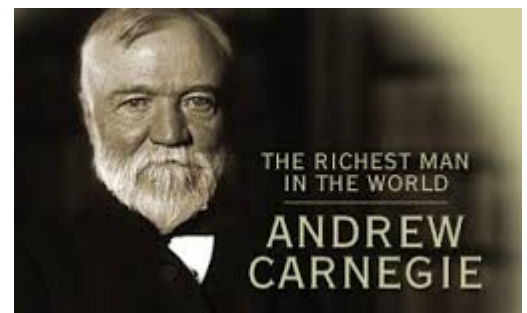
Yet condo board meeting minutes maintained in this manner do not represent the interests of owners for whom meeting minutes are the only way to gain an understanding of board actions and

decisions.

Andrew Carnegie was possibly the most successful industrialist of all time. He ran much of his empire from afar and relied on meeting minutes to understand his business operations and board actions. Mr. Carnegie demanded “full, precise minutes of the proceedings of board meetings” and that “the votes of each member, pro and con, in the Board shall be recorded”.

According to Mr. Carnegie, minutes should not only record every member’s vote on every issue but “in addition to this ... any reason or explanation which a member desires to give for his vote. If this were properly done, then any of us looking over the Minutes would be able to judge of the judgment displayed by the voter, which of course, would affect his standing with his colleagues. It would bring responsibility home to him direct, and I do not see any other way that will enable us to judge whether any ... has good judgment or not...The minutes cannot err in being too full, the fuller the better. They can err in being too much curtailed.”

Mr. Carnegie’s success shows the value of properly detailed minutes intended to inform rather than obscure board activities.





# TRASH ROOM MAINTENANCE



Your building's waste disposal system has heavy demands. On a daily basis residents dump their trash, recycling and organics waste down metal chutes that end in the trash room. Chutes get coated with waste from unbagged or

improperly bagged items. Bacteria coats the chute walls from which odours emanate. Vermin, odour and bacteria from an unclean disposal room and waste disposal system can cause havoc through a high-rise building.

Maintaining a clean disposal room, area and chutes should not be overlooked.

## Vermin, Pests and Hygiene

Unbagged household waste going down the trash chute and sitting in the dumpster is a breeding ground for bacteria, mould and pathogens. It attracts rodents and other pests that make their way throughout a building.

Establish a regular cleaning regimen for waste systems and spaces. Ensure chute walls are cleaned of grease and organic matter so as not to become a food source for pests.

## Odour Control

Once waste bins and dumpsters are emptied, ensure they get cleaned using an industrial degreaser before being returned for use. Between

cleanings, utilize products to keep equipment and spaces clean, hygienic and odour free.

## Equipment Maintenance including Fire Safety Systems

Regular maintenance and cleaning of a building's waste system and spaces facilitate identification and completion of necessary repairs before they become a problem.

The first noticeable sign of damage to equipment or systems may be a constant smell from the chute, garbage bin or trash room. These are indications of a larger concern. Grease, oil or residue may be damaging the waste equipment or systems. Immediately address the problem to avoid damage to floors and waterproofing systems.

A regular cleaning regimen provides long-term savings. It preserves and lengthens the life expectancy of waste disposal equipment. Emergency repair and replacement costs are reduced.



In the event of fire, a fire damper should close to prevent it from spreading up the chute to other floors. If a fire occurs in or expands to the trash room compactor, this damper can melt and be unable to close.



## ASSESSING YOUR PROPERTY



While looking for that perfect home, house hunters should evaluate the condition of properties they visit. Age, structural integrity, maintenance and renovations are important as is energy efficiency.

Some desire a move-in ready home. Others are prepared to repair, renovate or gut the entire space. Pet and smoking policies, access to washers and dryers, and effectiveness of heating/cooling systems are important considerations.

Assess the property's overall condition. Check out the basement and parking areas, fitness room, storage, bicycle storage, laundry room, roof, garbage or trash room, and emergency exit stairwells. Ride elevators to see how they function. If unit problems are noted, obtain repair estimates.

Review the financials. Pay particular attention to the reserve fund level, monthly condo fees, recent changes in fees and any notices of pending fee or expenditure increases. Ask about recent capital projects and any that are pending.

In the unit, pay attention to the layout, room sizes, natural and fixture lighting, storage, and flow of the unit. Some prefer an open concept where the

kitchen, living room and dining room flow into each other. Separate rooms are preferable for others. Bedrooms may be next to each other or at opposite ends of the unit. Considering these factors will allow you to make an informed decision about the unit's suitability for your home.

At least once a year, condominium management and directors should play the role of prospective purchaser and take a look at the home with an open mind. This allows them both to identify problems and see how the home is viewed by others who purchase or rent based on the quality they perceive.



