

## CCI CONDO CONVERSATION CORNER... A VIEW & A VOICE

**A** VIEW and A VOICE is a regular feature article of the newsletter produced and distributed by the Manitoba Chapter of the Canadian Condominium Institute. It is a format to post information and articles relating to the current concerns of the typical condominium unit owner.

### ANNUAL GENERAL MEETINGS & UNIT OWNERS PARTICIPATION

Many condominium corporations are starting to plan for their Annual General Meeting of unit owners. Corporations are required under the Condominium Act to hold the Meeting no less than six (6) months after their year-end.

The financial statements for the previous year are reviewed and Directors for the following year are elected at the meeting and any other business specified in the Notice of Meeting will be transacted.

Important decisions and recommendations are often made at owners' meetings. Therefore, it is strongly recommended that unit owners attend these meetings in person. Only owners who attend the meeting have a chance to find out what is going on, participate in discussions, raise any concerns, assess directorial candidates and exercise their own wisdom to elect qualified people to the board of directors.

Owners should participate in meetings by identifying themselves and speaking clearly, while refraining from shouting, speaking in an aggressive or hostile manner, interrupting others who are speaking, monopolizing the discussion or displaying a lack of consideration for others. Genuine disagreements, questions and concerns should be expressed politely and at their appropriate time in the meeting agenda. Instructions of the meeting chair must be followed.

The Condo Act is very clear that binding votes can only be held for items noted on the official agenda of the meeting. There may be absent unit owners who, if they had been made aware of an impending vote, might have attended the meeting. For this reason, only the items on the agenda can be voted on.

If for some reason you are unable to attend the meeting you may have a representative attend on your behalf. In the package of material that you receive for the AGM there will be a "Form of Proxy" that will need to be completed and submitted to the person/ or management company indicated on the form and in the time frame stated. Only appoint as your proxy holder a person you know, respect and trust to protect your interests and act wisely on the spot.

If a candidate for the board is attempting to get elected by defaming existing directors, don't give your proxy away - instead, go to the meeting so you can act

judiciously and hear all sides of the story before voting. If you choose a candidate by proxy instead of attending the meeting, you will lose the opportunity to assess the abilities of candidates if they are elected from the floor.

(Note: Some corporations allow for nominations from the floor.)

### THINKING OF LETTING YOUR NAME STAND TO BECOME A DIRECTOR - WHAT TO CONSIDER

As a unit owner, you may be considering standing for election to the Board of Directors. With a position on the Board of Directors,

you can participate in ensuring that the common elements will be maintained to the fullest extent, protecting your investment and it will give you some direct control over the quality of lifestyle you will enjoy.

### ARE YOU QUALIFIED?

If you are considering standing for election then you should ask yourself if you are "qualified" to be a Board member. You need not legally have previous experience but if not, it is recommended that some basic education in the form of courses etc. be obtained. You will need to be familiar with the Declaration, By-laws, rules, and regulations that govern your Corporation.

The object of the condominium corporation is to manage the property of the owners of the units in the condominium project. Its responsibilities are to control, manage and administer the common elements: that is to say, those portions of the property that are generally used in common by the unit owners.

The board's job is to oversee. They do not manage, shovel snow, practice law, do accounting, oversee construction, do appraisals, nor any of the other tasks that should be contracted for by the corporation.

### WHAT'S THE RIGHT ATTITUDE?

A professional attitude is required to run the affairs of the corporation like a business. However, keep in mind the corporation is a non-profit corporation and you are dealing with people's homes, lives and families. Therefore, the directors must always work to balance the business aspects of any decision with the social and political aspects of the decision.

The legal alternative must always be chosen but in the face of multiple legal options, some will be more socially and politically acceptable. The director must always work to avoid the development of a "we/ them" attitude between themselves and the other unit owners.

It is typically impossible to avoid aggravation however, you can minimize and control that which you will face. Whether legally written or implied, act honestly and in good faith, with prudence, diligence and loyalty. Directors have a duty not to be negligent. Do not allow conduct to fall below that, which could be said to be reasonably expected by a person in the same position. Read documents and minutes before signing and ensure accuracy, completion and satisfaction achieved before granting approval. Put your concerns in writing if you face resistance.

