THE NEWSLETTER OF THE CANADIAN CONDOMINIUM INSTITUTE/INSTITUT CANADIEN DES CONDOMINIUMS

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# CCC PROVIDENTIAL



Voice of Condominitie

How can be a Great Condominum Director?

# **cci**review

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## Message from the President CHARLIE OLIVER

BY CHARLIE OLIVER, CCI NATIONAL PRESIDENT



We are excitedly back and focused on the quarter leading to our November 25th Anniversary Celebrations!!! Milestone events like this help give us perspective on the purpose of our organization. Having been seeded some 25 years ago, CCI has evolved into a truly National body reflecting the varied

voice of condominiums throughout Canada. The evolutionary track has been guided by some great souls who had the early foresight to know, so far in advance, that this lifestyle would need representation, guidance and a focal point for the issues that were bound to arise. And arise they have. From the varied legislative framework in each Province, to the battles in the halls of justice, to educating builders, board directors, legislators, unit owners and the myriad of other players in this diverse sector, CCI has continued to be at the forefront of this the fastest-growing segment of the housing sector in Canada!!! November, in Toronto, we get to stand on the pulpit and share our stories!!! All of us on the National Board invite you to join us for this time of reflection and celebration.

It is also a timely occasion for us to 'look in the mirror'. A time to evaluate our very make-up. One of our tasks this year has been to dig deep into how CCI is structured and ponder ways and means that may need change in order to enhance our organization for the future. Aside from the potpourri of committee work, and trust me, there have been some exciting projects this year, we have undertaken a 'best practices review' of the very nature of our Board structure. Are we too big? Do we effectively represent our constituency? What changes are needed to effect a positive 'go forward' organization reflecting the diversity and growth we see coming? All of this, hopefully, will lead to a re-charged, highly invigorated strategy serving the Canadian Condominium sector for another 25 years!!

Statistics continue to validate the significant growth of condominiums as the lifestyle of choice throughout the country but ever more obvious in our major cities. Toronto, Vancouver, Calgary, Montreal and Edmonton continue to defy the naysayer with their resiliency of continued growth. We, at CCI National, hope to continue our role in supporting the education, awareness and overall understanding of this popular but unique, style of homeownership. From conversations on our newly minted web site through to support to local chapters, we look forward to continued positive involvement with our members as the industry continues to evolve.

Mark your calendars for our November celebrations. We would love to share the stories with you.

Charlie Q

## **CCI National** Chapter Contacts

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# How can I be a Great Condominium Director?



Why should you want to be a Condominium Director? The investment you have in your Condominium Unit will more than likely be the largest financial investment of your life. But your investment is not only in your unit, it is also in the common elements of the Condominium Corporation (a Syndicate of co-ownership in Québec and a Strata Condominium Corporation in British Columbia). By putting yourself in a position on the Board of Directors, you can ensure that the common property will be maintained to the fullest extent. This will enable you to protect your investments, and give you some direct control over the quality of lifestyle you and your family will enjoy.

#### Am I Qualified to be a Condominium Director?

In some jurisdictions, the Condominium legislation contains certain statutory minimum qualifications for a Condominium Director. For example, in Ontario, Condominium Directors must be at least 18 years of age and cannot have an undischarged bankrupt or be mentally incompetent. In Québec, it states at article 327 of the Civil Code, that a minor, bankrupt, dependent adult or a person prohibited by the court, may not sit on the Board. Furthermore, the By-laws of the Condominium Corporation may contain further provisions with respect to the qualification of Condominium Directors (e.g. whether or not a Condominium Director must be an unit owner).

You need not legally have any previous experience in being a Condominium Director, or any experience in any field for that matter. However, it is recommended that a Condominium Director, especially those with no previous experience, attend at least one course, seminar, lecture or series of lectures on being a Condominium Director, such as Condominium Management 100, 200 or 300 Course offered by the Canadian Condominium Institute.

If you do not know how to read a financial statement and you want to become a Condominium Director, then you ought to learn this important management skill.

# What do the Condominium Directors Do?

Generally speaking, the Condominium Directors, on behalf of the Condominium Corporation carry out the different legal obligations of the Condominium Corporation. If the Corporation is the body, the Directors are the mind.

## What are the obligations of the Condominium Directors?

Condominium legislation varies from province to province across Canada, as do the provisions of each Corporation's Condominium Documents. Accordingly, in order to determine the exact obligations of any Corporation, specific reference must be made to the *Provincial Condominium Act* (in Québec it is the *Civil Code*), the *By-laws of the Condominium Corporation*, the *Condominium Plan* and if applicable, the *Declaration and Rules*.

The following are obligations which are probably common to all, or nearly all Condominium Corporations and syndicates of co-ownership.

- Determining the estimated expenses in any fiscal year of the Condominium Corporation and collecting those expenses from the unit owners;
- Paying all properly incurred expenses of the Condominium Corporation;
- Obtaining and maintaining proper insurance on the common property

as fixed by legislation;

- Maintaining and repairing the units and/or the common property or elements;
- Maintaining an adequate reserve fund;
- Calling and holding Annual General Meetings;
- Effecting compliance by the unit owners with relevant legislation and Condominium Documentation;
- Providing appropriate accounting and financial information

#### How well do I have to know and understand the Legislation and Documentation?

Condominium Directors should be familiar enough with the *Act* or the *Civ-il Code* and the documentation so that they have a general idea as to the subject matters covered by them. Most particularly, they should understand the rights and duties that are set out in them.

Especially important is the word "shall" when it is used in the *Condominium legislation and By-laws*. It means that someone has the obligation to do something, and, as the Condominium Director, you ought to know who in your Corporation has an obligation to do what and to whom.

With respect to your Condominium documentation, remember the words of Will Rogers who said, "The minute you read something you can't understand you can be sure it was drawn up by a lawyer".

You should know the answers to the following questions:

- How can the condominium documentation be amended, created or repealed?
- · Are there restrictions on the use of

units and/or the common property?

- Who has the obligation to repair what?
- Are there any parts of the common property over which certain unit owners have exclusive use to the exclusion of other unit owners?
- What are the unit boundaries i.e. what is the dividing line between the units and the common property?

# Is there a proper "What attitude" for Condominium Directors to have?

The Condominium Directors must run the affairs of the Condominium Corporation like a business, and each member must have a professional attitude. However, there are two important differences between a Condominium Corporation and a normal business corporation:

- The Condominium Corporation is a non-profit corporation.
- A syndicate of co-ownership is neither a profit or non profit organization; it is an expense society.
- The Condominium Directors of the Condominium Corporation must always remember that they are dealing with people's homes, lives and families. Therefore, the Condominium Directors must always be cognizant to balance the business aspects of any decision with the social and political aspects of the decision.

Although the Condominium Directors must always choose a legal alternative to any issue, often-times any given situation will produce a number of legal options, some of which will be more socially and politically acceptable.

What the Condominium Directors want to avoid is the development of a "we/ they" attitude between themselves and the other unit owners, which appears to be adversarial.

Part of having a professional attitude is learning how to delegate the responsibility for managing the affairs of the Condominium Corporation, while retaining the responsibility for following-up on the duties assigned.



Remember:

- Run meetings, professionally and efficiently, with an agenda.
- Meetings are not social events.
- Prior to each meeting an informal agenda should be circulated among the Condominium Directors, and it should be followed.

#### How can I avoid aggravation?

The answer to this question is simply that you can't! However, you can minimize and control the aggravation you will face.

#### Can I avoid getting into trouble?

Many Condominium *Acts* have standards for the conduct expected of Condominium Directors. For example, in Ontario, Condominium Directors have a legal duty to act honestly and in good faith. In Alberta, there is also such obligation. However, the common law makes these obligations implicit. In addition, the *Québec Civil Code* also requires Condominium Directors to act with prudence, diligence, and loyalty.