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## SMOKING RESTRICTIONS

Condominium corporations can prohibit smoking in all areas of a building including units.

It was once acceptable to smoke anywhere regardless of impact on those nearby. Today it is unacceptable to smoke in restaurants, airplanes or at work. It is unacceptable to smoke in a condo home without taking measures to ensure smoke and odour does not bother others.

Problems arising from smoking are evident. High-rise fires from smoking are on the rise and a serious problem affecting a growing number of people. An improperly discarded butt can cause death or displacement and extensive damage. Tobacco smoke and odour permeating through a building from a single suite can affect the health and comfort of many people and damage physical infrastructure. Structural renovations to prevent this, if possible, can be beyond the financial means of a community.

No hard and fast rules exist about smoking in condo communities. Some allow smoking in shared and private spaces. Others prefer to prohibit smoking. Some communities only allow smoking in suites. It falls on the condo board to decide which approach is best for their community. If there is a need to revise governing documents, a vote of owners may be required. Communities failing to address smoking in their by-laws or declaration may find

courts unsympathetic when those choosing to smoke become a problem for other residents or cause damage to common areas.

High-rise communities that allow smoking have enforcement challenges when actions in one suite affect other suites or common areas. And this nearly always happens. It cost one Greater Toronto condominium community \$150,000 to unsuccessfully prohibit smoking in one suite. The resident was a long-time smoker in a community allowing in-suite smoking. After complaints about his smoking, a resulting court action held the condominium corporation financially responsible for their actions.

Some claim that legalized smoking of cannabis (marijuana) does not fall under smoking restrictions. A resident may be under doctor's orders to use medical marijuana. Some may claim smoking prohibitions discriminate against certain religious rituals.

The Condo Act protects the rights of residents to enjoy their home without being exposed to nuisances that include smoking. Regardless of which policies are in place, most communities have general policies stating that smoke cannot be allowed to transfer from a unit to other units or common areas. Yet without a documented smoking policy, condo communities will at some point be challenged to deal with, or defend their approach to, smoking complaints or problems.

## CORRECTING ELECTION NIGHT ERRORS



Your Annual General Meeting is complete. Elections for directors have been held and results announced. Your new condo board is confirmed and ready to act.

between those who had tied.

There is no option for announced election results to be decertified. Once the chairperson announces the result of the vote, that decision is final and binding unless reversed by the court. Neither the moderator (chair of a condo meeting), a board member or any other individual has authority to decertify election results.

To avoid a miscount or other errors, results should be checked and rechecked before being announced. There is no way to redo an election for condo directors after results have been announced.

The only option for contesting condo election results is to apply to the court. This is a time consuming and costly process few are prepared to consider for election to the volunteer position of condo director.



Days or weeks later it is announced that a mistake has been made. No matter how hard everyone tries, the human factor makes it impossible to avoid infrequent

mistakes. Even with electronic voting and automated counting, paper proxies and ballots create room for error.

In the case of PCC 76, the meeting ended with a tie for the final two positions so both individuals were elected. Results were announced and the election results were certified. The next day, GetQuorum informed management that its moderator had made a mistake. There was a three-way tie.

If this had been identified at the time of the election, there could have been a runoff election

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## THERMOSTAT WARS

In the battle of the sexes, nothing is more dangerous than touching the thermostat. In this climate change dispute, men love air conditioning on high when women want it turned off.

Women like it warm. Men like it cold. This battle is fought in homes, offices and cars. We have different core temperatures that cannot be reconciled. The battle begins when someone yells "It's freezing in here!" Men get confused because they are sweating or not wearing a shirt. How can it be cold in here?

According to The Washington Post, "Research shows that women tend to perform better on certain skills when the temperature is a little warmer, making them more productive, while men tend to perform better when the temperature is a bit cooler." Men shovel snow in short sleeves. Women snuggle under a blanket when reading or watching TV.

Luxury cars have solved the problem by offering multiple temperature zones. Driver, front seat passenger and back seat passengers can have different temperature settings.

"Another study found that there's a reason men and women often battle over the

thermostat — standards for heating and cooling buildings and offices tend to favor (sic) male comfort" explains The Washington Post. Women are more likely to wear sweaters or long sleeves in buildings.

Except for the smallest units, condo suites will often have more than one fan coil unit which offers a solution. Women get the bed and control the thermostat affecting that area of the home. Men can sleep in another area covered by a different fan coil unit they can set at a lower temperature. He can make this area as cold as he wants.

This is one battle nobody is likely to win.

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## CONDO BUDGET SURPLUS



Condominium corporations are not-for-profit organizations and not supposed to make a profit. After collecting what they think is needed to pay expenses, they need to decide what to do with any surplus that may exist at the end the year.

