CONDO CONVERSATION CORNER: A VIEW & A VOICE

he conversation seems to be muted lately with no new submissions since the prior edition of the Condominium News and Views. That said, two items from the prior edition, Mandatory Director Training and Benchmarking Data have updates. For the prior article https://cci-manitoba.ca/cci-manitoba-magazine/article/95.

If you want to contribute to the discussion, you can make a submission to <u>cci-manitoba.ca/resources/condo-conversation-corner</u>.

Disclaimer

CCI Manitoba is unable to provide specific legal advice. We recommend that you speak to a lawyer regarding the challenges or problems you may be experiencing. For your information, a list of lawyers who are Professional Members of the Manitoba Chapter of the Canadian Condominium.

Note that frequent references are made to Manitoba's Condominium Act (The Act) https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php.

PDF-ONLY NEWSLETTER

Here is some feedback from our readers and members regarding our Winter 2023 edition, which was delivered in digital only format with no printed/paper copies.

- from a unit owner "I prefer to read hard copies of publications, especially those that are text heavy. Content is more readily absorbed and retained in hard copy compared to digital, plus you can more easily save articles, info for future action and reference with a hard copy."
- from a unit owner upon receiving notice that the Winter edition would be PDF only "I sent a message to our PM enquiring why we hadn't been receiving hard copies and only last week did we receive the issue that was distributed in November ... no explanation though. Interested to see when we receive the current issue."
- from a CC VP "Thank you for the heads-up on the changes to the newsletter. Your explanation of the decision for the change is appreciated but does present some challenges for smaller condominium corps such as ours. As a self-managed condo corporation we operate with a volunteer board of directors. As such we have limited resources, equipment and expertise. Also, as an aging population, we have unit owners without access to the internet or limited skills in the digital world. Since we re-joined... the receipt of a hard copy of the quarterly newsletter has been most positive. The forwarding of a pdf document is not a large task but I am not sure how it will be received. Also, to reproduce hard copies of a 34 page document may be seen as onerous."

We do understand that the transition to a digital only newsletter format is significant for many of our members. Be assured we thought long and hard about the decision and had been thinking about it for a few years. Economics are the driving factor though and we can no longer afford the cost. The impact of the pandemic on our costs and our membership revenue necessitated action. Alternatively, we could have raised our membership fees but instead decided to keep them as affordable as possible. For the coming year we are moving to free Lunch & Learn events for members to improve the CCI value proposition.

While the quarterly newsletter was seen by many members as perhaps their only tangible benefit of being a CCI member, we have much more to offer than just a printed newsletter, as documented in our article in the winter edition https://cci-manitoba.ca/cci-manitoba-magazine/article/124

CONDO CORPORATION (CC) GOVERNANCE

It is often difficult to get condo owners to volunteer to get elected to their CC's board of directors. In the absence of new directors joining the board, existing directors continue to serve, but at the risk of eventually burning out and departing. One member inquired about acclamation for the case in which the number of candidates equals the number of open board positions or is less than the number of open positions and how this relates to sections 95 and 111 of the Act.

Board elected by unit owners

95 Unit owners must elect the directors of the board in accordance with this Act and the condominium corporation's by-laws.

Election of directors at annual general meeting

111(1) At each annual general me/laws/statutes/2011/c03011f.php#A95eting, the directors must be elected by the unit owners entitled to vote who are present in person or by proxy at the meeting.

Acclamation is not referenced in The Act or the associated Condominium Regulation so we have posed the question to the pertinent Provincial department, via the Condo Act website and their email address mailto:MBcondo@gov.mb.ca.

Robert's Rules of Order does speak to the acclamation issue, but only in the context of if there is a single nominee and that the bylaws do not require a ballot vote. This is also mentioned in some online resources, such as Civility's Quick Guide: Election by Acclamation, a 2019 article written by Sarah E. Merkle <a href="https://civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-by-civility.co/uncategorized/a-quick-guide-to-election-guide-to-election-guide-to-election-guide-to-election-guide-to-elec

<u>acclamation</u>/. Note that most sources discussing the acclamation issue also include comments that the corporations bylaws may have more to say on the matter.

In the extreme case in which there are no candidates or too few to result in a board that can meet quorum requirements, another member inquired

"What happens if there is no board to govern a building - if the board disbands and no one will take the job?"

As the number of directors dwindles, section 102 of the Act comes into play https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A102[5]

Vacancy results in loss of quorum

102(5) If a vacancy arises on the board and there are not enough directors remaining in office to constitute a quorum, the remaining directors must, within 30 days after losing quorum, call a general meeting of unit owners to fill all vacancies as soon as practicable.

However, a general meeting of the owners may not result in sufficient directors to meet the quorum requirement. In the unfortunate event

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that this would happen, then a unit owner, or a holder of a registered instrument (like a bank holding a mortgage) could apply for an order from the court appointing an administrator. See section 223 of the Act https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A223

Order - compliance or contravention

223(1) A unit owner, a condominium corporation, a declarant, an owner-developer, an occupant of a proposed unit or a holder of a registered instrument in respect of a unit may apply to the court for an order under this section to remedy a contravention of any provision of this Act or the corporation's declaration, by-laws or rules.

PROPERTY TAXES

How do you feel about property taxes and frontage levies in general? How about specifically for multi-family properties and condominiums? Is your blood pressure rising?

The City of Winnipeg Clerks Office DecisionMaking Information System (DMIS) https://clkapps.winnipeg.ca/dmis/ is a trove of information but there is a learning curve to make productive use of it. Since it is budget time, I stumbled across an item in the 2023 *Preliminary Budget Operating and Capital Volume 2* document on page page 9 which states

"The property tax increase of 3.5 percent together with the frontage levy increase of \$1.50 per foot will result in the average Winnipeg single family homeowner paying \$142 more in 2023. This will ensure that Winnipeg's municipal property taxes remain among the most

Members of CCI (Man), BOMA and PPMA

competitive in Canada. Actual increases will likely be significantly lower for residents of townhouses, condo apartments and other multi-family units, owing to substantially lower per-unit liability for frontage on these properties."

So while taxes will be going up, some solace can be taken in the fact that condo owner tax bills will be increasing less, since we make more efficient use of City services and infrastructure.

MANDATORY DIRECTOR TRAINING

More reader feedback - "As for mandatory training for board members. Yes. Yes. And yes. Virtually every volunteer position I have ever held included a mandatory training component. Given the highlevel responsibilities entrusted to board members and management of other people's homes and money, it would seem negligent that the province would not require people in these positions be trained appropriately and accordingly. Owners have requested our board members take training at the past 3 AGMs but have been rebuffed at every turn. They have very little knowledge about CCI, if any, and don't care to know, nor do they feel they need training. Their reason - the management company has training and so board members don't need to spend their valuable time being trained, too."

Should CCI Manitoba advocate for mandatory director training similar to what Ontario has done? We'd like to hear from you. Send your thoughts to cci.mb.news@gmail.com.

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