Acting honestly is easy to understand, but the term good faith is quite vague. Some examples of bad faith would be:

- Closing your eyes to breaches of duties by unit owners as well as Condominium Directors;
- · Not acting when problems arise;
- Not informing yourself of the way the Condominium Corporation operates;
- Not attending Board meetings on a regular basis.

As a Condominium Director you also have a duty not to be negligent. Generally speaking, you will be said to be negligent if your conduct falls below that which could be said to be reasonably expected by you or a person in your position. (What would the proverbial "reasonable man" have done as compared to what you did?) If you fail



to act in such a reasonable way, then you may be said to be negligent.

If someone suffers a material injury (financial, personal or to property) which is a close or a direct result of your negligence, and that person has done nothing to contribute to such injury. Examples of what might be negligence are failing to:

- collect condominium fees;
- maintain and repair the common property;
- have sufficient monies in the reserve fund or an adequate Reserve Fund Plan;
- have sufficient insurance coverage;
- account or report as required;
- · keep proper records.

## How about my signature on documents?

Before you sign a cheque, make sure the work you are paying for is done. Ask to see an invoice. Make sure the work is complete in a good and workmanlike manner. If it is not, do not sign the cheque. If you do, and the work is not satisfactory, whom do you think the Corporation is going to look to for compensation? Before you sign an Estoppel or Status Certificate read it over. If it is does not make sense or contains incorrect information, don't sign it. If you do not understand it, ask someone who does to explain it to you. [In Québec there is no specific Estoppel or Status Certificate requirement, however, each Syndicate keeps a register, at the disposal of the co-owners, containing the name and address of each co-owner and each lessee along with the Declaration of Co-Ownership, the Contracts to which it is a party, a copy of the Cadastral Plan, the plans and specifications of the project (immovable) and all other documents relating to the immovable and the Syndicate. The register will also include the minutes of the meetings of the co-owners, as well as the Board of Directors, along with the Financial Statements.]

Read the Board Minutes before you sign them. If they do not reflect what was decided upon, do not sign them. If the minutes do not reflect that you voted against a particular motion, do not sign them until the Minutes are amended accordingly. Put your concerns in writing if you face resistance. Consider keeping copies of everything you have signed.

What records should be kept?

Make sure that the Condominium Corporation keeps adequate and up-todate records of:

- Minutes of Annual General Meeting;
- · Minutes of Board Meetings;
- Owners' complaints;
- All correspondence;
- Bank records, ledgers and books of accounts;
- Names and addresses of unit owners and mortgages.

#### Any final advice?

Sure! Ask lots of questions. Don't be satisfied until you get an answer. You have many resource people at your disposal, such as the manager, lawyer, insurer, notary (Québec), auditor and former Condominium Directors.

The Corporation must purchase and maintain Directors and Officers liability insurance. Make sure that it does!

Do not allow yourself to get into a conflict of interest situation. If you ever find yourself directly or indirectly having an interest in any contract or transaction to which the Corporation is going to be party to, make sure that you disclose such interest as soon as possible. Disclose the nature and extent of your interest, and do not vote on anything that has to do with that particular matter.

Consider attending the Canadian Condominium Institute CM100, 200 or 300 Courses. This could perhaps be the most important step that you may take to achieve the objective of being a great Condominium Director.

For a list of CCI Chapter contacts, please see page 3.

Don Kramer, Q.C. Melnyk & Company Edmonton, Alberta

# **Dealing with Difficult People**



The auditor is halfway through his report to the owners at the Annual General Meeting. He has just commented on snow removal costs being somewhat over budget due to a bad winter when one of your owners, Mr. Smith, a longterm resident who apparently hasn't agreed with any decision that any Board has made in the history of the condominium, stands up and begins a long-winded complaint about the failure of the snow removal crew to remove the snow from his driveway in a timely fashion. Do you, as Chair:

**A.** Pull out the baseball bat that you purchased immediately after last year's AGM in anticipation of this year's AGM;

**B.** Sit down, put your head in your hands and resign yourself to yet another four hour meeting; or

**C.** Politely interrupt Mr. Smith and advise him that it is certainly an issue of concern and that you will make a note to bring it up with him again under the new business section of the meeting.

If you answered A, it is probably time to retire from the Board. If you answered B, read this article, and if you answered C, you might consider a new career as a professional condominium chairperson. Most condominiums, both large and small, have that one person who, for various reasons, tend to monopolize the Annual General Meeting. Some are belligerent, some are know-it-alls, and some just won't let an issue drop until they hear the answer that they want. What does a director or manager do who is faced with this type of person when chairing a meeting? There is no absolute answer, but here are a few ideas:

**1. Make some Rules.** Start the meeting by laying down five simple rules:

- all questions are to be addressed to the Chair;
- only one person at a time may speak at a time;
- state your name and unit number for the minutes;
- only one question or comment per person until all persons have had an opportunity to speak; and



 when speaking, one should be courteous and respectful of the other owners.

These Rules lay the groundwork for how the meeting will be conducted. By indicating that the residents must submit to one question or comment per person, you establish the authority to interrupt someone who starts to monopolize the meeting.

2. Stick to the agenda. Do not allow residents to vary from the scheduled agenda. If, as in the example first given, someone asks questions at an inappropriate time, politely defer answering the question until either the appropriate agenda item or new business. Make a point of writing down the question and when the time is appropriate, start the new business or other agenda item by asking that person to speak first.

**3. Learn to interrupt, politely.** If someone does start to run on with numerous unrelated questions, the Chair must not hesitate to interrupt them and point out that you have asked that only one question per person be made until such time as everyone has had the opportunity to speak. Obviously, if there is no one else who wants to speak, you may have to deal with this person. In addition, don't be too strict in the sense that a question asked may give a response which may logically give rise to a second related question.

4. Know when to say no. If the person keeps asking the same question over and over, simply state firmly that you have answered the question to the best of your ability and there are other issues that now have to be dealt with, or there are other persons who are waiting to ask questions, as the case may be. 5. Be honest. If you don't know an answer to a question, and no one on the Board or management is in a position to answer, be honest and say so. Indicate to the person that you will have to get back to them and make a point of writing down the question with the individual's name indicating that you will get back to them as soon as you have had the opportunity to look up the answer.

**6. Be polite.** A Chair must appear to be neutral and in control of the meeting. Loud voices, snide remarks, or sarcasm will not help at all and will only lead to further disruptions.

7. Put them in the spotlight. If you are using a large meeting hall and have a sound system, ensure that there is at least one microphone in the audience for residents to use when addressing guestions to the Chair. Insist that residents use the microphone when asking questions. At the very least, ask speakers to stand up when asking questions. Someone who is forced to stand up in full view of the rest of the residents is less likely to run on or make rude remarks if they are under the spotlight. However, be considerate to elderly or disabled individuals who may not be able to easily reach the microphone.

**8. Try a little humour.** Sometimes a friendly jibe or funny comment can defuse a situation. On the other hand, do not make fun of the person speaking, and certainly don't use off-colour remarks.

**9. Treat everyone the same.** You are not going to allow a difficult individual to get away with monopolizing the meeting, don't allow your good friend and neighbour to do so either. There is nothing that fuels a disgruntled individual's anger more than believing they are being treated differently than everyone else.

**10. Read the crowd.** If someone is going a little overboard in their questioning, and is doing it in a relatively respectful manner, don't necessarily cut them off if it appears that a majority of the owners in the room are interested in the comments and your answers. On the other hand, if you see a lot of eyes rolling, see people shaking their heads and hear a collective groan each time this difficult individual opens their mouth, it is pretty safe to say that a majority of owners will back you up when you have to put the conversation to an end.