Each year a budget is created to estimate revenues and expenses for the following year. This is a compilation of known expenses, consideration of past trends and a prediction of what is to be required in the coming year. There may be an emergency float or buffer to cover unexpected expenditures.

At its best, the budget is an estimate. Nobody can predict the future. The goal is to maintain condo fees at the lowest possible level while paying the corporation's costs. Fiscal responsibility, cash flow management and maintaining operations is a complex task.

A perfect situation where revenues exactly match expenses is virtually impossible. Your end-of-year results should show a surplus – excess funds available at the end of the year – or a deficit which will have to be collected from owners.

In practice, it is not uncommon for a newer condominium corporation to maintain lower condo fees while continuing to grow the reserve fund. Rather than apply any surpluses in the following year, they are allowed to grow. At around the 15-year period for the building, things change. There is an increase in operating expenses and reserve fund demands as the building ages that gets funded by the accumulated surplus. Owners are given a false impression of what it costs to maintain their home when fees do not rise to cover growing expenses. Once the surplus is depleted, owners are faced with some combination of dramatic increase in condo fees, a special assessment, or the need to obtain a condo loan to pay for necessary expenditures.

***It is not uncommon for a newer condominium corporation to maintain lower condo fees while continuing to grow the reserve fund***

***Owners are given a false impression of what it costs to maintain their home when fees do not rise to cover growing expenses***

**What should the corporation do with a surplus?** If deficits must be collected from owners, should an over-contribution or surplus not be returned to them?

In the context of condominium corporation budgeting, a surplus can appear in operations, reserve fund or special assessment.

**CONTINUED PAGE 22 ....**

## CONDO BUDGET SURPLUS... CONTINUED FROM PAGE 21

***The Condo Act, Section 84 (2), does not allow an operating surplus to be returned directly to owners***

### Operating Surplus

The Condo Act, Section 84(2), does not allow an operating surplus to be returned directly to owners. One option is to apply a surplus against future common expenses. Another is to pay the surplus into the reserve fund. There is no option for selectively applying part of any surplus on an “as needed” basis.

### Reserve Fund Surplus

The reserve fund is an asset of the corporation. The Condo Act, Section 95(3), prohibits distribution or reimbursement of reserve fund money to owners or mortgagees. The fund can only be used for major repair and replacement of common elements or assets of the corporation. Income or revenue earned from invested reserve fund money is automatically part of the reserve fund and cannot be removed for other purposes.

### Special Assessment Surplus

Once funds are collected as part of a special assessment, they become an asset of the corporation and are not to be reimbursed directly to owners. They can be applied to the following year’s operating budget or to the Reserve Fund.

An exception to these requirements is on termination of the corporation when a surplus can be distributed to owners or mortgagees.



***Once funds are collected as part of a special assessment, they become an asset of the corporation and are not to be reimbursed directly to owners***

## GRADUAL ENFORCEMENT OF GOVERNING DOCUMENTS



When it comes to enforcement of a condominium's governing documents – declaration, by-laws and rules – it is possible to be overly lax or aggressive. Both are detrimental to condominium governance.

Balance is a necessary component to enforcement commencing with educating residents and relying on full enforcement for those who have been educated and fail to comply. When infractions occur, residents and owners need an opportunity for voluntary compliance before enforcement measures commence.

The Condominium Authority Tribunal (CAT) in its rulings make it clear that the condominium corporation has a duty to enforce their governing documents. There is no leeway for allowing a difficult owner or resident get away with infractions.

### Exercising Discretion

The board can exercise their discretion not to enforce governing documents. When doing so, they must be able to provide a valid reason. When condo rules are clear and mandatory, such as no smoking or improper parking, the condo board has no discretion in enforcement. A failure to enforce any clear and mandatory rule is a failure to fulfill their duty to enforce.

Some rules are clear. Others can be written in a way that offer discretion by inserting words that include "may", "should" or "could". Condo rules should be reviewed to determine whether or not

there is any discretion built into them. When discretion is exercised, reasons should be documented in case the discretion is challenged.

Enforcement can be too extreme. In one parking situation, a vehicle was ticketed and towed for failing to display a parking pass. CAT ruled that these actions were too extreme and that the corporation acted unreasonably when exercising their discretion to have the vehicle towed. The owner was a new resident who had never had a prior infraction. They had received no warning prior to an action – towing – that was identified as a possibility. This caused unreasonable difficulty and cost to the owner that was excessive.

### Progressive Enforcement and Investigation

It is a good practice to adhere to progressive enforcement.

Rules should be clearly posted in a way that is accessible to residents. In addition to having them fully available online, area-specific rules should be posted as appropriate. Waste and recycling rules would be posted in the trash room. Exercise room rules would appear in the exercise room.

