

WHAT CONDO DWELLERS ARE READING

ACTIONABLE FINANCIAL STATEMENTS



Condominium corporations are preparing their financial statements in a way that doesn't allow them to identify how much they are spending in critical areas of their operations.

Their statements are prepared on a functional basis with individual lines for bank charges, telephone costs and contracts. Yet no condo board or owner can easily identify how much is spent replacing windows, repairing water damage or maintaining

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FROM THE EDITOR

Each year condo owners are provided with audited financial statements. Other than at the Annual General Meeting, it is rare that any condo owner, director or manager refers to these essential documents when making decisions or evaluating the financial condition of the corporation.

In **Actionable Financial Statements**, our feature article, we address how to make these poorly presented documents more useful and easier to understand so they can be utilized, rather than forgotten, throughout the year.

Effective and Efficient Meetings, on page 2, looks at best meeting practices so that condo boards focus on what needs to be done rather than wasting time in unproductive meetings.

A PEEK

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Common reasons for borrowing

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- 2 Additions and Alterations
- 3 Refinancing of Guest and Superintendent Suite
- 4 Capitalization of Undermaintained Reserve Fund

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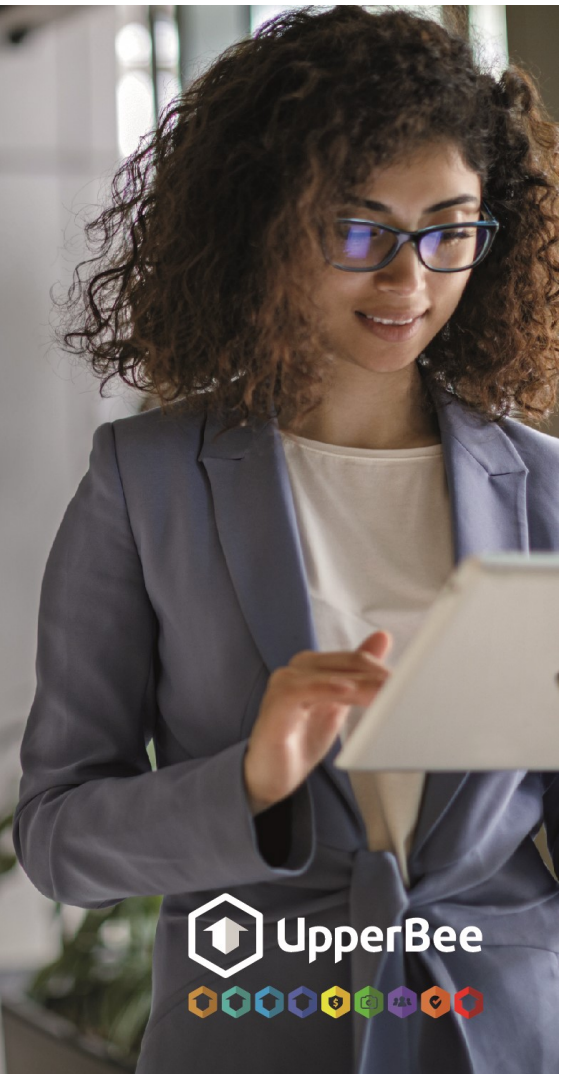
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EFFECTIVE AND EFFICIENT MEETINGS

Condo boards can be tempted to run meetings informally. This is a mistake making it easier for one or two board members to dominate meetings and control proceedings.

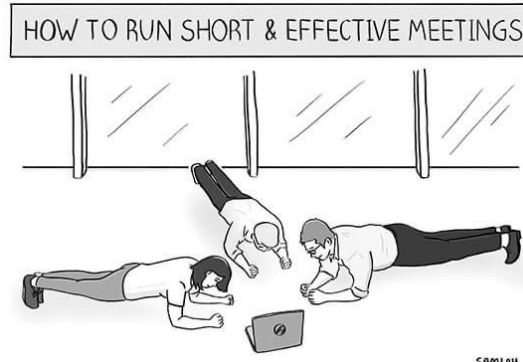
Robert's Rules of Order provides standard rules for conducting meetings. These rules have helped thousands of boards run their meetings efficiently, solve problems, meet their corporation's goals and carry out their tasks. This helps ensure condominium communities and buildings are better run and managed, and is one of the most powerful tools at your board's disposal.

Failure to run meetings according to an accepted standard makes it harder to control them or deal with situations that arise.

First published by U.S. Army officer Henry Martyn Robert in 1876, Robert's Rules of Order is a manual of parliamentary procedure to help any group or organization conduct business in an orderly, fair and coherent manner. It is an indispensable tool for conducting board meetings used by corporations, trade unions, religious groups and condominium communities.

Robert's Rules sets out the most important objectives of condo board meetings:

- Set goals or an agenda for the board meeting
- Keep the meeting streamlined and on topic
- Allow all participants to have input without allowing one or more to dominate or hijack the meeting
- Ensure there is discussion of important matters
- Ensure votes are cast to decide policies that the board deems necessary and appropriate



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EFFECTIVE AND EFFICIENT MEETINGS... CONTINUED FROM PAGE 3

Agenda

An agenda keeps everyone focused and ensures a productive meeting lasting no more than an hour.

The agenda should be prepared in advance, based on input by all board members, condominium manager and superintendent. The most important topics should be addressed earlier in a meeting. Topics requiring a prolonged discussion may be delayed to a subsequent meeting ensuring that topics requiring little time can be addressed quickly.

Motions, Seconds and Discussion

A motion is how an idea, item or decision is addressed. The goal is to have a majority of the board in agreement.