**11. Extreme personalities.** So far we have been talking about how to deal

with difficult, but not excessively so, individuals. These tactics may or may not work if you are dealing with extreme personalities, or perhaps someone who has been drinking. If you anticipate that there could be a serious problem at a meeting, do not hesitate to hire security, preferably a uniformed off-duty police officer. If someone is obviously drunk, is making threats or is overly aggressive, consider adjourning the meeting in order to contact authorities and have the person removed. If you anticipate that it will be a difficult meeting, it is not a bad idea to book the meeting room in a local police station, library, or other public building where there will be security present, and as importantly, where you have a definite time limit for vacating the building.

**12. Neighbours.** Above all else, keep your sense of humour, keep calm, and remember, before calling the guy an idiot, he is one of your neighbours and will still be living beside you in the morning.

Ron Danks B.A. (Hons.), LLB, ACCI, FCCI. Ron is a lawyer with the Southern Ontario business law firm, Simpson Wigle LLP.



Notice of National Annual General Meeting Friday, November 2, 2007

We are pleased to advise that the Annual General Meeting (AGM) of the Canadian Condominium Institute (National) will be held at:

Time: 6:00pm

Place: Toronto Ballroom

Doubletree International Plaza Hotel - 655 Dixon Road, Toronto, Ontario

The AGM will take place in conjunction with the Joint CCI/ACMO Conference, November 2-3, 2007. In addition to the election of 8 Directors, the AGM will include a report of the activities of the National Board and of the individual chapters and will provide an opportunity for members to network with other members of the Condominium Community.

We hope you will be able to attend the AGM.

Your truly, Charlie Oliver, President CANADIAN CONDOMINIUM INSTITUTE

The CCI Awards Dinner this year will take place the following evening, Saturday, November 3, 2007 to celebrate the 25th Anniversary of CCI.



# Some Reminders and Tips on Ways to Ensure Your Safety



We have recently encountered several issues with respect to Fire Safety that are causing us some concern as property managers. Therefore, we felt it timely to address this important matter with our readers and try to provide some reminders and tips on ways to ensure your safety.

All of us, at one time or another, have witnessed a fire alarm being sounded and stopped to consider whether we would actually respond as we should. It could depend upon the weather, what we are doing at that moment, whether we have something on the stove, and so on.

It is often thought that residents of a multi-level building would be at a disadvantage in the event of a fire. On the contrary, modern buildings are generally safer than single-family dwellings since they are constructed of fire resistant materials, they contain closed stairwells that help prevent the spread of fire, and they contain fire alarm systems. HOWEVER... Planning ahead and practicing fire drills are important measures to increasing your chance of survival.

A number of Condominium Corporations have taken a pro-active approach to fire safety. Some have set up Fire Safety Committees, with "fire warden" for each floor of the building; some have had Fire Department officials give information sessions to their residents; and others are holding fire drills and providing the proper evacuation procedures and floor plans to all residents. The Corporation, in conjunction with the management company, assumes responsibility for the maintenance and annual inspection of the building's fire protection systems.

Whose responsibility is fire safety? YOURS! Each and every resident is responsible for your building. Planning and awareness can save minutes and lives. As a unit owner, you are responsible for:

- SMOKE DETECTORS Detectors are installed by the Condominium Corporation or property owner, but maintenance is up to you! Detectors should be tested at least on a monthly basis. (Simply use a broom handle to do a 'push-button' test.) Batteries should be replaced twice a year, or when a "chirping" noise occurs. Detectors should be replaced every 10 years.
- EXTINGUISHERS Although your condominium might not have been equipped with a portable fire extinguisher, you are expected to equip your unit as part of your obligation to protect your unit and the building. Extinguishers should be inspected annually, and recharged at least once every 6 years (and after every use). Place in an easily accessible location. And know how to use it!!!
- SNOW REMOVAL Make note of where the fire exits and fire hydrants are at your building and that they are cleared of snow in the winter.



• FIRE LANES – Never park in the fire lane. Doing so puts yourself, your neighbors, and your property investment at risk.

• FIRE EXITS – Never lock fire exits or block doorways, halls or stairways. Never prop fire doors open as they slow the spread of fire and smoke.

Ways to keep your unit safe:

- Do not overload electrical circuits.
- Never smoke in bed.
- Cook with care. Keep baking soda handy to smother stove fires.
- Do not use balconies for storage this can block a means of escape.

Ways to keep your building safe:

- Never keep rubbish in the hallways.
- Do not store empty cardboard cartons unnecessarily.
- Do not store flammable items.
- Report fire hazards to your building manager – blocked exits, missing exit lights and open fire doors.
- Report any sign of malfunction or damage to fire safety devices to your building manager.

Be prepared – What you should know:

- Learn the location of fire exit stairways.
- Obtain a copy of the fire emergency procedures from your Board or building manager.
- Know at least two escape routes from every room in your unit.
- Do not use the elevator during a fire. Go directly to a stairwell.
- Keep a flashlight ready and in a handy place.

We realize that your actions cannot be enforced by your Board of Directors, by your Resident-Manager, by ourselves, as managers, or even by fire officials. We do feel strongly, however, about stressing the importance of responding to a fire alarm. No one can know with certainty whether an alarm is a false alarm or an unannounced drill, and your safety is not worth gambling with.

# **The Invisible Director**



Many condominiums directors complain about apathetic homeowners. But what about apathetic board members? Many boards of directors have experienced the difficulty of having to deal with an individual board member who, once elected, seems to disappear into the woodwork. They may not attend many meetings, or if they do, they do not provide any real input into the discussion. Other symptoms of the invisible board member might also include the failure to complete assigned tasks on time, if at all; never volunteering to take on work; failing to read financial statements and other reports provided in anticipation of board meetings; and rehashing issues that have already been dealt with at a previous meeting, either because the individual did not attend it, or didn't pay attention when the matter was discussed.

As in the case of rejuvenating an apathetic ownership there is no single cure for dealing with the invisible board member. There are, however, steps that may be taken to prevent such an individual from getting on the board in the first place or, once they are on, to draw them out of their shell. Here are a few thoughts:

Start at the beginning. When your corporation issues notice for a meeting at which board members will be elected, consider adding a "job description". The description should set out how many meetings board members would normally be expected to attend in the fiscal year, how long the board meetings usually last, where and when they are usually held, roughly how many hours a director may have to spend on corporation business during the year in total, and any special tasks that directors might be requested to deal with. The job description should be followed by a clear, concise statement indicating that anyone who is elected to a position on the board will be expected by the unit owners and the other board members to live up to that commitment. It would also not be a bad idea to advise prospective candidates that they will be expected to take a condominium administration course from CCI at the earliest available opportunity after their election, (at the expense of the corporation). A similar statement should be made at the annual general meeting prior to the election of the directors. You might go so far as to require that anyone who accepts a nomination stand up at the meeting and agree that they will fulfill the job description set out by the board to the best of their ability.

**Information package.** Consider developing an information package for new directors containing an outline of their responsibilities; any policies that the board or previous boards may have developed in respect of the administra-





tion of the condominium; the minutes from the last 6-12 board meetings, (to give the new director a feel for what has recently been going on at the board level); a list of the other board members' names, telephone numbers and addresses as well as those for the property manager, auditor and corporation's solicitor; and any other pertinent information that you may feel is important in respect of your own site. You may also want to round out that package by providing copies of the Declaration, By-Laws and Rules, (assuming the new director does not have an up-to-date set), and providing other relevant materials produced by CCI and available through local chapters.

Facilitate Involvement. Some individuals may make a very good board member but may not be as available to attend board meetings as others. In that regard, every corporation should ensure that their By-Laws include a provision that allows directors to be present by way of a conference call. This may mean acquiring a conference call system for your board room, or alternatively, making other arrangements such that a conference call can be used. Directors who are going to be absent for a number of months because of a long vacation, (e.g. "snowbirds"), should be advised that they will be expected to participate by conference call at board meetings. In that case, you should ensure that any reports, board minutes or other pieces of information disseminated to the board members will be sent to wherever the individual is vacationing. This would not apply to a board member who may be taking a two-week vacation and as a result may miss one meeting. Everyone deserves a break now and then, especially condo directors!