First-time offenders would receive lesser consequences such as a written warning asking them to comply. Newer residents, who may not be familiar with specific rules, are provided with reasonable notice and the chance for voluntary compliance. Repeat offenders would receive more

**CONTINUED PAGE 24 ....**

**GRADUAL ENFORCEMENT OF GOVERNING DOCUMENTS**  
**... CONTINUED FROM PAGE 23**

significant consequences. Their electronic fob may be reprogrammed to deny access to certain common areas. After multiple warning letters, the offender may receive a legal letter and the owner required to pay legal costs.

A condominium corporation is required to undertake an investigation prior to making accusations. They cannot accuse a resident with smoking or unreasonable noise in their unit and undertake enforcement actions without an investigation providing reasonable proof. This could be achieved by visiting the unit, photograph, video recording, or third-party documentation. At the very least, this requires more evidence than someone making a verbal or written complaint.

**Chargebacks**

Innocent owners should not be required to pay the costs of enforcement when one resident or owner breaks the rules. When a condominium corporation is successful in obtaining a compliance order that does not include all costs, outstanding costs can be charged back to the unit.

Chargebacks are the way to recover these expenses from the offender.

Condominiums are not businesses that operate to make a profit. They are communities and their costs are borne by individuals. This can be achieved fairly and reasonably through gradual enforcement of governing documents and cost recovery with chargebacks.



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## SORTING OUT RESPONSIBILITY FOR INSURANCE AND DAMAGES



Insurance is one of the most confusing aspects of condominium living. Recovering damages relating to maintenance, repairs and accidents is complex.

Every condominium corporation maintains insurance - a master policy - which protects the corporation against liability for injuries and damages that occur on the premises.

Condo owners and renters require personal coverage to address what is not included in the master policy. Condo owners can be held liable for damage to other suites or common areas. Landlords require protection against tenants that fail to maintain adequate insurance coverage. Without this protection the owner of a unit with a kitchen fire or overflowing bathtub causing damage beyond the suite could be responsible for paying a deductible in the tens of thousands of dollars, and

possibly additional costs to repair damage.

Condominium Corporation Liability and Limits  
After water damage, fire or other events, major repairs become necessary. As a general rule, the condominium corporation is required to insure both units and common elements for major damage. They are also generally responsible for repairs up to the level of what is defined as "the standard unit" which excludes improvements.

Every condominium corporation insurance policy has a deductible which may be in the thousands or tens of thousands of dollars, or possibly higher. According to the Condo Act, the corporation is responsible for dealing with damages exceeding the deductible regardless of how they are caused. Less clear is who is responsible for repair costs up to the amount of the insurance deductible.

**CONTINUED PAGE 26 ....**

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## SORTING OUT RESPONSIBILITY FOR INSURANCE AND DAMAGES... CONTINUED FROM PAGE 25

### **Act or Omission**

An "act or omission" refers to an act or omission by the owner that caused or resulted in damage to common areas or other units. When an "act or omission" occurs, the corporation can charge back the costs of repairing an owner's unit. This amount is limited to the lesser of repair cost or the insurance deductible.

Communities concerned for the safety and security of their residents and building infrastructure will undertake an annual building audit of residential units. Within each unit they look to ensure there are no safety, security or maintenance concerns. They look for water or moisture damage, leaking toilets, faucets or pipes; window damage or caulking requiring repair or replacement; damaged security, carbon monoxide, smoke detection or sprinkler systems; signs of pest infestation; and anything else that can impact on other units or common areas. Identified concerns are documented for management and each resident. Should problems in one unit arise that impact other units or common areas which were previously documented, this would be a resident failure to address a known concern and constitute an "act or omission".

### **Insurance Deductible and By-law**

The corporation does not have automatic authority to charge back to an owner the costs of repairing damage to common areas or other units. It may have enacted an Insurance Deductible By-law that identifies when costs of repairing units and common areas can be charged to the unit that caused the damage. This would be applicable only when there is an "act or omission".

### **Standard Unit By-law**

When the corporation has a Standard Unit By-law, it determines responsibility for repairing or maintaining improvements made to units and for

insuring them. It helps ensure in-suite improvements made by a condo owner are their responsibility to insure.

The Standard Unit By-law limits the corporation's obligation to repair damage up to the level of the standard unit. It simplifies identifying what repairs are improvements and where the corporation's obligation to pay for repairs ends.

The existence of a Standard Unit By-law limits the corporation's obligations to repair when there is no "act or omission", or if there is no Insurance Deductible By-law, in which case the unit that is the source of damage is responsible for the cost of repairs.

### Condominium Residents

All condo residents are expected to have insurance covering their personal possessions. Depending on the policy, there may be coverage for the condominium corporation's insurance deductible. The policy may include a personal deductible and other limits.