A motion is made by a board member stating "I make a motion for [fill in the blank]." Seconding a motion can be made verbally by saying "I second the motion" or by raising one's hand after someone asks "Is there a second for the motion?" If not seconded, the proposed motion does not go forward.

Once a motion is seconded, discussion begins. The Chair for the meeting calls on those raising their hand to speak one at a time. Once everyone who wishes to speak has done so, a vote on the motion is taken.

Calling a Vote

Any board member can make a motion to end discussion and/or call a vote at any time. If a motion to end discussion is challenged, a formal motion to end discussion must be made and a vote taken. No other discussions proceed other than the vote to end discussion and a vote on the motion. Once discussion is closed, voting on the motion

begins.

The Chair calls for an oral vote or a paper ballot where everyone votes at the same time. A simple majority wins the vote and the motion passes. If a majority vote is not received, a motion can be made to obtain more information and deal with the matter at a subsequent meeting. Voting results should be recorded in the meeting.

Amending a Motion

Board members may agree with the decision or action to be taken by the board, but wish to change the wording of or expand the motion to make it clearer or stronger. The Chair would state "Making a motion to amend the motion to add..." then, "Is there a second?..." A discussion follows with a vote on the proposed amendment.

Point of Order and Point of Information

The Chair's role and responsibility is to ensure every board member is heard, and can speak without favoritism or bias. Those who have not yet spoken and wish to do so have precedence over those who have already spoken. This ensures the conversation, or floor, is not monopolized by one or a few individuals.

If a speaker violates or disregards a particular rule, they can be interrupted. The objector declares a "Point of Order" and is immediately recognized by the Chair and required to explain their justification for the interruption. The Chair can agree with the Point of Order and halt the discussion or reject it by declaring the objector "out of order" and allowing the discussion to continue.

During a discussion, someone may want to provide information they consider helpful or necessary.

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ACTIONABLE FINANCIAL STATEMENTS... CONTINUED FROM PAGE 1

the swimming pool. A typical functional Revenue and Expense Statement is shown here.

Audited financial statements are required in accordance with the Condo Act. The format, which is flexible, is typically provided in a form recommended by an accountant or management company with little understanding or consideration of a condominium corporation's decision-making process, or what is important to owners.

Condo management and accountants present in this format because they don't know any better. Condo boards rely and trust what is given to them rather than

providing direction on what they require.

This makes the financial statements of limited use. When making decisions, a condo board is unlikely to refer to them except to obtain an overall perspective on finances. They are unhelpful when making decisions about specific spaces or projects.

The typical Revenue and Expense Statement is unhelpful in providing information that is actionable for the corporation. Does anyone know how much it costs to maintain any particular space in a community? Without this information, it is impossible to know if any space is costing too much to maintain or

Revenue and Expense Statement		
Sample for a High-Rise Condominium Corporation		
Revenue		
Common element assessments	\$3,050,000	
Interest earned	\$25,000	
Other (event fees, guest suite rentals, etc.)	\$3,500	
Total Revenue	\$3,078,500	100%
Reserve fund allocation	\$1,000,000	32%
	\$2,078,500	
Expenditures		
Utilities		
Electricity	\$504,000	16%
Water	\$140,000	5%
Cable	\$130,000	4%
Gas	\$135,000	4%
Telephone	\$18,000	1%
Contracts		
Management	\$185,000	6%
Security/concierge	\$240,000	8%
HVAC	\$50,000	2%
Other (elevators, landscaping, carpet cleaning, life safety systems)	\$95,000	3%
Payroll (superintendent, cleaning)	\$235,000	8%
Common area maint./housekeeping	\$78,000	3%
Insurance	\$70,000	2%
Mechanical	\$50,000	2%
Repairs & maintenance	\$55,000	2%
General & administrative	\$35,000	1%
Amenities, recreation & programming	\$18,000	1%
Life safety systems	\$18,000	1%
Electrical	\$12,000	0%
Other	\$10,000	0%
Total Expenses	2,078,000	68%
Excess revenue over expenditures	\$500	
<small>Statement prepared for Toronto Condo News by a former condo board treasurer of a 30+ year old condo building</small>		

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EFFECTIVE AND EFFICIENT MEETINGS... CONTINUED FROM PAGE 4

They would raise a "Point of Information" not subject to debate.

Adjourning the Meeting

Votes to adjourn a meeting should be unanimous. The Chair says "All in favor of adjourning the meeting." Those in favour answer with "Aye". It may be that some board members want to discuss a topic they consider important that has not yet been addressed by the board.

One approach is to disallow discussion and, if appropriate, place it on the agenda for a future meeting. If the issue is important, the meeting can be extended and a decision made.

Without rules and procedures, board meetings can degenerate into arguments, disputes and personal attacks. It is in everyone's interest that this be avoided. Robert's Rules of Order provides a proven approach to effective board meetings and decision making.

ACTIONABLE FINANCIAL STATEMENTS... CONTINUED FROM PAGE 5

requires more attention.

Few owners or directors find the financial statements to be of practical use. Presented in a more relatable way, they become more useful in understanding the state of their community. They become more easily understood and actionable.

More useful information would be evident in financial statements organized in the way that condominium communities view their community and make decisions. This means providing information allowing owners and the board to understand what it costs to maintain spaces important to them.

Condo boards can make financial statements more useful by instructing that they be presented in a more appropriate manner that facilitates decision making. One approach, presented here, is to present expenditures so that amenity costs are better understood.

No single financial report format is ideal - useful in some ways and unhelpful in others.