**Build confidence.** A good chair will recognize that not all individuals are good public speakers or have the confidence to actively engage in discussions during board meetings. Such an individual is not necessarily apathetic but simply may not be comfortable in speaking out, especially if they are a new director. When faced with such individuals, a good chair will ask them for their opinion rather than wait for it to be given. By slowly drawing such individuals into the flow of the board meetings, you may be pleasantly surprised at how quickly they can become an active member.

Praise works. Don't hesitate to praise a job well done by a board member. This helps to build confidence and encourages more participation. Use constructive criticism judiciously. Even though you may think that you are trying to help the individual by pointing out some shortfall in the work that they have completed, that individual may perceive it as a rebuke which causes them to withdraw even further from actively participating in the board. On the other hand, where an individual director consistently fails to participate in board meetings or fails to complete assigned tasks on time without reasonable excuse, the remaining board members may find it necessary to censure him or her. Depending upon the seriousness of the matter, the board may choose to censure the individual "off the record" or have it included in the minutes recognizing that those minutes may be read by the unit owners.

Code of Ethics. As mentioned in a previous issue of the CCI Review, CCI National has developed a Code of Ethics for condominium directors. This Code is based by and large on a Code of Ethics that was developed by Mr. Bob Gardiner, a partner in the Toronto law firm Gardiner, Miller, Arnold LLP. This Code of Ethics sets out the standards to which board members will be expected to adhere to during their term of office. It discusses such things as regularly attending board meetings, actively participating in the board, refraining from discussing corporate business outside of the boardroom, and treating other board members with civility and respect. Corporations might be well advised to adopt this Code of Ethics, publicize it in advance of elections, and prior to an election taking place. Ask the individual nominees to agree, in advance of their election, to abide by the Code should they be elected. That agreement should be noted in the minutes for the owner's meeting. A copy of the Code can be downloaded from the CCI National web site.

And finally. When the president makes his or her report at the annual general meeting, he or she should make a point of thanking specific directors for their work on the board in the past year, especially those involved in unique projects, (likewise, someone should thank the President). Retiring directors should be thanked for their dedication to the corporation and their work on the board. Consider giving a small gift or plaque to retiring directors to show your appreciation. Letting people know publicly how much they are appreciated will encourage other individuals of a like mind to run for the board of directors.

Ron Danks, BA., (Hons.), LLP, ACCI, FCCI. Ron is a partner with the Southern Ontario law firm, Simpson Wigle LLP.

#### BY JAMES DAVIDSON, LL.B., ACCI, FCCI NELLIGAN O'BRIEN PAYNE, OTTAWA



# Condo Cases across Canada



SSUE NO. 19

I have been asked, and it is my pleasure, to provide these brief summaries of recent court decisions across Canada, respecting condominium matters. I don't provide summaries of every decision rendered. I select a handful of decisions that I hope readers will find interesting. I hope readers enjoy this regular column of the CCI Review.

# **THE HOT TOPIC:** : B.C. CASES CONFIRM OWNER'S RESPONSIBILITY FOR CORPORATION'S INSURANCE DEDUCTIBLE EVEN IN THE ABSENCE OF NEGLIGENCE.

## B.C. CASES

#### Strata Plan KA 1019 v. Keiran (British Columbia Supreme Court) (May 30, 2007)

#### Lower Court decision (respecting responsibility for deductible on Strata Corporation's insurance policy) upheld on appeal

The lower Court had decided that a Strata lot owner was responsible for damage falling within the deductible on the corporation's policy even in the absence of negligence. [See *Condo Cases Across Canada* – Part 16 – November, 2006].

On appeal, the decision was upheld.

#### Mari v. Strata Plan LMS 2835 (British Columbia Supreme Court) (May 30, 2007)

#### Owner responsible for loss falling within deductible on Strata Corporation's insurance policy

Water damage resulted from a faulty water level switch in the washer of the owner's unit. The Strata Corporation sought to recover the amount of \$5,000.00 from the owner. This amount was the deductible payable by the Strata Corporation on its property insurance policy. [The balance of the repair was covered by the corporation's insurance.] The Strata Corporation was successful in Small Claims Court.

The Strata Corporation had passed a bylaw respecting responsibility for the deductible. Under the terms of the bylaw, the owners were obligated to pay the deductible whether or not there had been negligence on their part. The question was whether or not the by-law was consistent with Section 158 of the *Strata Property Act* which states that the Strata Corporation may sue an owner to recover the deductible portion of an insurance claim "if the owner is responsible for the loss or damage that gave rise to the claim".

The dispute originally went to Small Claims Court. The Small Claims Court found that the corporation's by-law was consistent with Section 158 of the *Act* in that owners could be "responsible" even though there had been no negligence or fault on their part.

On appeal, the Small Claim's Court deci-

sion was upheld. The Appeal Court said:

"I am satisfied that the legislation is clear and that no finding of negligence is required. The legislature used the term "responsible for" in Section 158(2) rather than terms such as "legally liable, liable, negligent". The choice of the term "responsible" provides the owners with the opportunity to allocate to a particular owner the costs of an insurance deductible in cases where an owner was thought to be responsible for a loss."

## ONTARIO CASES

Peel Condominium Corp. No. 283 v. Genik (Ontario Superior Court) (June 27, 2007)

## Owner ordered to remove satellite dish

The respondent owner had installed a satellite dish without consent of the Board. The Court found that the satellite dish contravened Section 98 of the *Condominium Act, 1998* and accordingly ordered that the satellite dish be removed. The Court also found that the satellite dish violated the corporation's Declaration and Rules.

The Court added the following: "This is not a situation in which mediation or arbitration is required. These are circumstances in which the evidence establishes a clear violation of the *Act*, the *Declaration and the Rules*."

The owner's primary argument was that a meeting of the condominium corporation (presumably to discuss satellite dishes) was to be held in the near future – so that consideration of removal of her satellite dish should be delayed until after the meeting. The Court said that this is "legally incorrect". The Court said: "There is nothing that can be done at any meeting of the condominium corporation that can change the fact (that the satellite dish was installed in violation of Section 98 of the *Act*), and such considerations are irrelevant."

#### Joseph Mikhail v. Essex Condominium Corp. No. 47 (Ontario Superior Court) (April 16, 2007)

#### Exclusive-use rights can't be transferred without an amendment to the Declaration

The applicant, Joseph Mikhail, was the President of the company that developed Essex Condominium Corporation No. 47. Under the terms of the Declaration (prepared and registered under the direction of Mr. Mikhail), 25 exclusive-use parking spaces were allocated to Unit 6, Level 3. When Unit 6, Level 3 was sold to a purchaser, the purchaser signed a document authorizing Mr. Mikhail "to take all necessary steps to remove (24 of the exclusiveuse parking spaces) from the appurtenant common interest of Unit 6, Level 3".

Mr. Mikhail then applied to Court for an Order transferring control of the 24 parking spaces to him (in order to allow him to grant those parking spaces to other purchasers).

The Court dismissed the Application. The Court said that any change to the exclusive-use rights would require an Amendment to the Declaration, with the consent of the owners of 90% of the units, in accordance with Section 107 of the *Condominium Act, 1998.* There was no other basis upon which the exclusive use rights could be "transferred".

[Editorial Note: I note that the Court did not consider the possibility of an amend-

ment to the Declaration by Court Order, pursuant to Section 109 of the Act.]

