

Wilson, Blanchard Management Inc. – *Your Solution to Property Management*

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Meetings & Tax Updates

By Karen Reynolds & Jeff Lack, Co-Editors

The WB Condo Connection is a newsletter intended to highlight Ontario condominium related articles and educational items that may be of interest to Boards of Directors and condo owners.

Our feature article in this edition focuses on how to hold successful and effective meetings, a key to ensuring the smooth operation of your condominium. We have also provided update information on two hot topics from our last issue – the Home Renovation Tax Credit and the Harmonized Sales Tax.

Our newsletter is published online and available on our website (www.wilsonblanchard.com) as

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well as in hard copy format to the President of each of our Boards of Directors.

As always, we hope you enjoy this edition and we welcome your comments. Please direct any comments, suggestions or article topic requests by email to newsletter.editor@wilsonblanchard.com or by mail to:

Editor – WB Condo Connection
101-701 Main Street West
Hamilton, ON, L8S 1A2

Successful & Effective Meetings

By Karen Reynolds, ACCI, FCCI, R.C.M., A.I.H.M.

As a member of the board of directors, what is your idea of a successful and effective meeting? As property managers, we consider a meeting has been effective and successful if all items on the agenda have been addressed within a reasonable amount of time and decisions have been made, direction has been received and attendees treat each other, including the property manager, courteously and with respect. Does that sound like the Board and/or owner meetings you have experienced in your corporation? If it is, congratulations! If not, read on for tips on calling



and/or running a successful meeting that are generally followed by our managers.

Meetings may be called to make decisions or simply to provide information. While decision making meetings might be conducted in a relaxed

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manner, proper procedures must be followed and recorded to ensure provisions within the legislation are being met and a proper record of the corporation maintained. Whether it's a Board meeting, owner's meeting, turnover meeting, or annual general meeting, a clear understanding, by all participants, of the business to be conducted is necessary as well as a great deal of organization in order to ensure the effectiveness of any meeting.

One such decision making meeting is the Annual General Meeting and although reference will be made primarily to effective and/or successful Annual General Meetings (AGM's), many of the principals involved will also apply to arranging and preparing for board meetings or special owner's meetings as well.

In selecting a date for the AGM consideration is always given to provisions in the Act with regard to holding the meeting within six months of the fiscal year end however from a more practical standpoint, if the Corporation is comprised of several unit owners who travel south for the winter months or

"It is money well spent to have the auditor attend your AGM to present his/her audit."

north in the summer, it is important to keep that in mind as well to maximize attendance. Time will have to be allowed for the preparation of the audited financial statement and approval of the statement by the Board of Directors as a copy of the approved statement must be distributed in the notice of the meeting. As well, if other items are to be included on the agenda that require a vote of the owners, it is necessary to allow enough time for the preparation of a complete information package for distribution to each owner. For example, by-law revisions must first be drafted by the corporation's solicitor and approved by the Board prior to distribution for a vote at an owner's meeting.

Once you have an agreed upon a date, a suitable location must be booked unless you are fortunate enough to have a suitable room on-site. Consideration is given to the demographics of your owners, such as, is the venue wheel chair accessible, is there an area for children to play, adequate parking or kitchen facilities?

Guests to be invited are another important consideration. You will want to ensure the auditor is available to present the annual audited financial statement. It is money well spent to have the auditor attend your AGM to present his/her audit. They are the best person to answer questions with respect to the financial statement as they prepared it.



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“Think about local hot topics or what might appeal to your owners...a decision making meeting cannot be successful if quorum is not achieved.”

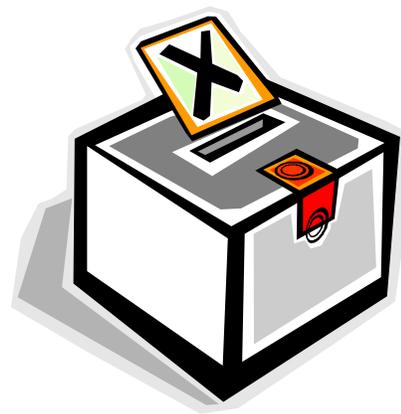
If the corporation is voting on a by-law change or planning a substantial restoration project, it would be prudent to invite the corporation’s solicitor to present the new by-law and answer questions or likewise the corporation’s engineer if major restoration is planned.

In corporations where owners tend to be somewhat apathetic toward attending the AGM, to increase interest, the manager might suggest the Board invite a city official to discuss municipal issues, a representative from the local police or fire department for a safety presentation, or local entertainers or perhaps the corporation could conduct a draw for movie tickets or dinner for two at a local restaurant. Think about local hot topics or what might appeal to your owners and how it might be funded or sponsored. After all, a decision making meeting cannot be successful if quorum is not achieved.

Whether it’s an owner’s meeting or a meeting of the Board, the manager and the Board should review the previous minutes to ensure there are no outstanding items to bring forward and in the event there are, an explanation should be prepared by the responsible party. Board members will receive a package prior to any Board meeting or AGM and in order to be prepared for the meeting and eliminate unnecessary delays in the agenda, the contents should be reviewed by all Board members well in advance of the meeting.

The agenda will form part of that package and is a tool which outlines the official list and sequence of business to be conducted at a meeting. It should be prepared giving consideration to priority items and keeping the business to a manageable length. No one looks forward to attending a meeting with a four page agenda. The Chair of the meeting, whether the manager, a member of the Board or another appointed official, should make every effort to keep the meeting on track to ensure that all items are covered in a reasonable length of time. Comments and input from all in attendance are important however the effective Chair will ensure participants contributions are kept concise.