While much more detail is provided elsewhere, the reality is that few read beyond the initial pages nor understand what is provided.

You can't manage what you don't measure. If it is unclear

You can't manage what you don't measure

where or why expenses are increasing, it is exceptionally difficult to identify and correct problems. By focusing on primary expenses and likely problem areas in condominium corporations, it

becomes easier to monitor changes in where expenditures are changing, and why.

Financial reports presented in a more practical manner would be more useful to owners and condo boards. At a glance, the reader would understand the cost of maintaining key aspects of the building. On an annual basis, it would be easy to understand which areas of building operations are costing more or less to maintain.

This is a simple problem to fix. Condo boards need to be clear on how they want their financial reports to look. Only then will they receive better financial reporting and tools to improve their decision making.

Proposed Revenue and Expense Statement Format

Revenue

- Common Element Assessments
- Interest Earned
- Other (event fees, guest suite rentals, etc.)

Reserve Fund Allocation

Total Revenue

Expenditures

Utilities

- Electricity
- Water
- Internet/Cable
- Gas
- Telephone

Management Office

- Contracts
- Supplies and Equipment

Security/Concierge

- Contracts
- Additional Staffing
- Supplies and Equipment

Cleaning

- Contracts
- Additional Staffing
- Supplies and Equipment

Landscaping and Gardening

- Contracts
- Supplies and Equipment

Exercise Room

- Equipment and Supplies
- Repairs and Maintenance

Swimming Pool

- Equipment and Supplies
- Repairs and Maintenance

General

- Insurance
- Mechanical
- Life Safety Systems
- Water System Expenses and Repairs
- Window Repairs

RESERVE FUND INFLATION 2024 Update



Condo boards continue to rely on the Consumer Price Index (CPI) when determining the proper rate of inflation applied to their reserve fund study.

The inflation rollercoaster we've been on for the past few years has played havoc with reserve funds. The general inflation rate reported in the news generally ranged from two to eight percent. Less talked about is the Residential Construction Price Index (RCPI) which is a better indication of inflation for most reserve fund expenditures.

The RCPI has consistently been considerably higher than the general inflation rate, a factor identified as impacting reserve fund levels in the [Condominium Authority of Ontario's report on the state of condominium corporation reserve funds](#).

The RCPI for Toronto reported by Statistics Canada has increased by 83

percent between Q1 2020 and Q1 2024 which is approximately 15 percent per year. During this period, some condominium communities raised fees by less than five percent annually. Many managed this by reducing expenditures for preventative maintenance which means future maintenance costs will increase and equipment is likely to require replacement sooner. Others may have chosen to reduce the quality of cleaning, security or other services, or to eliminate social

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HIRING A WINTER MAINTENANCE COMPANY

Keeping a property clear of snow and ice, and ensuring safe access is a big job.

Hiring a qualified and capable contractor simplifies the work, improves safety and reduces problems.

Determine your requirements

Comprehensive coverage includes clearing snow and ice from parking areas, driveways, walkways, landings, entrances and steps. It covers where snow is to be piled and working around known obstacles.

- How quickly do you want clearing after snow

stops falling?

- Is your expectation that snow be cleared to bare pavement?
- Is service required while snow continues to fall?
- Will snow and ice be physically removed from the premises?

Answering these questions in advance will help determine if you require a full-service company for winter maintenance or if a part-time individual without backup equipment or staffing will be sufficient.

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RESERVE FUND INFLATION... CONTINUED FROM PAGE 7

programming to balance their budgets.

A recent study of a 144-unit condo building built in 1975 was found to require a 44 percent increase spread over three years to pay for projects planned for 2031 to 2033.

A five percent increase in condo fees is simply inadequate to pay for these recent increases in costs. While it may be a few years before condo owners realize their reserve funds are insufficient to cover necessary expenditures, all communities will have to find a way to balance their budgets through some combination of higher monthly fees or special assessment to increase revenues, or reduction in expenditures which may entail a lower quality of services.

In communities where owners are unable to finance necessary expenditures when they are required, condo loans remain a practical option for lowering the amount of an immediate increase in fees and spreading the cost over multiple years.

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HIRING A WINTER MAINTENANCE COMPANY... CONTINUED FROM PAGE 8

Some companies stipulate what they consider a serviceable snowfall. Some may only show up after a certain amount of snow, perhaps one centimeter or more, has fallen but not to deal with ice accumulation. They may not arrive with a snow plow unless five centimeters (two inches) of snow has fallen. The Greater Toronto Area typically receives light snowfalls between one and five centimeters of accumulation. While these lighter accumulations may not require clearing, it can still be necessary to service and salt after as little as one centimeter of snow.

Full-service winter maintenance companies will monitor and forecast snowfall and inclement weather, and prepare for it. They will have staff and equipment ready to service you more quickly.

Ask about insurance

Slip and fall accidents, and their costs, can't be anticipated so liability coverage is important. Look for a minimum of \$5,000,000 in liability insurance. With fewer insurers prepared to write policies for contractors engaged in snow removal, some companies may be providing snow removal services without insurance coverage for accidents. Without this coverage, condominium corporations can become responsible for accidents or injuries arising from snow removal activities or failures.

Sign a contract

A contract tells you what to expect. It should detail what work will be undertaken, service times, level of service, and their weather measurement and monitoring criteria. It should tell you how long after snowfalls that work will be done, how many centimeters of snow accumulation is necessary before they will do the work, and what is done when

there are blizzards, ice storms and freezing rain. Any pay-per-visit and supply fees should be stated. All inclusive fixed-rate packages that guarantee unlimited service in all types of weather offer the most comprehensive service.