#### York Condominium Corp. No. 42 v. Hashmi (Ontario Superior Court) (May 29, 2007)

## In Ontario, any borrowing requires a by-law

An Administrator had been appointed under Section 131 of the Condominium Act, 1998, to manage certain matters on behalf of the condominium corporation. This included arranging for certain required repairs. The Administrator wished to raise the necessary funds for the repairs by way of borrowing. However, a by-law to authorize the borrowing had not been confirmed by the owners. The administrator sought a declaration that no by-law was required. The Court held that the condominium corporation did not have the power to borrow in the absence of a borrowing by-law. The Court listed the following principles:

1. Any borrowing requires authorization in the form of a borrowing by-law.

2. Condominium corporations may borrow the amount necessary to fund expenditures included in the current year's budget provided this has been authorized by a general borrowing by-law.

3. A specific by-law is required if the purpose of the proposed loan is to fund expenditures not included in the current year's budget.

This was the Court's interpretation of Sections 56(1)(e) and 56(3) of the *Condominium of Act, 1998.* 

The Administrator had also argued that the Court had the power under Sub-section 131(4) of the Act to dispense with any such requirements for a by-law. The Court said: "I am sceptical that this provision provides the Court with such authority ....to direct a condominium corporation to take an act that it does not otherwise have the power to take". The Court went on to say that, even if the Court did have this power under Sub-section 131(4), the Court would not be prepared to exercise such discretion in this case. The Court said that borrowing clearly requires a by-law, approved by the unit owners, and "there is no basis for the Administrator's position that the scheme of the Act contemplates that the financial health of a condominium corporation is paramount and, where necessary, therefore, democracy shall succumb to professional administration".

#### Wentworth Condominium No. 12 v. Wentworth Condominium No. 59 (Ontario Superior Court) (July 6, 2007)

#### Storm sewers must be maintained and repaired by the Condominium Corporation served by the sewers

The storm waters of Wentworth Condominium Corporation No. 59 travel through a storm sewer system located on the land of Wentworth Condominium Corporation No. 12. There is a registered easement for this purpose. The Court was asked to decide who was responsible to maintain and repair the particular storm water system. The Court said that this obligation rested with Wentworth Condominium Corporation No. 59, the "beneficiary" of the storm sewer system.

The Court added that these "positive obligations" fell within one of the exceptions to the general rule that positive covenants do not "run with the land".

#### Baliwalla v. York Condominium Corp. No. 438 (Ontario Superior Court) (June 22, 2007)

## Small Claims Court decision overturned

The Small Claims Court had ordered the condominium corporation to repay to the plaintiff owner the "excessive" portion of a special assessment. [See Condo Cases Across Canada – Parts 16, November, 2006]. On appeal, the decision of the Small Claims Court was reversed and the condominium corporation was awarded costs.

The Appeal Court said: "The Baliwallas were asking for a refund of the amount not used in the assessment for the major repairs. They had no right to do so, as subsection 84(2) makes it clear that any surplus, which includes the receipts in question, shall be applied either against future common expenses or paid into the Reserve Fund. The Board's authorization to have the surplus funds paid into the Reserve Fund prior to its fiscal year-end was reasonable in the circumstances of the case before it."

## ALBERTA CASES

Maverick Equities Inc. v. Condominium Plan No. 942 2336 (Alberta Court of Queen's Bench) (May 15, 2007)

#### Corporation's Rules not valid

The condominium corporation had purported to enact Rules and Regulations by a simple majority vote at an annual general meeting. The Court held that the Rules and Regulations were not valid because Rules and Regulations could only be enacted or amended by by-law, which requires a special resolution (and then registration of the by-law).

## OTHER B.C. CASES

Oldaker v. Strata Plan VR 1008 (British Columbia Supreme Court) (May 11, 2007)

Strata Corporation generally fulfilled its repair and maintenance obligations One of the Strata owners sought a declaration that the respondent Strata Corporation was in breach of its duty to repair and maintain the common property.

The Court said that the Strata Corporation had generally fulfilled its obligations. The Court said that the corporation's repair and maintenance obligations are not strict duties. Rather, the corporation's obligation is to make reasonable efforts to perform its duties. The Court said that the corporation's duties are "tempered by reasonableness". The Court said: "Every Strata Corporation faced with problems of water ingress must rely upon and be guided by advice received from professionals. In this case, competent professionals were hired, albeit by the Administrator, and their recommendations were followed."

The Court did say, however, that the Strata Corporation had failed to meet its obligations in one respect. In particular, the Court said that the Strata Corporation should have obtained an expert assessment of the building envelope at an earlier date. Strata Plan LMS 2940 v. Quick as A Wink Courier Service Ltd. (British Columbia Supreme Court) (June 29, 2007)

## Strata Corporation entitled to extension of limitation period

The Strata Corporation had started a Court action one day after expiry of the applicable two-year limitation period. The delay was necessary in order for the Strata Corporation to fulfill the statutory requirement for a 3/4 vote to authorize the commencement of the action.

The Court granted an extension of the limitation period. The Court said that, under Section 6(4) of the Limitation Act, the limitation period does not begin to run until the Strata Corporation has a reasonable time to obtain the requisite 3/4 vote authorizing the action. The Court said: "What is a reasonable period of time will depend on all of the circumstances, including the number of owners, their proximity and their past practice of waiving notice to meetings. In the present case, I need not determine what would constitute a reasonable period of time because there is no doubt that it would be at least one day".



#### Toronto Chapter

The summer of 2007 ended on a high note for the CCI Toronto Chapter as the Regulations to Smart Metering Legislation were released and news spread that the joint efforts of CCI-T and ACMO were successful in ensuring the best interests of condominium owners were met. After months of lobbying, CCI –T and ACMO learned that the Ministry announced that the decision to proceed with individual smart/sub meters can be made solely by a condominium's Board of Directors. This will be welcomed news for many condominium corporations. CCI Toronto would like to recognize and thank Harold Cipin, Armand Conant, Maria Dimakas, Bob Gardiner, Janice Pynn and all others who volunteered their time and efforts toward this initiative. Full details on this announcement can be found on either the CCI-T or ACMO websites. (www.ccitoronto.org or www.acmo.org)

The Fall 2007 educational program got off to an early start with the Condo 101 course offered on Saturday September 15th at the Novotel North York Hotel. This day introductory course for directors provides eager participants with information on the 'ins and outs' of successful condominium operations. The fall session of the Basic Level Directors course will begin on Tuesday, September 25th, 2007 and will run for six weeks. Directors hoping to attend this informative course should book early, as space is limited. Visit the chapter website at www.ccitoronto.org for full registration details.

The final details of the 11th Annual ACMO/CCI Condominium Conference are currently being planned. This annual event taking place on November 2nd and 3rd, 2007 will feature the theme *Building Better Communities....Going Green* this year



and a fantastic line up of speakers has been arranged, including keynote speaker, Guy Dauncey, the President of the BC Sustainable Energy Association and author of *Stormy Weather: 101 Solutions to Global Climate Change*. The conference offers excellent educational and networking opportunities for all those involved in the Condominium Community. Sponsorship and limited exhibit opportunities still exist – contact the conference office at (416) 491-6216 for further information.

Toronto Chapter members should take a moment to mark their calendars now for the CCI Toronto Annual General Meeting scheduled for Thursday, November 22nd at 7:00 p.m. As in the past, the AGM will be followed by a Members' Wine and Cheese Reception, and will offer the opportunity to mingle and network with the Board and other CCI-T members. We hope all members will attend.

Lynn Morrovat, CCI Toronto and Area Chapter Administrator

#### South Alberta Chapter

As Summer slowly comes to a close and fall is not too far along ....CCI South Alberta will begin the new year with our Annual General meeting which will be held this coming September.

The South Alberta Chapter celebrated its 25th Year Anniversary as part of CCI by honouring the past Presidents at a special "stand up" luncheon hosted at Canada Olympic Park in Calgary. A big thank you to Ron Clarke for being our guest speaker ...thanks for keeping it to an hour Ron?!