How the condominium corporation chooses to handle an insurance-related matter can impact on personal policies. For an identical damage situation, one corporation may file with their insurance provider. Another may choose to pay for repairs rather than risk higher future premiums or deductibles. In short, the corporation's actions may dictate how your insurance provider responds.

The condominium corporation's insurance provider will work with insurance providers for affected residents to identify coverage and limits of each individual policy. When an insurance policy does not cover repair and replacement costs on a unit, the individual holding the policy is responsible for these costs.

## WINDOW REPLACEMENT PROJECTS



Modern day high-rise buildings deliver light to a huge expanse of indoor space through a great expanse of windows. Replacing them, once they have outlived their useful life, is one of the largest projects undertaken by a condo corporation. Individual windows need to be replaced as they age or get damaged to ensure energy efficiency and maintain envelope performance. At some point it becomes necessary to replace all windows and window systems in a building.

Perhaps the most challenging task for a condominium corporation is how to pay for this massive expenditure. From inception to completion, a complete window replacement project can take up to half of a condominium manager's time. The Condo Board and management deal with financial implications, coordination, intrusiveness of the work and storage requirements, and expectations of owners.

Planning begins years in advance. There has likely been a growing number of complaints relating to windows and doors. The massive cost of this project requires a long-range plan to develop a budget, ensure funding is available, employ a capable consultant or contractor, obtain necessary materials and address storage requirements.

The reserve fund is an integral part of planning. If sufficient funds are unavailable, plans are necessary to raise condo fees, implement a special assessment or obtain a condo loan to fill the financial gap.

The project is invasive. It requires access to each unit. Personal possessions must be relocated. Window finishings removed. Residents may have to temporarily relocate. Communication is essential so that each resident knows what they must do to prepare for this work and when they may need to leave their unit.

### Cost

A window and window system replacement project can cost millions, or possibly tens of millions, of dollars. A contingency fund is necessary for unforeseen issues that may arise once the project has started. Removing older windows may reveal an unexpectedly poor infrastructure that needs to be repaired or replaced at additional cost.

### Scheduling

If a majority of reported problems are on the west side of a building, that wall should be scheduled first. To minimize disruption, all windows and doors for an individual unit should be done within a period of not more than ten days. This ensures each owner is affected once. Interior repairs and finishes can be completed at a later date if necessary.

Any schedule will be disrupted by weather so anticipate changes to timing.

Once completed, a community reaps the benefits of newer windows. Fewer complaints about outside noise, water leaks and condensation are just some of the benefits. Lower maintenance and energy costs will be evident in condo budgets.



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## RESERVE FUND STUDIES NOT ALL EQUAL



Reserve funds are to ensure money is available to pay the cost of major repair and replacement for major capital items in condominium buildings. This includes building exteriors such as roofs, windows and walls; roads, walkways and lighting; building interior including lobby, hallways and recreational spaces; underground garages; elevators; mechanical systems and electrical components; and landscaping.

A portion of monthly condo fees is usually transferred to the reserve fund each month. The Condo Act restricts how these funds can be used, and owners do not have the right to vote against necessary repairs or funding as in Florida prior to the Surfside building collapse.

Reserve fund studies are a sophisticated budgeting exercise providing an estimate of future reserve fund expenditures. They do not determine when repairs, renovations, maintenance or building system replacements are to occur. These are determined at the discretion of the condo board based on current considerations.

Three types of reserve fund studies are undertaken every nine years.

1. A complete onsite assessment and analysis of all common elements. From this an estimate is made of all projected costs for replacement and repair annually over the next 30 years.
2. Three years later there is an onsite assessment without a physical assessment of all components.

**CONTINUED PAGE 30 ....**



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## RESERVE FUND STUDIES NOT ALL EQUAL... CONTINUED FROM PAGE 29

3. An offsite assessment occurs three years later without any physical analysis of components. This is, in essence, a review of the prior two assessments.

This cycle of three types of reserve fund studies, which is then repeated, means that a physical viewing of infrastructure occurs only once every nine years. Without someone physically looking at the infrastructure, smaller problems can occur and worsen to the point of crisis before anyone looks closely.

For six of the nine years, reserve fund studies are intended to ensure funding is maintained based on what was observed during the last complete onsite assessment. It protects funding without any review of physical assets for underlying or new problems.

Reserve fund studies are estimates based on assessments that incorporate inflation and interest rate considerations. They are a guide that is revised as individual building components undergo replacement or repair, or as priorities change.

Money is not set aside for specific uses. An elevator refurbishment costing more or less than estimated in the study impacts on funds available for other uses. A large unanticipated expense can require funds from the reserve fund that may be needed for other purposes. Items inadvertently left out of the assessment can deplete a reserve fund.