Pricing is important

We always want to save money but not at the expense of safety. Trusting the lowest bidder without understanding why they charge less can lead to

disappointment, frustration and unhappy owners.

While flat-rate pricing may appear more expensive, it often ends up more economical and includes all site visits covered under the contract. Any extra deicing, multiple visits during a single snowfall, clearing of windrows or blowing snow, or touch-ups should all be covered under a flat rate price.

The Greater Toronto Area typically receives light snowfalls between one and five centimeters of accumulation. While these lighter accumulations may not require clearing, it can still be necessary to service and salt after as little as one centimeter of snow.





PROTECTING AND REPAIRING YOUR BUILDING'S FAÇADE

You know the building façade has been severely damaged if pieces of your building, or windows, start falling and possibly injuring people. It is safer and more economical to prevent this level of damage with regular maintenance and cleaning.

Your building is constantly exposed to dirt, grime and other damaging contaminants. In the Toronto and GTA region, the biggest problem is the freeze-and-thaw cycle which allows moisture to enter building materials via cracks and crevices, cause damage as it freezes and expands, and enter a building as it melts.

Buildings near the ocean are in greatest danger from salt concentration. Those in more tropical regions deal with strong sun which causes fading and a breakdown of some building materials.

Buildings in suburban areas, and cities with many trees, are often forced to contend with black and green algae, and construction debris. The shady side of buildings can attract green algae from trees which will break down building materials.

Shrubbery planted too close to a building will block out sunlight which creates an ideal environment for mould and mildew to flourish. There should be space between buildings and landscaped areas including tree branches. Loose downspouts, which direct water from gutters, don't drain properly and cause spotting on brick. Brick absorbs water which

affects the grout and mortar.

Regardless of where you live, universal pollutants such as city grime, car exhaust fumes and bird poop cause staining, discoloration and other forms of wear on a façade. A strong sun can cause fading and breakdown of building materials. Strong winds cause damage as they impact with a building or blow objects against the façade.

Removal of graffiti and mildew requires special chemicals that will not damage building materials. Regular maintenance and cleaning are necessary to protect buildings from salt damage.

The best time for a full façade cleaning is late spring or early fall when the weather is not too hot or cold. External building maintenance and cleaning will extend the life of your building structure which can cost millions of dollars to rebuild once damage is so extensive it can no longer be repaired.

Shrubbery planted too close to a building will block out sunlight which creates an ideal environment for mould and mildew to flourish



CONDOMINIUM MANAGEMENT AS IT RELATES TO TENANTS



The job of condominium manager requires that they interact with tenants and owners during the course of a day. Tenants, and

sometimes owners, are not always aware that condominium managers provide their services to the corporation under direction of the Board of Directors.

- The Board of Directors has specific obligations to owners in accordance with the Condo Act which do not apply to tenants.
- Tenants should understand that their relationship with the manager and corporation is different from that of property owners who have a vested financial interest.
- The condominium manager works for the condominium corporation. They take direction from the condominium's board of directors and not owners or tenants.
- The condominium corporation has a relationship with the owner. There is no relationship between the condominium corporation and tenants.
- The owner has a relationship with their tenant. When issues or concerns arise, the tenant should be in contact with their landlord.

If a tenant has an issue or concern with the unit they are renting, common areas or rules being applied to them, they should speak with their landlord.

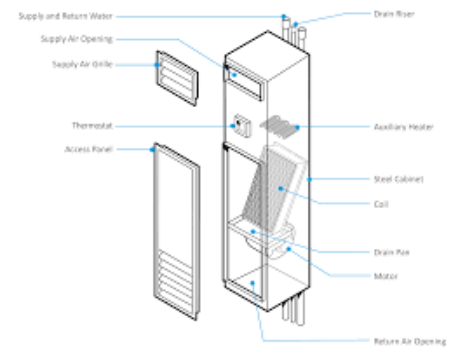
FAN COIL SYSTEM FAILURES

Many condominium buildings rely on fan coil systems to maintain comfort levels in each unit. Their purpose is to regulate the temperature in each unit. During summer months they also help to control humidity levels. This helps prevent the growth of mould and mildew which can affect health and impact on the structural integrity of building materials.

Metal pipes connected to fan coil systems expand and contract as they are subjected to extreme temperature changes. Eventually, these systems fail. One indication of a system at risk of failure is a "ticking" noise in the fan coil area. Failing areas of the system are often located in an inaccessible area behind drywall. Nobody wants to tear apart walls unless there are strong indications of a problem.

These pipe systems are estimated to last approximately 30 to 60 years if properly installed and with regular chemical treatments. Failed systems can result in loss of heating and cooling systems, and floods.

When it comes time to repair, replace or refurbish fan coil systems, have the pipe systems reviewed to identify necessary repairs and reduce the risk of catastrophic pipe system failures.





UNDER ELEVATED

Toronto's desire to increase density is being met by higher buildings.

elevators servicing parking areas. Amenity spaces situated half way up in a building improves accessibility. Some elevators will only service a dedicated set of floors which helps to better manage demand and use.

With this comes more problems for people dealing with elevator congestion.

Stairs are not practical for travelling vertically in a building. Waits of 10 minutes or more for an elevator is not uncommon in some buildings during certain times of the day or when another elevator is not in service. There can be line ups to access elevators. If a building is under elevated, elevators are going to be used more often, parts are going to wear out faster leading to chronic down time,

The elevator situation is a common problem without a clear solution. Buildings include the fewest possible number of elevators so saleable units and common areas can be maximized. Today, more people are living in some units than planned for when elevator requirements were considered.