In honour of our members, CCI South Alberta hosts a Golf Tournament on an annual basis to acknowledge the membership's commitment to CCI. This summer's Golf Tournament was a great hit. The weather was hot, the food was good, everyone walked away with a gift (thanks to all our sponsors), and laughter and fellowship was had by all. With the booming economy in Calgary we are seeing an increasing amount of owners and managers attending the Educational courses and luncheons that we offer. As a chapter we continue to look at ways that will benefit the membership. In the next few years we hope to implement new ideas and technology that will allow us to offer more to the Condominium Industry.

The previous year has proven to be a true success. I commend the committee members and the Board for all their efforts and hard work on behalf CCI South Alberta and am looking forward to another great year.

Maria Bartolotti, Chair, Education Committee, CCI South Alberta Chapter

#### South Saskatchewan Chapter

CCI South Saskatchewan Chapter is back to work after the summer holidays. We all needed some time to regroup and catch up on things. We had a very successful Annual Spring Conference as those who attended can attest to. The entertainment that the board organized thanks to Leona Frank, Ambrose Reschney and Lori McKenzie was superb especially the Pitchfork Fondue with huge steaks and potatoes.

The rest of the conference was also great, the speakers kept us on our toes, and we realized we have a lot of work to do as condos have just become a big ticket item in the real estate market in Saskatchewan. The meeting of the National Board with their sense of humor and dedication to CCI National has inspired us to try a little harder to get more members for our Board and more memberships.

The spring conference has also taught us that we must try to send at least two to three members to these national conferences for the experience and educational tools to teach us.

We are gearing up for our fall conference and Annual General Meeting, to be held on October 20, 2007. Some of the topics we are investigating are black mould which seems to have

#### Windsor-Essex County Chapter

We are excited about the start of the 2007-2008 CCI membership year. It is already a busy year - with our emphasis on lobbying efforts to ensure condominium owners' rights are protected. Education is still a primary goal, with our updated website, newsletters and seminars.

We are pleased to advise that our Annual General Meeting followed by our ever-popular "Ask the Expert Seminar" will be held on October 25th, 2007. Professionals in the fields of law, property management, building management, reserve fund planning, financial planning and accounting, insurance and real estate matters will be there to answer members' hot-button issues. We are also excited about the National CCI Human Rights Symposium scheduled for October 31, 2007 in Toronto.

We would like to hear your ideas for seminar topics and other issues that affect your condominium. For more information on how to become a member of the CCI Windsor-Essex County Chapter or to become more involved in our Chapter, please call 519-978-3237 or visit our website at www.cci.ca/Windsor.



become more of a problem. The board needs to know what direction or action we need to take in helping our members. One of the big questions we are now getting since the big condo fire in Edmonton with vinyl siding is what are the building codes and what precautions do we need to take. Most condos have now gone to maintenance free. I see an educational seminar coming up.

Congratulations to CCI National on their 25th anniversary.

Lee Ann Brown, Past President, CCI South Saskatchewan Chapter



Membership has its benefits, including Mandatory Continuing Education (MCE) Credits for real estate professionals. Our local website and Chapter, known to condominium communities throughout Canada, can provide links to your business and we would encourage you to take advantage of this marketing service. There are great advertising opportunities for our business and professional members in our Directory and Newsletter circulations, as well.

Andrea M. Thielk, BA, LLB, JD, ACCI (Law) President, CCI Windsor-Essex County Chapter

#### Golden Horseshoe Chapter

By far the highlight of the summer/fall season was the chapter's 25th anniversary gala dinner held in conjunction with our AGM on September 13th. The venue was the elegant Royal Botanical Gardens in Burlington. Close to 250 guests attended representing condominium corporations, professionals and trades. Representatives from some of the other CCI chapters and from National were in attendance. We were very fortunate to have some of the members of the first Golden Horseshoe board from 25 years ago. Two from the original board, Ray Wilson of Wilson Blanchard Management Inc. and George Shirton provided a retrospective of the chapter's history and in particular the pioneering work of the chapter's founder, Penman Smith.

We also acknowledged the significant contributions of our chapter administrator, Marianne Hallas, who stepped down earlier this year after five years of service. Her dedication to the position is an inspiration to her replacement, Theresa Place, who was introduced during the dinner. We also gave our thanks to a departing board member, Peter Greco.

During the evening the chapter also acknowledged our recipient of the Condominium of the Year Award, Niagara North Condominium Corp. 125, Glencourt Place in St. Catharines. Board representatives who were guests of the chapter were present to receive the award.

For entertainment after dinner, illusionist Aaron Paterson wowed the crowd with his amazing talents.

On behalf of the board and our members, I would like to offer our sincere thanks to the numerous corporate sponsors and those companies that provided door prizes.

Prior to the gala, the chapter held its AGM. Returning board members include Tony Gatto, Maria Finoro, Don Bassindale and Rob Mullin. There was one board vacancy with the departure of Peter Greco. We are pleased to announce that Don Chown of Chown Property Management Inc was acclaimed.

*Kim Coulter, ACCI, Chapter President, Golden Horseshoe Chapter* 



















#### Vancouver Chapter

Greetings from Vancouver where summer has finally arrived even though the kids are now back in school! While many Vancouverites are no doubt planning on enjoying the remaining days of summer, the board of directors of CCI Vancouver has sprung into action and is busy working on plans for the balance of 2007 and for 2008. Next up for our Chapter is a seminar in



October to be followed by the 2007 Annual General Meeting. The seminar will focus on legal issues that involve boards and owners alike.

Plans are also underway to host a seminar in February, 2008 which will update our members on licencing of property managers in B.C. As you know, persons who, as of January 1, 2006, provided services related to rental and strata management, had to be licenced under the *Real Estate Services Act*. It's been almost two years since that requirement was put in place and it will be interesting to hear how the requirement has impacted on the condominium management industry.

Our Chapter Board has also been busy with the ongoing tasks of marketing and member recruitment while also working together on the plans for the May 2008 Semi-Annual Meeting. We look forward to seeing many of you in Vancouver in May, 2008.

Jamie Bleay President, CCI Vancouver Chapter

#### Nova Scotia Chapter

The Board of CCI - NS takes a break from meetings in July and August and so as I write this we have not yet had our first meeting of the 07-08 year.

That is not to say that we haven't been busy! We have been at work preparing for the annual meeting in a few weeks. Our membership is on the increase and we are hoping for a good turnout this year. On the agenda besides the usual business of nominations and appointments will be the report of the advocacy committee. The important work of lobbying for changes to the *Condominium Act* is underway again with the focus being how do we get developers to fulfill their obligations to the new owners when those nasty deficiencies show up! We'll keep you informed as things develop.

With many new condo developments coming on stream it's time for the CM100 course again. In the past when we did the CM100 as a one-day event the last sections of the manual were hurried. To address this, we are creating a separate seminar on condo insurance and thereby taking out the condo insurance section from the CM100. We are actually going to group insurance with fire safety measures, a subject our membership will find helpful.



To help celebrate the 25th anniversary of CCI National we are working on a province wide advertising supplement in Nova Scotia's major newspaper to be published in October. We are contacting service providers to the condo industry to help pay for this full page spread by taking out a bit of advertising space.

And so it goes.....all the best from Nova Scotia for the upcoming 2007-08 year.