Once each reserve fund study is complete, the board is provided with a draft plan that includes estimated expenditures, timeline, and a contribution table establishing how payments to the reserve fund are to be made.



### A Weak Reserve Fund

A weak reserve fund, one where there are insufficient funds to pay for anticipated work, presents difficult challenges. A condo board could be required to

dramatically increase condo fees or have a special assessment to bring the reserve fund back to a proper level. When funding needs are immediate, a condo loan may be necessary.

Any condominium corporation generating more than \$1 million in fees and more than ten years old with a reserve fund under \$5 million is not in a strong position. It doesn't take more than a few major and possibly unanticipated projects to deplete the fund. When a building reaches about 30 years old, it is not uncommon to require \$15 million or more to undertake necessary repairs, updates and replacements.

Allowing a reserve fund to remain in a weak position is one of the biggest errors that can be made by a condo board.



## UNIONS AND CONDO CORPORATIONS



At some point it becomes necessary to replace your cleaning or security company. The Board meets to discuss this and the condominium manager informs that the current company is now unionized.

A collective bargaining agreement (CBA) exists between any company and a union representing its employees. This is a written legal contract between an employer and a union representing the employees. It is the result of negotiation between the parties on wages, hours, terms and conditions of employment. Your current employees have a CBA that must remain in place regardless of which company, unionized or not, takes over.

When soliciting bids from other companies, both unionized and non-unionized, it becomes clear what this means. Unionized companies may charge more for their services, and non-unionized companies refuse to submit bids. If a new company were to accept your business, this would require that they become unionized which they do not want. This is what condominium corporations, hospitals, municipalities and private companies throughout Ontario must contend with when seeking new building service providers.

When a building service provider replaces an existing unionized building service provider, that new provider must recognize the bargaining rights of the trade union representing current employees, and must apply the CBA of the outgoing company. While it may be that all employees of the former company no longer work at your community, this requirement applies.

The realization of how this legislation affects condominium communities has been slow. Prior to 2018, employees could choose to unionize or not, and condominium corporations could choose to employ unionized or non-unionized companies. When a new service provider took over at a condominium building with unionized employees, those employees could apply to the union in place at the building, select a different union or decide not to be part of a union. There is no longer a choice. Employees working for a non-unionized company must become unionized, and condominium corporations can no longer employ non-unionized individuals.

One of the consequences of this is that a condominium corporation is forced to abide by a CBA they were not involved in drafting and that may not be in their interest. Condominium management and boards may have to deal with multiple unions and CBAs requiring very different processes for dealing with employees and changes to working situations. These agreements may, for example, prevent condo directors from speaking with or directing employees in how they do their work. It may force directors to work through their condominium manager to which most employees report. Employing lower cost non-unionized individuals and more flexible working arrangements may no longer an option.

Both administrative and staffing costs are expected to rise for condominium communities forced to accept unionized employees.



## ENSURING SAFETY AND SECURITY

Being proactive and prepared is the key to maintaining a safe and secure home. Taking steps to minimize risks in your high-rise condominium building improves security, safety and reduces the need for costly insurance claims.

### Emergency Preparations and Building Practices

- Allow access to your unit for cleaning of plumbing stacks, dryer ducts, fan coil systems and fire safety system inspections.
- Be familiar with the building's emergency evacuation plan and location of stairwells. Create an emergency plan for your household.
- Maintain emergency supplies that include first aid kit, flashlights, batteries and non-perishable food that can be used should there be a power failure or shelter-in-place situation.

### Reduce Water Risks

- Periodically inspect your unit for indications of water leaks. Look for damp areas, musty odours or discoloration.
- Maintain your plumbing and water pipes in good working order with no visible signs of leaks.
- Regularly check your dishwasher, fridge and clothes washer hoses for evidence of wear and tear, and that they are properly connected.
- Install water or leak detection systems, with alarms and electronic notification, to quickly identify and respond to potential leaks.
- Be aware of how your air conditioning unit drains, and check regularly to ensure it is draining during warmer months.

- Have a licensed professional address any plumbing issues or concerns as quickly as possible.

### Reduce Fire Risks

- Ensure your unit is equipped with functioning smoke detectors and fire extinguishers. Smoke detectors should be less than 10 years old. Check the expiration date on fire extinguishers and ensure the locking pin is intact.
- Avoid overloading electrical outlets, use surge protectors and discard electrical cords with visible damage.
- Cook safely. Never leave the stove unattended and keep flammable items away from heat sources.
- Smoking, if allowed, should only be in designated areas. Cigarette butts should be properly extinguished before discarding.
- If using a barbecue, keep flammable materials a safe distance away. Completely extinguish a barbecue after use.
- If placing decorations on a door, avoid using any that can be ignited by a fire. This eliminates the fire rating for a door designed to protect you in the event of a fire.
- Avoid charging electronic or electric devices using an extension cord. Never tamper with or use unapproved batteries in electronic or electric devices.
- When charging cell phones and other electronic gadgets, ensure they are on a solid surface away

CONTINUED PAGE 33 ....