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The general rule of thumb is one elevator per 10 floors. There is no requirement in the Ontario Building Code for a minimum number of elevators. This should be based on floor size, type of building, number of occupants, speed of elevators and wait time. Technology has helped to alleviate some congestion issues. Newer elevators can move at higher speeds and utilize smart dispatch systems.

There may be separate

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PREPARING FOR WINTER



Severe storms, heavy snow, excess ice or water damage, and other winter weather can damage building envelopes, roofs and equipment. Preventative measures keep people, infrastructure and equipment safe.

Routine inspections throughout winter, and particularly after severe weather or extreme temperatures can help identify pipe damage, holes or cracks that can cause damage to worsen if not dealt with.

Winterize your roof by clearing fallen debris that can block roof gutters, drains and downspouts. Prevent snow and ice from building up, melting and causing excess water damage by clearing drainage systems.

Protect pipes by wrapping them with insulation and cover openings where they can be exposed to freezing temperatures. This prevents cracks and bursting due to cold weather. Turn off water to outer spouts, remove hoses and drain pipes to prevent water from freezing and expanding in these restricted spaces.

Don't allow snow to pile up on

roofs, by entrances or along walls. Heavy snow loads can cause structural damage or collapse. Entry and egress areas should be kept clear of snow for safe access.

Excessive ice build-up can jeopardize the integrity of roofs and building structures. It is a danger to residents in the form of falling ice and slipping. Keep ice from forming, to the greatest extent possible, in community parking lots, sidewalks and on other surfaces.

Protect against flooding and water damage from melting ice or snow that can enter the building and do permanent damage. Keep snow piles away from the building structure, gutters and downspouts clear, and repair visible cracks in the building. Adequate building insulation limits heat loss and helps keep ice dams from forming.

Seal cracks, tears and holes in the building envelope with caulking and insulation to prevent cold air from entering the building and damaging pipes and HVAC systems. Add weather stripping around doors and windows to control air leaks.

UNDER ELEVATED... CONTINUED FROM PAGE 12

and delays will increase. "Elevators in under elevated buildings have a higher level of use which causes them to break down more frequently" explains Phil State of [Quality Allied Elevator](#). Adding elevators to an existing building is not feasible. Communities taking better care of their elevators by increasing the frequency of servicing is a good solution for keeping available elevators in operation.

In a city expanding vertically, the number of elevators required in a building must be regulated by the Ontario Building Code so that buildings are not built under elevated.



**NO AGE
 LIMIT**

**CONDO BOARD
 AGE RESTRICTIONS**

Should condo boards have a maximum age limit for directors?

Having watched the recent electoral debate between President Joe Biden and Donald Trump should cause condo boards to consider the value of age limits.

Regardless of how capable President Joe Biden has been throughout his career, he showed during the debate that he is a shadow of his former self. He was unable to present himself as a strong and capable leader, and unable to speak or think clearly. Being unable to present himself as a strong, competent and capable leader during the debate made us question his overall competency and claims to his capabilities presented by him and the Democratic Party.

Similar challenges are present in condo boards dominated by the most senior of owners. While there are many capable seniors serving on condo boards, and having directors of varied age and experience is encouraged, some condo communities do struggle with directors who are retired who have the time to solicit votes and get elected but incapable of being a productive member of the condo board. They may fail to be prepared for board meetings, forget to attend, unwilling to embrace change, lack certain skills, be unable to

Some condo communities do struggle with directors who are retired who have the time to solicit votes and get elected but incapable of being a productive member of the condo board

understand what is being discussed, unable to make timely decisions or incapable of speaking clearly. Some may no longer be capable of managing their personal finances yet make decisions for a community of hundreds they no longer understand.

While some may view this as age discrimination, President Joe Biden remains an example of what can

happen when someone seeks to remain in power for too long.

Condo owners can implement age restrictions for directors if they so choose. Each community decides if and how they choose to address this issue.



YOUR CORPORATION'S INSURANCE DEDUCTIBLE



When faced with an increase in the cost of insurance for a condominium building, one approach to lowering costs is to raise the insurance deductible. This has the effect of reducing the corporation's insurance costs and increasing those of owners.

Condominium owners should be aware of how much coverage they have for their corporation's insurance deductible. Obtaining this information may not be easy. Insurance companies provide this information in different ways which may not be transparent. How this deductible is applied, and who is responsible for paying it depends on your insurance company and how your condominium corporation deals with the claim.

One condo owner's unit flooded in March 2022 after the toilet's supply line broke and caused a flood in their unit, neighbouring units and common areas. Nobody was home at the time so water ran for hours before being detected. Total cost for

repairing all damage was \$52,657.

The owner was insured as was the condominium corporation. Two years earlier the corporation raised its deductible from \$25,000 to \$50,000. The owner never increased coverage for the corporation's higher insurance deductible and was responsible for paying \$27,657. Had the owner increased their coverage, their out-of-pocket costs would have been limited to their homeowner's policy deductible.

This scenario could play out differently depending on the insurer and how a condominium corporation deals with a similar situation.

Condominium owners should be aware of their corporation's insurance deductible, which is included on the Certificate of Insurance provided by their corporation. They should then contact their insurer to understand the limits of their coverage and how a similar situation would be handled.

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AGING IN PLACE WITH TECHNOLOGY

Ontario is home to more than 2.7 million people 65 and older. Nearly 2.2 million, or 81.5 percent, live at home according to Vividata. Virtually none want to be forced to move to a retirement or nursing home if it can be avoided. A CARP (Canadian Association of Retired Persons) poll shows that more than 95 per cent of their members prefer to age in place.