Norma Cameron, President, CCI Nova Scotia Chapter

#### Huronia Chapter

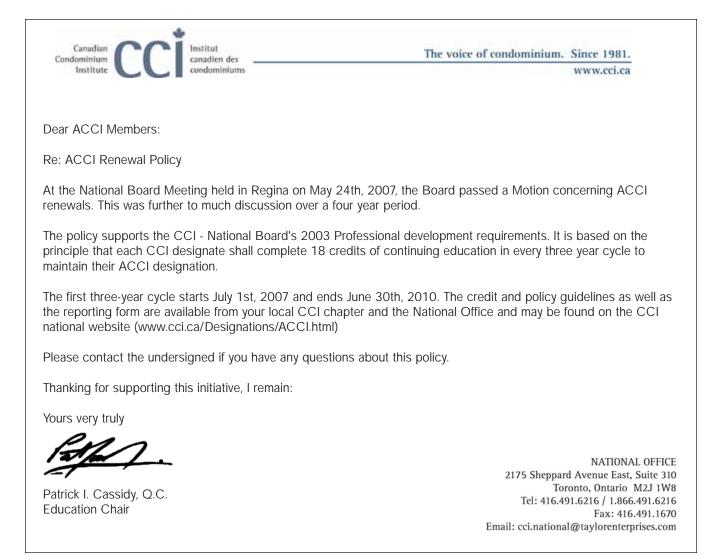
Some things are worth waiting for. After much planning and anticipation, our chapter is very pleased to announce that Taylor Enterprises has assumed our administrative duties. As is clearly evident in their handling of similar duties for National and Toronto, we are confident we are in good hands. Now that the administrative torch has been handed off, the Huronia board is looking forward to spending less time "running the shop" and more time where it matters most: interacting with our members, especially the delivery of its educational needs via courses and seminars.

Once again, our AGM was held aboard the Serendipity Princess.The combination AGM/evening cruise on Lake Simcoe is becoming a tradition, one that many condo "sailors" count on from year to year. With the good ship back at port, the board is looking forward to delving into how it can best serve its members for the upcoming year.



We look forward to seeing our ACMO and CCI colleagues at November's conference.

R.A. (Bob) Skeaff, Vice-President, CCI Huronia Chapter



#### London & Area Chapter

The past months have been busy ones for all condominium communities, and that will continue until the sunshine becomes faded and the cooler months of autumn are upon us. The focus has been on maintenance as we prepare for another winter. We thank all of our contractors and trades, who have served us so well; and our thanks to the property managers and directors for their attention to repairs and installations, while maintaining budgets. We also thank the owners who have given us delightful gardens in all of the properties and who have shown much patience for the work being carried out on the properties.

We at CCI have also been working diligently, planning for the upcoming months, to provide our condominium community with continued education. We begin our 25th anniversary celebrations with our Annual General Meeting on September 25th, 2007 that will include a special presentation "We've come a long way, baby!" A panel of experts will provide their impressions of progress and improvements in their respective disciplines as they relate to the condominium community over the past years. Presenters in their areas of expertise include: Barry Scott, LL.B., ACCI, FCCI - law; Michael Lander, CA, ACCI, FCCI - financial & audits; Don Peter, CIM, PMGR, CMM - insurance; Connie Grant, CMOC, CRES, ACCI, FCCI - real estate; Susan Size, CMOC, ACCI, FCCI - property management; and Kay Stallard, CCI (Hon's) - condominium boards. The presentation is moderated by Michael Lamb, LL.B. Your RSVPs are appreciated as refreshments will be offered.

The much anticipated 2-day Condominium Course will take place on Saturdays, September 29th and October 13th. Our instructors are confirmed and eager to provide their time and expertise. We await your registrations.

"From Top to Bottom" is a special seminar being developed for those living and working in high rises. Kevin Dietrich and Fraser Grant are collaborating to provide a brief overview of the building sciences and the many areas of maintenance that are unique to them. This seminar is tentatively scheduled for November 17th. Please contact us to express your interest.

The planning continues for November 20th when our special guest will be Michael Clifton, LL.B. At Clifton Kok LLP condominium law for developers and condominium corporations continues to be Michael's primary practice area. He is a co-author of two books on Ontario condominium law: *A Planners' and Municipalities Guide to the Condominium Act, 1998 and Essential Issues for Realtors in the Condominium Act, 1998.* Michael has also had numerous articles on condominium law published in trade periodicals including the *Condo News* and the *Condominium Manager* and has been an instructor at various CCI forums and courses. In September 2006, Michael was elected to the board of directors of the Golden Horseshoe Chapter of CCI. We look forward to welcoming Michael to London.

And while you are warding off the winter chill and to welcome the new year, make sure you attend the January 22nd Seminar "911 .... NOW WHAT?" The stage will be set. The players (our volunteer experts) will walk you through a claim scenario beginning with the unit owner finding damage in his own unit, which unfortunately also damaged his neighbour's unit. The scenario will continue through the steps that include the roles that the contractor, property manager, claims adjusters for the condominium and the owner will take to facilitate the claim. Could this be the start of future acting careers? You can be the judges.

Other seminar dates to include in your calendars are March 18th and our annual "There are no stupid questions!" on May 13th.

The Condominium Round Table continues to meet on the second Wednesday of the month at the Mocha Shrine Centre. Your suggestions for discussion topics are welcome. Please Email to ccisw@cci-sw.on.ca.

We anticipate another great year of education and welcome your participation. Our events will take place at the Mocha Shrine Centre, 468 Colborne Street.

Thank you to all of you who have continued your support by renewing your membership. It isn't too late; please attend to this matter soon.

The 2008 Professional Service & Trades Directory is on the drawing board. If you want to be included in this publication your membership is due no later than October 15th, as is your advertising copy for those Professional and Sponsor members who wish to take advantage of this advertising opportunity.

Trish Kaplan, Administrator, CCI London & Area Chapter



#### Newfoundland and Labrador Chapter

Hello Canada!!! We hope everyone had a wonderful summer with at least some time to stop and enjoy some of your favorite things. We certainly have to make the most of it while it lasts as, all too quickly, we find ourselves back in the 'real world'!!

We are now preparing for our first meeting with Government representatives to discuss the draft amendments to our *Condominium Act.* Our first face-to-face will take place on September 11 and we are very excited to have moved things along to this point. We hope to have a clearer understanding of the actual process through which the legislation must move on its way to becoming enacted. There will certainly be much for our Board to learn but we are anxious to get started. Hopefully, when we next send along our "Chapter Chatter", we will have more information to provide and will be able to share our progress with you.

Our Board continues its efforts with the City respecting the duplication of services for many of our Condominium Corporations. I'm sure most of you have already been down this road with varying degrees of success but, despite a less than auspicious response to date, we are ever hopeful that we may be successful on some of these fronts. Additionally, we have committed to doubling our membership numbers by the end of the year. A committee has been struck for this purpose and we feel that it is a very realistic goal. With a few of these larger projects in process, we should be able to entice a wide cross-section of professionals and individuals with the many benefits of becoming a CCI member. We continue to press on.

We will be sending an individual (or two) along to CCI National's Annual Meeting in Toronto in November. It should be a great 25th Anniversary Celebration and our Chapter has benefited greatly from the networking that takes place at these events. It has become a very valuable tool for us!

Our ongoing thanks to those CCI National Board members (both past and present) who, without hesitation, continue to guide and support us on this journey. Likewise to Diane and her staff who also lend their unfailing assistance. We sincerely appreciate it.

Until next time ...

Mae Butt, Vice-President, CCI Newfoundland Chapter

#### Ottawa Chapter

The Ottawa & Area Chapter extends fall greetings to all the CCI Chapters. The Chapter has been busy arranging for the fall season including the following events.

First off this fall on Saturday, October 20th the Ottawa Chapter will be hosting the Chapter's Annual General Meeting. Just prior to the AGM, the Chapter will be hosting a 25th Anniversary seminar. Our theme for this event is to celebrate 25 years by bringing the past together with the present and the future. We have invited the past Board members to come and discuss how CCI has changed over the past 25 years, the current Board will discuss the plans for the future and the planning division of the City of Ottawa will update us on what is being proposed for future condominiums throughout the Ottawa area. All in all – it sounds like fun!