## ENSURING SAFETY AND SECURITY ... CONTINUED FROM PAGE 32

from bedding.

- If you require assistance in evacuating in the event of a fire, notify building management in advance of any emergency. This information can be added to the Fire Safety Plan utilized by first responders and building staff during an emergency.

### Reduce Security Risks

- Report suspicious activities or individuals to building staff.
- Be aware of who is accessing the building directly behind you. Report anyone unrecognizable to building security.
- Ensure all security or locking doors fully close after entering or exiting through them.

Should any security or safety incident occur in your presence, take steps to minimize damage and ensure personal safety. Immediately notify building management or security and provide them with all relevant information. Document the incident by taking photos and keeping records of any damage that occurred.

Any failure to promptly report a potential insurance claim can result in the insurance company denying coverage for any loss.



## KEEPING RODENTS AWAY

In the battle against rodents, humans are supposed to be more intelligent. Yet rodents appear to be winning the battles.

We cannot eliminate rodents. There are too many of them. What we have to do is act smarter. When poison and traps are used, rodents scurry around them to reach both food and shelter.

Integrated pest management offers a better solution. Take actions to keep rodents away from your food, including food waste, and home. Create landscaping that deters rodents from building burrows. Seal off building foundations and exterior walls to restrict their entry to buildings.

Do a better job of managing food waste so rats are unable to reach it. The less food we make available to them, the harder it is for rodents to survive. Repair or replace damaged or older dumpsters. Empty dumpsters and trash cans more frequently. Avoid open trash cans and dumpsters. Utilize odour control to prevent food odours from travelling. Implement a composting program. Use trash bins that are harder for rodents to access.

Technology solutions include “smart boxes” - enclosed traps that electrocute rodents. Smart pipes will ensnare and kill rodents which can then be disposed of. Specially trained dogs will find and attack them.

One community found that, after repairing damaged dumpsters, rats began killing each other off for food.



# CONDO BOARD AUTHORITY NOT ABSOLUTE

It has been nearly three years since the Auditor General's Value-for-Money Audit: Condominium Oversight in Ontario (2020) reported that over half of all condominium corporation reserve funds are underfunded. The situation has continued to worsen with others also estimating that condominium corporations will need to increase their reserve fund contributions by 50 percent to make up for past underfunding.

Reserve fund balances, while not the only area of concern, are more easily quantifiable because of the requirement that a reserve fund study be undertaken every three years. It is one way to identify past errors and predict future problems.

Reserve fund studies, and their estimated funding requirements, are easily manipulated by scheming or ignorant condo boards that may be operating with ulterior motives. The most common motive is to keep

condo fees lower than they need to be. Reserve fund requirements can change dramatically by adjusting the estimated future rate of inflation, modifying the projected lifespan of individual items in the reserve fund study, changing the estimated replacement costs for line items and other tactics which are entirely legal and prudent if undertaken with proper consideration. Too many condo boards employ these tactics to manipulate current condo fees, delay or speed up certain replacements of personal interest, or make the current reserve fund balance appear stronger than it is.

Condo owners only see the effects of financial shortfalls over time. A building may not be as clean as it once was. Water or elevator problems occur with increased frequency and last longer. Operational costs increase to maintain areas, systems or equipment that require replacement. One day, these

***Reserve fund studies, and their estimated funding requirements, are easily manipulated by scheming or ignorant condo boards that may be operating with ulterior motives***

***The most common motive is to keep condo fees lower than they need to be***

***Condo boards can employ tactics to manipulate current condo fees, delay or speed up certain replacements of personal interest, or make the current reserve fund balance appear stronger than it is***

CONTINUED PAGE 35 ....

## CONDO BOARD AUTHORITY NOT ABSOLUTE... CONTINUED FROM PAGE 34

growing problems overwhelm the financial resources of the community. There are dramatic increases in condo fees or a large special assessment that everyone must pay. Rarely is there an attempt to understand why this has occurred and how to prevent it from happening again.

### Condo Owners should Regain Control

It was about 150 years ago that workers created unions to fight corporations instituting unreasonable working conditions and paying substandard wages. People died over these disputes. The end result was a more balanced arrangement between employers and employees.