The solution for many is to reside in a high-rise condominium. It is easier, safer, more social and less expensive to maintain. Seniors are able to age in place for longer than those choosing to remain in a single-family house.

Technology can help.

Taking Medication

Forgetting to take pills, or that they have already been taken, and taking the wrong medication are constant concerns. Medication dispensers can automatically provide the correct pills at the right time. A medication alarm can notify when it is time to take medication with a friendly voice notification, blinking lights or an audible chime.

Fall Detection

Fall detection devices, worn on the wrist like a watch or around the neck, inform when the wearer has fallen. Devices can include a heart rate monitor and emergency SOS feature. Two-way voice communication is available. Cellular models work outside the home. A GPS system can help find where someone is at all times.

General Safety

Installed cameras can monitor those living alone with viewing available on a mobile phone or other electronic device. Video calls are one way to maintain contact and evaluate how a senior is managing.

Activity-based sensors placed around the home can discreetly inform family or friends of what is happening as seniors go about their regular and daily activities. These sensors can detect changes in activities and identify potential risks.

More comprehensive security platforms include alerts and notifications for seniors and their caregivers; an automation system for controlling heat, lights and appliances; and 24-hour monitoring.

When it comes to aging in place for as long as possible, technology can be essential.



REPLACING BALCONY RAILINGS WITH SOLAR PANELS



One Downsview building on Wilson Avenue has replaced their balcony railings with solar panels.

The building looks new thanks to its new façade and modern balcony railings. This is more than a standard building facelift. Wires stick out from each railing to transport power from the sun for powering indoor air conditioning.

In place of glass on balcony railings are specially designed solar panels manufactured by a company in Toronto. They generate electricity which lowers the building's carbon footprint and their electricity bill.

Balcony railings are replaced about every 20 years for safety reasons. Replacing traditional systems with solar panels adds to the cost in return for electricity cost savings that far exceed the premium.

Solar panels are traditionally placed on the roof. These updated solar panel systems can be integrated into a building facade providing a comparable level of weatherproofing and the same strength as regular building cladding. For the cost of resurfacing a building or replacing balcony railings, there is the added benefit of generating electricity internally rather than purchasing it. Panels become part of the building façade rather than taking up roof space that can be used for another purpose.

Solar panels have become cheaper and more powerful over the past decade. They no longer have to face upward or toward the sun. They can

be placed anywhere on the building and not just on the roof. They are stronger than glass solar panels which can more easily be damaged. The panels can be made to look like marble, wood or steel, and are installed on buildings and bridges around the world. To show the durability of these panels, one company has posted videos of driving cars over the glass panels and hitting them with wrecking balls with no noticeable effect. According to the company, the panels are stronger than typical building cladding and exceed building codes.

Making your building solar powered and capable of producing electricity has become more practical. The solar panels go unnoticed but the savings in electricity do not.

Panels are manufactured and installed by Mitrex, North America's largest manufacturer of building-integrated solar cladding, which has their office in Etobicoke.





MOULD

A Microscopic Threat

Mould grows unnoticed from microscopic size to become a serious health risk and cause of damage to building materials. Costs to repair mould damage can be enormous and health risks unmeasurable. High-rise communities can spend more time and resources dealing with symptoms of mould rather than preventing it. Even the smallest occurrence can grow out of control if not addressed.

Your best defense is to know where to find mould and how to eliminate it before there is a problem.

Mould is a fungus that grows where there is a little moisture, air and food. Food for mould can be dead skin, wood, paper and synthetic materials. Once it begins to grow, or spread, it becomes visible within days while growing out of sight, spreading and reaching enormous proportions.

A favourite place for mould is inside fan coil units which offer high humidity and a food source which is insulation. These systems require little maintenance so it grows unseen. Any space where water leaks or moisture sits offers a hospitable environment. Fans that are part of an

HVAC system blow mould into suites or deeper within a building. People inhale it without being aware and exhibiting symptoms.

Its danger to people makes mould a threat that should be addressed when first noticed. It can cause or exacerbate allergies, asthma attacks, rashes and respiratory difficulties with impacts more severe for those with weaker immune systems.

Recognizing that mould is a serious concern and focusing on prevention is more effective than waiting for it to become visible or apparent.

CONTINUED PAGE 19

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RECOGNIZE ONLINE AND TELEPHONE SCAMS



Online and telephone scams are identified by traits allowing perpetrators to take advantage of others. Stop scammers from taking advantage of you by stealing your money and personal information.

There are four basic signs of a scam:

1. Scammers pretend to be from somewhere familiar. They may e-mail attachments with official-looking logos, signatures, seals or pictures of employee credentials.
2. Scammers mention a problem or a prize. They may say your Social Security Number, credit card, health card, drivers license, bank access information or other personal data was involved in a crime, or ask for personal information to process a benefit increase.
3. Scammers will pressure you to act immediately which may involve your providing personal information such as a credit card number. They may threaten you with arrest or legal action.
4. Scammers tell you to make a required payment using a gift card, prepaid debit card, cryptocurrency, wire or money transfer, or by mailing cash. They may also tell you to transfer your money to a "safe" account.

The Grandparent Scam - A criminal will call an elderly person posing as or on behalf of a

grandchild in distress who has been arrested or needing bail. They demand money to help get them out of trouble.