Unless there are other matters to be voted on or presented, the business conducted at the AGM will be very similar year after year. The agenda will include calling the meeting to order, proof of notice, certifying the proxies, approval of the agenda, approval of the previous minutes, presentation of the audit, motion to appoint an auditor, election of directors, report from the board and new business. The manager will issue a pre-notice of the meeting to all owners eligible to



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receive notice advising of the number of vacancies on the Board and soliciting candidates to provide their names to be put forth for election.

Naturally, agendas for regular board meetings will vary as projects are undertaken and matters to be addressed change however there are certain items that will appear on each agenda such as the approval of minutes.

Other types of meetings involving all the owners include those that are requisitioned, turnover meetings, information meetings and budget meetings. Regardless of the type of meeting or the items included on the agenda, those involved should take great care to collect and distribute a clear, concise package of information. It is unfair to expect owners or, in the case of a Board meeting, directors to make decisions based on inaccurate or incomplete information. Meetings provide the means of sharing information and decision making and cannot be effective if decisions cannot be made due to a lack of information. What a waste of everyone's time if decisions must be deferred while additional information is collected and reviewed. For any meeting, it is simple courtesy to arrive on time and for all participants to arrive prepared and if you have confirmed your attendance, make every possible effort to go to the meeting. The difference between achieving quorum and not may rest with your attendance.

Most owners or Board members will avoid owners' meetings or Board meetings if difficult individuals are permitted to compromise the tone of the meeting. An effective meeting is well organized, is one at which all attendees are able to participate because they have a clear understanding of the business at hand and where control is maintained.

We all recognize that time is very precious for managers, directors and owners but decisions can only be made at properly constituted meetings therefore in order to conduct the maximum amount of business in the least amount of time it is imperative that meetings, whether they are a meeting of the owners or the Board be organized to best utilize everyone's time. Owners and/or managers approaching a single board member expecting a decision must realize that any and all decisions require approval by a quorum of the board or in the case of an owner's meeting a majority vote of the owners as the Act might dictate.

Corporations who are applying the practices as outlined above will undoubtedly benefit as we are all aware of the importance of conducting effective meetings.

While there will always be circumstances beyond our control, by approaching each meeting with a clear outline of what you hope to achieve and following a few basic concepts they will all be successful and effective.

Tax Updates

By Jeff Lack, BAcc, CGA

HRTC Update

When the Home Renovation Tax Credit (HRTC) was first introduced in the spring it was supported by all of the federal political parties. As a result, there was little worry that the new tax credit would be passed despite the current minority government. In fact, the government (and many retailers) began running advertising campaigns for the tax credit months before it was scheduled to be officially voted on.

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However, over the summer months, the Liberals began talking again about forcing an election by way of a non-confidence vote in parliament. In fact, Liberal leader Michael Ignatieff indicated that his party would vote against the Conservative minority at the first possible opportunity when parliament resumed in September. In a political chess-move, Stephen Harper moved the HRTC vote to the front of the list to force the Liberals hand – either vote down a motion that is popular with Canadians and one that the Liberals previously supported, or vote for it, thereby providing your support to the current Tory government. As a result, there were some serious concerns over the summer that the new legislation for the HRTC, which was previously thought to be a guarantee, may in fact not be passed.

The good news is that the NDP and Bloc Quebecois both recognized the political game that was being played and recognized the importance of this new tax credit to both Canadian families and the economy. As a result, both parties voted in favour of the motion (the Liberals did vote against it). While the legislation still has not received Royal Assent and become law, the Liberals have since stated that even if they were to force an election and win, they would support the HRTC. At the time this article is being written, bill C-51, of which the HRTC is a part, has passed the first reading in parliament.

For more information about how the HRTC may affect you, please see the article previously published in the WB Condo Connection Summer 2009 edition.

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HST Update

The new Harmonized Sales Tax (HST) continues to be a great concern for condominium owners in Ontario (also see the Summer 2009 edition of the WB Condo Connection for more information). We are pleased to report that both the Association of Condominium Managers of Ontario (ACMO) and the Canadian Condominium Institute (CCI) have been working extremely hard advocating for some form of exemption of the HST for condominiums and seeking policy options for the government to lessen the impact of the HST on condominiums, as outlined at an ACMO seminar on September 18, 2009. The work and efforts to date include:

- Letter to the Premier of Ontario setting out concerns about the HST
- Participating in panel discussions with government representatives
- Meeting with various politicians of all parties and communications with the Leader's offices for each
- Meeting with various Cabinet Ministers
- Ongoing studies and research to substantiate the position as to the extent of the unique impact on condominium owners
- Developing policy options to be submitted to the government.

ACMO and CCI noted at the seminar that “We are pleased to see our efforts to date have resulted in a good, constructive dialogue with the government and we will continue to work hard in the hope of the government adopting some of our policy options.”

Coming Soon...Online Status Certificates!

Wilson, Blanchard Management Inc. has entered into an agreement with Conduit to begin offering online Status Certificates for their clients. As of December 1, 2009, Status Certificates can be ordered and paid for online and delivered directly to your email address. Status Certificates have never been so easy!

Visit www.statuscertificate.com as of December 1, 2009 for more information.



101-701 Main Street West
Hamilton, ON
L8S 1A2

Phone:

905-540-8800

Fax:

905-540-4450

Email:

info@wilsonblanchard.com

206-16 Four Seasons Place
Toronto, ON
M9B 6E5

Phone:

416-642-2807

Fax:

416-642-2810

Email:

toinfo@wilsonblanchard.com

15A-842 Victoria Street North
Kitchener, ON
N2B 3C1

Phone:

519-743-7667

Fax:

519-571-5083

Email:

kwinfo@wilsonblanchard.com

Newsletter Editor Email:

newsletter.editor@wilsonblanchard.com

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