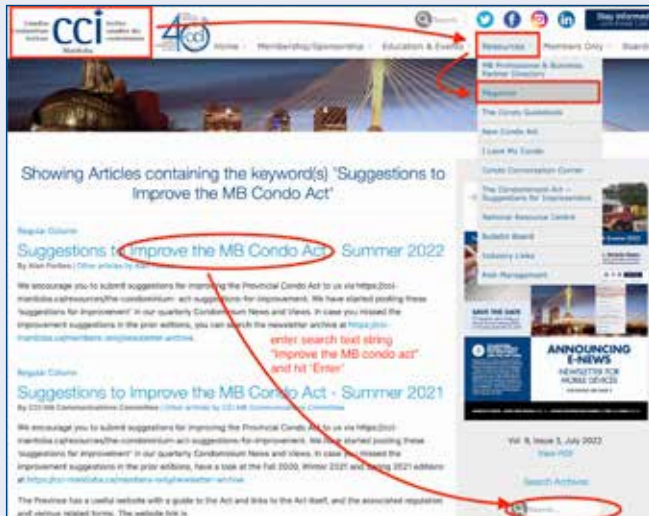


THE CONDOMINIUM ACT – SUGGESTIONS FOR IMPROVEMENT



We are continuing to receive suggestions to improve the Provincial condo Act (The Act) and we thank you wholeheartedly for your efforts. We are compiling the suggestions and plan to be ready when the Provincial Government considers updating The Act and consulting with stakeholders.

Now that we have our E-newsletter article library, you can easily find prior submissions to improve the MB Condo Act, by going to our website <https://cci-manitoba.ca>, and doing a search as shown in the graphic.

We encourage you to submit suggestions for improving the Provincial Condo Act to us via <https://cci-manitoba.ca/resources/the-condominium-act-suggestions-for-improvement>. For reference, the Province has a useful website with a guide to the Act and links to the Act itself, and the associated regulation and various related forms. The website link is <https://www.gov.mb.ca/condo/>.

We received a suggestion to improve the clarity of Reserve Fund Studies (RFS) for the average condo unit owner that may not be as familiar with financial documents in general and RFS documents in particular.

"Why do the reserve fund studies show numerous ideal balances on their worksheet submission to the unit owners? There should be only one ideal balance shown - the other comparisons should indicate a balance only column. When I asked the Engineering company they indicated that this was a Condo Act requirement. This is very misleading to the owners & corporations are not focused on the exact requirement but on the lowest common denominator. Please have this changed."

When I contacted the person that made the above submission, they indicated that the RFS had four separate funding options, which caused much confusion in the minds of numerous unit owners. I can relate to this suggestion because when I received my CC's first RFS, I read it but couldn't determine which funding option was being used. I provided feedback to our Board but didn't get any response until the following AGM during which the Board indicated which funding option they were following. That prompted me to run for our Board and become the Treasurer, and now I provide a summary document to our owners indicating which funding plan we will be following, along with other pertinent information, such as a five year forecast of reserve fund contribution and an assessment of the risk of needing a special assessment in the future.

We received a submission suggesting there is a power imbalance between the property manager and the CC Board, and to rectify that imbalance, additional regulations are required. The context was a dispute between a condo owner and the CC in conjunction with the communication or lack thereof between the Board, the PM and the unit owner. In the course of the events that unfolded, the unit owner was told to contact their MP to have the Act and Regulations improved.

While CCI can't get involved with disputes such as the one this unit owner mentioned in their submission, we did offer the following response.

- First off, since condominium acts are a provincial responsibility, you would need to contact your MLA rather than your MP. Contact details for MLAs can be found at https://www.gov.mb.ca/legislature/members/mla_list_constituency.html. Some provinces have mandatory education requirements for both Directors and Property Managers. Currently, Manitoba has no such requirements. Perhaps a nudge from you to your MLA is in order. Note that mandatory education is on our list of suggestions to improve the Manitoba Condo Act.
- Secondly, in cases in which it appears that the property manager has too much power, this is more often than not an indication of a weak or ineffective Board than an indication of a too-powerful PM. Regardless, the PM works for the Board and the Board is ultimately responsible and accountable for the business of the condo corporation. Quite often Boards appear weak and ineffective because they lack sufficient knowledge or the willingness to be effective. CCI MB tries to help with the former by providing educational events, courses and articles but can't help with the latter. Other provinces, such as Ontario have a regulatory authority for both the condominium managers and the condominium corporations. However, just having the regulatory authority in place is insufficient to resolve all problems, as was discussed in a prior CCI MB newsletter article <https://cci-manitoba.ca/cci-manitoba-magazine/article/19>
- Ultimately, having Boards properly educated and motivated to do the job is the answer. Education alone is not the answer to CC governance issues. Boards must not only have the education and knowledge to direct the business of the CC but they must also have the motivation and willingness to be effective and diligent in their duties.

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