The Fall offering of the CCI Directors' Course will be held by the Ottawa Chapter at the Southway Inn on Saturday, November 17th and Sunday, November 18th, 2007. At the time of writing the course is once again sold out and a waiting list has been established. If you are planning on taking any CCI Directors' Course it is always best to register early as the registration for the course traditionally fills up quickly. Better trained Director's equals time and money saved which all leads to a better run condominium community.

On the Administrative side, this office has been busy; the annual membership renewals are being processed upon receipt and acknowledged with a letter containing the user ID and password to the National web site. This letter also acknowledges the year of membership with the membership seal incorporated into the letter.

Membership in the Chapter is on the rise and many of the new condominium developments are already on board. Since 1983 the Chapter has grown to over 425 members.

As soon as the dust settles on the scheduled events for October and November, the Board of Directors' will be planning events starting early in the new year.

If you would like further details regarding on any of our events or would like information on membership in the Ottawa Chapter of the C.C.I. please contact the Chapter office at 613-247-4718 or, by e-mail, at cciottawa@magma.ca or, visit the Chapter's web site at www.cci.ca/Ottawa. We welcome enquiries from owners, tenants, property managers, directors, trades people and real estate agents.

Liz Dowd, Administrator, CCI Ottawa & Area Chapter

#### Manitoba Chapter

The Manitoba Chapter of CCI kicked off its 2007-2008 activities, as usual, with its AGM. This year again, we presented a free legal session before the AGM, this time on the topic of Privacy Law and the Condominium Corporation. More than 50 condominium corporations were represented and a lively discussion ensued. After the presentation, the AGM convened amid periodic draws for door prizes. A slate of 15 directors was presented to form the Board for the forthcoming year, including 5 new members and 10 returning directors. We are excited about this mix of new and old and we are particularly pleased because we have representation from a range of various professions as well as several condominium owners/directors.

We were pleased to present Certificates of Achievement to a number of hardworking members who successfully completed the entire Condominium Course. Following the AGM, we hosted a Wine and Cheese reception and celebrated CCI's 25th Anniversary with a delicious birthday cake.

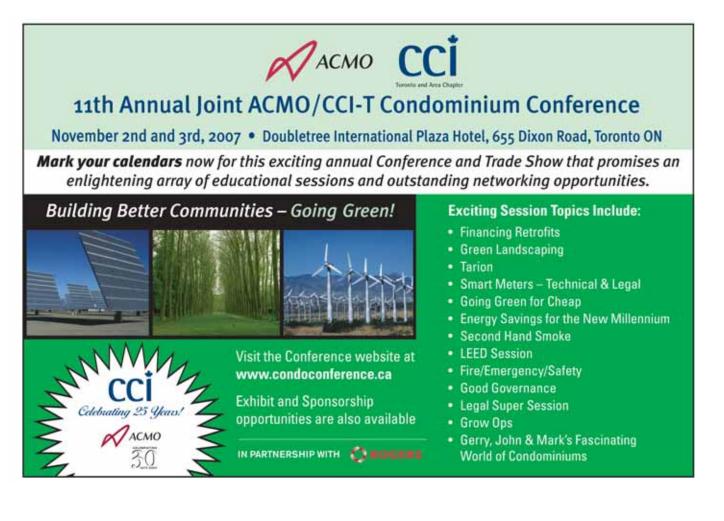
We at the Manitoba Chapter are also really excited about our

25th Anniversary project – an updated Condominium Guidebook. We last published our Guidebook in 1995 so it was due for an update. The new and improved version looks great and the reception when we introduced it at our AGM was excellent. We plan to distribute copies of the Guidebook free of charge to all of our renewing members, with enough copies going to the condominium corporations so that there will be one for each and every unit. We are also planning to make copies available for purchase by prospective condominium purchasers, non-members and realtors.

Our Education Committee has an active year planned, including our first ever Directors' Overview course presented outside of Winnipeg – we plan to "take our show on the road" and offer this introductory condominium directors' course in Brandon, Manitoba's "Second City".

All in all, this is shaping up to be a great year for CCI Manitoba!

Rob Giesbrecht, President, CCI Manitoba Chapter



# Improving Communication in the Condominium Setting



Communication is one of the most important aspects of living in a vertical village, yes a condominium. The Board of Directors has the important task of ensuring both that the condominium is maintained in good condition, both physically and financially and that everyone in the village knows the what, why and wherefore of everything that is going on.

Although the Board's mandate is clear, how they communicate this to their electorate varies greatly.

Have you ever had the experience of offering, upon request, informed advice to your children or a friend, and then seeing them go away and do the exact opposite, with unfortunate consequences.

Humans take direction well from inanimate objects, such as the GPS map reading devices present in many cars, but from another human or, even worse, a group of humans, never.

Typically, condominium owners like to feel they are part of the decision making process, after all they are part owners, and for harmony and peaceful co-existence it is essential for directors to bear this in mind when implementing Board decisions.

Once a Board has decided on a certain course of action, whether it be to replace the carpets in the common areas, or re-pave the outdoor parking lot, it is essential to educate the unit owners in the need for this before revealing the timetable, the expected cost and the level of discomfort and inconvenience that may be expected.

Once there is a general perception

that carpet or asphalt replacement is necessary, then it becomes a simple matter to proceed with the work with strong support from the unit owners.

How is this achieved? By information dissemination. This can be in the form of a regular newsletter, "townhall" meetings or information bulletins.

It takes time for the right mindset to develop. After all Rome was not built in a day. To achieve consensus requires patience, time and good communication skills. The strategy is to get the Board's decisions implemented with a minimum of ruffled feathers.

All of this can be easily achieved by the proper use of the information contained in the Reserve Fund Study combined with adequate pre-planning and a well-organized public relations program between the Board and the unit owners.

One way to proceed is to issue a "state of building repair" report say twice a year. After all how could unit owners know that the swimming pool requires (possibly a lot of) money spent on it if they are among the relatively large group that never use it? To learn of this at short notice, and to be told that other maintenance work near and dear to their hearts is being postponed could light a fuse leading to a palace revolution unless they are aware of the background, understand the reasons for the Board's decision, and, most importantly, have had the information and the decision presented to them in such a way that they either agree, or accepting it as inevitable, do not actively disagree.

It is one thing to decide on the route



to be taken to disseminate information and quite another to proceed without creating a negative reaction.

People react negatively to anything that they perceive to be a threat – physical, financial or environmental. Avoidance of such a reaction requires presentation of the news in such a form that the solution is generally welcomed or, at the very least, not criticized.

Socrates, who lived 450 years before Christ, developed a unique approach to influencing the mindset of the people of Athens that was immortalized in the writings of Plato and that is as relevant today as it was then.

Essentially the unit owners must have sufficient information that they ask the questions that inevitably lead to the perception that action is required of the type that the Board intends to take. For example, the parking garage roof slab is beginning to leak with deterioration at a stage where all that is required are temporary measures to protect people and vehicles in the garage. However the Board knows that it will get worse and eventually require expensive repair work or replacement. The Reserve Fund Study should also be telling them that work on the roof membrane is coming due.

At that early stage everyone in the building should be informed that a leak, or leaks, have developed, that a car, or cars, have been damaged and that the leakage can be expected to become more widespread possibly with more cars (maybe theirs) being damaged before the leak is noticed and the water diverted.

At the same time unit owners should be told that the Board is investigating the extent of the problem and looking into the options available for a permanent solution.

Your Reserve Fund Study and its successive updates is a great asset in the information dissemination process, but should never be presented as THE reason for doing something that costs money and creates inconvenience. For example, the unit owners MUST be satisfied ahead of time that if the chiller (or boiler) is not replaced they may suddenly find themselves without air conditioning (or hot water).

Remember that better communication will improve any relationship whether it is in your home or your condominium.

Gina Cody, P.Eng., M.Eng., Ph.D., ACCI, FCCI Construction Control Inc.