Now that you have determined that you would make a good director complete the nomination form/or other type of form that was in your Annual General Meeting package. Forms should be submitted at least two (2) days prior to the meeting to allow for ballots to be prepared for the election.

Congratulations! You have been elected to the board of directors.

### WHAT IS THE ROLE OF THE BOARD RESPONSIBLE?

The Condominium Act states:

Duty of board

94(1) A board is responsible for performing the duties and exercising the powers of the condominium corporation in accordance with the corporation's mandate, duties and powers under this Act and the corporation's declaration and by-laws.

Duty of directors and officers

94(2) In performing the duties of the condominium corporation and exercising its powers each director and officer of the board must

(a) act honestly and in good faith with a view to the best interests of the corporation: and

(b) exercise the care, diligence and skill that a reasonable and prudent person should exercise in comparable circumstances.

### WHAT TO EXPECT?

- You will be part of both the policy and management roles in your condo facility.
- You will attend the regular scheduled board meetings and become an active part of the committees required to govern the facility.
- You will be involved in decisions on the control, management and administration of the common property and the enforcement of the by-laws and rules & regulations that govern the corporation.
- Directors need to have a good understanding of people and ensure that all decisions are reasonable and consistent. The elected members of the Board are a small, but significant group, who are required to make decisions representing all

unit owners. Often it becomes necessary to "think" like the majority rather than think as only the single unit owner that you may be.

- It is a prime board duty to ensure that the rules and the Declaration are applied uniformly and not just from time to time as suits directors or management.
- It is the duty of boards to maintain dignity, respect for others and property, and general civility in a condo building or townhouse complex.

### IT CAN BE EASIER THAN YOU MAY ANTICIPATE

Your job will go smoothly if you're the type of person who has a:

- Willingness to learn about the corporation's Declaration, By-laws, and rules and regulations, as well as its issues. It is not so much the expertise in itself that counts but it is the willingness to seek information and to learn.
- Willingness to follow those rules and ensure that they are followed by owners and residents.
- Willingness to understand that board members are responsible as a group for the entire community.
- Ability to get along with others and work as a team.
- Ability to be fair to everyone.

The understanding of the duties of the Board of Directors contributes greatly to the hassle-free lifestyle owners have chosen! 🌟

## PRINCIPALS OF GOOD PRACTICE FOR BOARD MEMBERS

The responsibility of a Board Member is to gain a basic understanding of all aspects of the complex and then initiate ad/or support Board actions that will advance the standards and goals set forth by the Board or by a vote of a majority of unit owners.

- 1.** A Board Member's first obligation is to become informed about the Corporation's history, goals and current operations and concerns.
- 2.** A Board Member should come to meetings prepared, having read the Minutes of previous meetings and other pertinent materials and should participate in the consideration of all matters before the Board. Only through the sharing of diverse opinions can constructive decisions be reached.
- 3.** A Board Member should not hesitate to ask questions about Board policy. A full understanding of the issues is a prerequisite to casting an informed vote.
- 4.** The Board as a whole sets policy. An individual Board Member should never seek to impose a personal

agenda at a Board Meeting. A Board Member should not become involved in specific management duties of the corporation without prior approval by an official vote of the Board.

- 5.** A Board Member must always respect the confidentiality of Board Discussions. The credibility of the Board goes hand in hand with confidentiality.
- 6.** Board Members should get involved in various Board duties such as sub-Committees to lessen the burden placed upon the President.
- 7.** A Board Member must guard against any conflict of interest, whether business or personal.
- 8.** A Board Member has a responsibility to support Board policy and to uphold that responsibility when required.
- 9.** A Board Member who learns of a problem should bring that problem to the attention of the President. A Board Member should not attempt to deal with such situations on an individual basis unless prior approval has been authorized by the Board.
- 10.** A Board Member's responsibilities are to all the unit owners, not just a select few.