- Never provide money until first verifying the story with family
- Call a family member or the grandchild at a number you recognize as belonging to them
- Ask the caller personal questions only your grandchild can answer
- Ask yourself if the call you received makes sense or if it could be a fraud

Never provide personal information including a credit card number to anyone you are unable to verify. If you suspect a call is legitimate, ask for a reference number to identify the conversation, then call the organization's main number to inquire.



MOULD... CONTINUED FROM PAGE 18

Ignoring the problem and solutions only leads to greater risk, problems and cost. Management and residents should recognize that mould is a common issue, be on the lookout for it, and have a plan in place to respond when it is noticed.

HVAC specialists can implement measures to control the growth and spread of mould, and the damage it can cause.



RESIDENTIAL RENT INCREASES FOR 2025

The maximum allowable rent increase in Ontario remains unchanged from 2024 at 2.5 percent for 2025. British Columbia has set the annual allowable rent increase for 2025 at 3 percent.

The Ontario increase applies to current tenants in units that came onto the market prior to November 15, 2018, provided no above-guideline increases have been approved by the provincial Landlord and Tenant Board.

Landlords can apply for above guideline increases which tend to be tightly controlled. Increases in monthly condo fees are unlikely to be relevant when seeking an exemption from this limit.

This allowable rent increase is below Ontario's "official" inflation of 5.4 percent. Actual inflation is considerably higher. The 2.5 percent limit for 2025 virtually assures that condo-landlords will earn less or increase their losses. This increase is below the rent control guideline based on a formula in the Residential Tenancies Act (RTA) which would have been 3.1 percent and based on inflation.

The allowable rent increase is insufficient to cover the rising cost of property taxes and condo fees.

Ontario landlords must provide tenants with written notification 90 days in advance of planned rent increases. Rents can be reset to market rates for new tenants.

The 2025 rent increase limit in Ontario does not apply to rental units first-occupied after November

15, 2018, vacant residential units, community housing, long-term care homes or commercial properties.

Ontario rent controls were first enacted in 1944 and have been in continuous use since 1976.

One approach to reducing the operational cost of rental units is for owner-landlords in condo buildings to work with their condominium corporation. Communities with a significant number of owner-landlords may choose to offer rental management services through the management office for a fee. This releases condo owners from the burden of acting as a property manager. The management office is better able to monitor what is going on in rental suites and provide oversight. Unreported problems can be identified more quickly. Tenant concerns can be addressed in a timely manner while ensuring owner interests are represented. Periodic property inspections can be undertaken as warranted. Rental management services provided by a condo corporation can lead to improved condominium management, lower costs for owner-landlords and additional revenue for the corporation.

Rent control has a history of leading to a reduction in quality of rental properties. It leads to a smaller supply of rental properties and higher rents for future renters.

REPLACING WINDOWS



One of the most important systems to maintain in high-rise buildings is windows. Deterioration leads to problems with other building systems including façade, HVAC and water protection.

When looking at your building windows from outside, what you see are glass panes, frames, and caulking between the brick and window. Glass and metal must be cleaned to counter damage from pollution and the environment. External window cleaning is recommended at least twice a year. Periodic inspections identify where water may be entering through damaged areas and caulking.

With windows, moving parts wear out. Minor repairs can mitigate current and future water entry through the building envelope. Interior maintenance ensures handles and locks are working. Wood window frames will rot and heat will warp vinyl window systems. Weather stripping within window systems should be intact and not broken. An annual inspection of hinges and weather stripping can extend the life of windows by many years.

Older windows will fog up because of cracks in the window seal and gasses escaping. You can feel wind blowing around windows which causes loss of heat or cooling.

It can be time to replace windows when other parts of the building façade are affected. Replacing windows and repairing the building façade at the same time is more economical and less disruptive than doing each separately.

Replacing all windows in a building is a major project. Every unit is affected and residents will have to remove everything within six feet of windows. After new windows are installed, units may require interior touch up paint work.

Many buildings keep their windows for 30 to 50 years. Replacing all windows is a huge expense and difficult for everyone. Communities may opt to spread out the cost of replacement, perhaps by replacing individual windows when a unit is sold or renovated, which also minimizes disruptions and disturbances.

Who pays for this work varies. Communities with a fully-funded reserve fund are in the best position to pay for this work. Many require a special assessment, a condo loan or both. Residents may still be responsible for in-unit costs of removing items from near windows, removal and reinstallation of window coverings, and wall touch ups once the work is completed.

Initial installation determines how well windows perform and how long they last before major repairs or total replacement is necessary. Proper maintenance is also a factor. New aluminum windows and insulated glass can last about 15 years. The window mechanism can last about 20 years. This assumes locks and hinges are regularly maintained and working properly.

Regular maintenance is often ignored because of the cost with available funds used for more urgent repairs.

CONDOMINIUM MANAGEMENT GONE BAD



In one of the largest scams perpetrated against a single community, ex-board members have been accused of stealing \$2 million. Charges include racketeering, grand theft and money laundering.

Hammocks is a Home Ownership Association (HOA) in Florida, encompassing over 6,500 single-family houses, apartments and townhouses, and over 18,000 residents. Like a condominium corporation, Hammocks is governed by a board made up of elected directors.

Residents at the Hammocks had complained for years of mismanagement by association leaders and opaque financial statements. In 2022, after a police investigation, four ex-board members and the spouse of a former president were arrested for theft of \$2 million dollars. More arrests are anticipated.

Problems began in 2015 when new directors were elected to replace those who were disliked. One of these new directors siphoned money from association funds through five companies pretending to be service providers and vendors, owned by a spouse. Payments to these companies were made by cheques signed by the former president and other ex-board members who have been charged by police. Some companies provided legitimate services at first before receiving payments for no work. Cheques were cashed and some payments sent to the former association president. Some funds were wired to a bank

account in Colombia.

