

FIELD NOTES FROM A CONDO CORP TREASURER



So you joined the Board of your Condominium Corporation (CC) and ended up as Treasurer even though you are not an accountant. Do you sometimes feel lost, overwhelmed, or unsure how to provide value to your CC and the owners? Here are some lessons learned from someone in the same situation.

For context in comparison with your CC, the following is based on a townhouse CC with multiple buildings, with each unit owner responsible for their own electricity bill. Note each unit has electric heat (forced air furnace) and natural gas is not available on the property.

POTENTIAL MANITOBA HYDRO SAVINGS

One of our unit owners retired from MB Hydro and informed our Board about getting a reduction in our monthly Hydro bills because electric heat is our only option. Once we determined we were eligible, we informed all unit owners via our newsletter and at the AGM - unit owners must apply individually since they all have their own Hydro account. If this is applicable to you, check your bill – the City Tax should be 0.5% instead of 2.5% while the Provincial tax should be 1.4% and instead of 7%. If you don't already have the reduced tax rate, call Manitoba Hydro customer service 204-480-5900 to request the application form¹. If applicable to you, it could provide nice savings of about 7% on your Hydro bill and you may receive a rebate for the excess tax paid on your prior bills, retroactive to when you moved in.

In the past year, I noticed an oddity with our Common Element (CE) Hydro accounts. Each building had its own CE meter and one of the buildings was always significantly lower for the monthly billing than the others. Thinking it was perhaps related to differences in where the exterior lights and plugs were wired in, I didn't think much of it for a while. Then one month while reviewing the monthly financial statements and the invoices, I noticed all buildings consumed about the same amount of electricity yet one building was much cheaper. Upon investigation, I found that the other buildings were mis-classified as *General Service - Small*² instead of *Residential - Standard*³. We received a refund of our prior years overpayment and are seeing savings on our monthly bills on the order of \$12 for the basic fixed charge and \$5-\$6 on consumption (rate is lower by 0.4¢/kWh). It pays to thoroughly read your monthly statements.

POTENTIAL SAVINGS ON MONTHLY SERVICE CONTRACTS

This may pertain to your property if you have different account numbers for each building in your CC, or if you are in a phased condo property with each phase being a different CC.

In my first year as Treasurer, I noticed that each building had a different account for CE alarm monitoring (don't know why) and each had a different monthly rate and different billing cycles. We contacted the service provider, synchronized the billing cycles and contract terms, and realised an overall 17% annual savings.

Review your terms of service for your monthly contracts, such as for property management, lawn care and snow removal. Are you paying for services you don't value or don't need? Are you happy with your service provider? Do you communicate with your service provider about your expectations, requirements and satisfaction levels? If you don't, you should start now - you will find that they are more than willing to provide advice on how to better meet your needs and/or save you some money. We were able to save over 25% on our property management bill by switching to a provider that was better aligned with the size of our property and in terms of the services that we really needed. After several discussions with our snow contractor, we were able to get better service to what we needed and saved about 10% by rationalizing the services we received.

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QUOTES AND INVOICES

Generally, invoice amounts will match the quoted amount but not always. Sometimes there are mistakes on the invoice due to incorrect rates or calculation errors (some providers are not computerized and still do manual calculations). Sometimes the provider will add on additional cost items because they missed them in the quote - you don't have to accept that, but be reasonable about it. One thing I have caught a few times was calculation errors in fuel surcharges.

ALAN FORBES
WCC 619 Treasurer 🍁

¹ Manitoba Hydro HEATING/COOLING INFORMATION REPORT https://residents.gov.mb.ca/forms.html?id=details&pub_id=7828&filter_dept=104&filter_type=forms

² https://www.hydro.mb.ca/accounts_and_services/rates/commercial_rates/#e-sgs

³ https://www.hydro.mb.ca/accounts_and_services/rates/residential_rates/