Some believe that condo owners should “unionize” to protect their rights. There is no reason for condo owners to organize in the form of a “union”. They have more authority and power than any union could ever hope for. They can require the condo board to implement, revoke or update rules, by-

laws and even possibly the declaration. They elect their directors. When dissatisfied with decisions, they can force a condo board to reverse them or have directors refusing to do so replaced.

Condo owners have an enormous amount of power and, as a general rule, choose not to exert their authority. This requires a majority of condo owners to support something and be prepared to do the

work necessary to enact change. This is spelled out in the Condo Act. When too many owners are apathetic, ignorant or unconcerned about an issue, it may not be possible to achieve the 50 percent support required to enact change.

Control begins with education. Read the financial information provided to you. Understand when something does not look right. Ask

questions and demand explanations from your Board. When explanations are not provided or sound suspicious, this is a sign that all is not right with your community, and that change may be necessary.

***Condo owners have an enormous amount of power and, as a general rule, choose not to exert their authority***





## DEMENTIA ON THE RISE

With the increasing numbers of dementia cases in Canada many condominiums are dealing with residents who have the disease.

Guidance is required for other unit owners in how to deal with persons with dementia who wander unsupervised especially in pool and hot tub areas with a high risk of drowning and overheating, get lost within the building, try to latch onto random neighbours, and cause other hazards including with their vehicle.

It is one thing to help a neighbour with a physical task such as holding a door open, helping a person put on a winter jacket in the lobby or reading a notice out loud if the person is coherent.

However, many neighbours who are aging themselves cannot cope with persons who have dementia that are not family members, nor should they have to.

I would like an article on how condominium high rise buildings should deal with the legalities of

dementia.

As many of my elderly neighbours have stated, 'we are not babysitters'. Family members need to step up and take responsibility.

No sane parent would allow their preschool age child to wander around the building unsupervised and many preschoolers have greater cognition than some residents with dementia.

T. W.

### Response from Toronto Condo News

You have identified an important topic in our communities. **Toronto Condo News** has published numerous articles on this subject which include:

- [Condos and Aging Part 1](#)
- [Condos and Aging Part 2](#)
- [Elder Care in High-Rise Communities](#)
- [Medical Health Challenges](#)
- [Aging in Place](#)

These and other articles can be found in the **Condo Archives** under [Condo Life - Seniors](#) which can be directly accessed at <https://tocondonews.com/archives-category/seniors/>.





## HYBRID AGMS (AGAIN)

It would be helpful to have a detailed article on hybrid AGMs. Our condominium manager says it's impossible to organize a hybrid meeting, but the virtual meeting has drawbacks. I understand that hybrid AGMs make life simple for the Board and the condominium manager.

1. In our system, there is a way to note if a resident has a proxy but no way to indicate who holds that proxy, so by default, the Board votes the proxy, which is really bad policy.
2. The lack of face to face connection using the chat function or the Q&A in a hybrid AGM interface is awkward.
3. People will sign up to count as quorum and vote but not attend, so the usual interaction between residents is absent.

Thanks for your attention to this.

C. D.

## Response from Toronto Condo News

**Toronto Condo News** has published many articles on hybrid Annual General Meetings (AGMs). In the **Condo Archives**, we have consolidated these articles under the category [Technologies for Communities – Electronic Voting and Virtual Meetings](#). In these articles we have addressed all the concerns you have identified and more, so let me address your specific comments briefly.

It is certainly possible to organize hybrid AGMs regardless of what your condominium manager may state. As you have stated, some condo boards prefer virtual meetings for their convenience rather than having to meet directly with owners. This is not an approach we support.

Your comment about knowing who holds a proxy is confusing. A proper proxy form identifies who holds a proxy and on whose behalf. During an AGM, it is necessary to ensure an owner does not vote and have someone vote on their behalf with a proxy. Furthermore, the "Board" has no authority to vote a proxy. The proxy is given to an individual of choice by someone authorized to vote at the AGM.

The board does decide how to run meetings. If their approach to handling questions from virtual attendees is awkward, it is within their control to develop a better approach.

The Condo Act was recently revised to allow individuals to vote but not attend an AGM and still count as quorum. While some disapprove of this approach, it is allowable regardless of how it impacts on interaction between residents.

I encourage you to avail yourself of articles in the **Condo Archives** which present practices for in person, virtual and hybrid meetings.

Best of luck.



Information and resources for the Toronto and GTA condo community

Serving Condominium Residents, Directors and Management



**Toronto Condo News** Our monthly magazine is what condo dwellers are reading.

**Condo Archives** Comprehensive condo-focused library you can search for answers to your questions about condo living and condo management.

**Condo Resource Guide** Vendors and service providers for condominium managers, condominium directors and condominium residents. Condo Resource Guide is Toronto's #1 source for the Condo Professionals you need.

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