As with condominium corporations, legal action begins with homeowners deciding to take action instead of allowing individuals to retain power to pursue or continue fraud. Few are willing to take this step even when problems have become obvious. Homeowners usually get discouraged and are unwilling to spend money for a forensic audit to obtain proof and to litigate. Condominium corporations, like HOAs, can pay lawyers to protect them against accusations using condo fees rather than their personal funds. According to an affidavit, the association has spent more than \$250,000 US to fund just some of the legal costs against those who have been charged by police.

The former board retaliated against residents who spoke out. Some were prohibited from using amenities and sent overdue notices for payments that were made on time. During an attempt to replace directors, a bomb threat was cited to close elections without any proof. Financial audits were discontinued starting in 2018. The association recently imposed a 400 percent increase in fees.

Condominium owners failing to monitor the financial situation of their corporation and hold their elected directors accountable for improper or questionable actions are at risk of mismanagement and fraud. The cost of not dealing with problems in their infancy only increases over time.



IT'S ALL ABOUT THE AMENITIES



One of the greatest benefits of condominium living is the amenities.

Worry-free living is the goal and saving time is important.

A uniformed concierge greeting residents by name, opening the door and receiving parcel deliveries by courier is now common in many buildings. More luxurious communities will have a porter to collect parcels, groceries and luggage from your car and deliver them to your suite.

More amenity space is always desirable. **A furnished lounge or party room and equipped catering kitchen** for large gatherings with family and friend, and a more intimate and beautifully furnished lounge for smaller gatherings or secluded relaxation can be heavily used.

A fully equipped gym remains one of the most important amenities desired by condo owners. This refers to a space with luxury designer finishes, weight machines and free weights, kettlebells, subscription personal training; and Peloton and Tonal equipment. A large yoga room with privacy glass for group and relaxation sessions. Expert-led fitness classes ensure these spaces are fully utilized. Luxury marble change rooms with privacy and individual spa features complete a good workout session. Marble steam showers with body sprays and rain showers, and an infrared sauna, offer relaxation and luxury.

A Wi-Fi-enabled lobby and lounge, terrace with

barbecues, and a firepit are all popular and heavily utilized where available.

Seniors look for more **basic amenities** that can include a golf simulator, billiards room, hydrotherapy pool, indoor fitness centre, outdoor exercise circuit, piano room, library and movie theatre. **Keyless suite entry** is popular for all. With seniors, it simplifies access for caregivers and family members. Access is provided by residents to their guests using a smartphone.

Security is always important. The basics include electronic fob access, 24-hour concierge service, secure parcel storage and secure garage access. Automated licence plate recognition systems offer an added level of security.

Valet parking saves time. Rather than drive underground, someone meets you at the front door as you leave your vehicle, then parks it in your designated space. When entertaining, guests don't struggle to find parking. Electric vehicle charging stations, bicycle storage and a bicycle workshop are becoming more common.

More affluent owners can enjoy high-end dining, butlers, elevated landscaping and the best of fitness amenities.

High-rise condominiums built for worry-free living is on the rise in Toronto.





REPLACING BOARD MEMBERS

Our condo board has lost 2 members. A neighbour and myself are the only individuals willing to replace them.

Management has informed us that the remaining board members are requiring that we go through an interview process that we feel is a delaying and scare tactic.

Are they legally permitted to do this?

M. S.

Response from Toronto Condo News

It appears there are unstated dynamics between your condo board and owners if your community is having difficulty finding individuals willing to serve as directors.

Your five-person condo board is now down to three individuals. Remaining board members have three

options for dealing with this.

One option is to do nothing. They can choose to function as a three-person condo board until the next annual general meeting (AGM) at which time an election would be held. This is not usually advisable. If they lose another individual then the board no longer has quorum at meetings and is unable to make decisions for the corporation.

The board can choose to appoint individuals who would serve until the next AGM, at which time those individuals could no longer serve unless elected. It appears that this is the approach they have chosen and are establishing an interview process. You are not required to participate in the interview process if mistrustful of their intentions, nor are they required to accept you as directors and board members. Perhaps this interview is for them to better understand what you can offer and your reasons for wanting to serve on the board. Remember, an interview works both ways. You can also ask questions and determine if these are people you are comfortable working with.

The final option is to immediately hold an election for the available positions.

In short, what you describe is allowed.

Best of luck.





RUNNING TO SERVE AS A DIRECTOR

I am running for a director position on our board from a floor nomination. Is it legal to solicit proxy votes prior to being nominated from the floor and to be the proxy for the proxy giver?

R. W.



Response from Toronto Condo News

You are to be commended on your decision to run for a director position on your condo board.

The short answer is – Yes, it is legal to solicit proxy votes prior to being nominated from the floor and to be the proxy for the proxy giver.

Many condo elections are determined prior to the annual general meeting (AGM). The manner in which this plays out depends on how voting is conducted and practices in your community. When electronic voting is allowed, proxies may be irrelevant. Being nominated from the floor at the meeting puts you at a distinct disadvantage against those who declared their candidacy earlier.

It is better to be a declared candidate so that your information is provided to owners in advance as part of the AGM package. When the AGM package is distributed, your name appears on the Proxy Form distributed to owners. If there is a candidate meeting, you can participate in this gathering of owners to express your interests and intentions.

In the Condo Archives, see [Condo Boards, Communications & Community – Meetings & Elections](#) for information on condo elections.

Best of luck in your efforts.





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.

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