

Condo Connection

Wilson, Blanchard Management Inc. – *Condominium Management with Experience and Integrity*

The WB Condo Connection highlights Ontario condominium related articles and educational items that may be of interest to Boards of Directors and condo owners. It is published online and available on our website (www.wilsonblanchard.com) as well as in hard copy format to each of the members of our Boards of Directors.

We hope you enjoy this edition and we welcome your comments, suggestions, or article topic requests by email to newsletter.editor@wilsonblanchard.com or by mail to: Editor – WB Condo Connection, 101-701 Main St. W., Hamilton, ON, L8S 1A2

Coming Soon: The Long Awaited Updates to the Condo Act

By: Sandy Foulds, Director of Property Management, Hamilton

The updates to the Condominium Act will soon be upon us. Most of the Condominium Act changes will take effect on November 1, 2017 with the remainder on February 1, 2018. Many new forms will be required under the new legislation and these are expected very soon.

There are two parts to the updates:

- **Protecting Condominium Owners Act (PCOA)**, which amends the current Act.
- **Condominium Management Services Act (CMSA)**, which is new.

This new legislation also creates 2 new administrative authorities which are not for profit, self-funded and act at an arms-length from government.

(1) Condominium Authority of Ontario (CAO) – to be enacted on September 1, 2017.

This authority will be fully funded by Condominium Corporations. Fees have not yet been verified, but it is anticipated that they will be \$1 per unit per month. You should start building this cost into your budgets. All Condo Corporations will need to register with the CAO annually, confirming the names of their board members and who their management company is.

The goal of this authority is to streamline dispute resolution and to be a resource centre for education for owners and board members.

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(2) Condominium Management Regulatory Authority of Ontario (CMRAO) – to be enacted on November 1, 2017

This authority will be fully funded by licensed property managers and licensed property management companies.

The goal of this authority is to support positive and healthy condo communities through the licensing of managers and the regulation of condo management companies.

Protecting Condominium Owners Act (PCOA)

There are several changes which will affect how Corporations operate on a daily basis with the enactment of this Act. Following are some brief highlights on these changes:

Training for Directors – Any new director will be required to complete training within 6 months of being elected or appointed to the Board. The exact training program has not yet been identified, but it is believed that it will be offered online and in class. The Condo corporation is responsible for the cost of directors training, so again another item to budget for. The training must be updated every 7 years. Directors training confirmation will be registered with the CAO and with their condo corporation upon completion.

Directors' Disclosure – Any person running for a directors' position will need to submit a detailed disclosure statement which will be included in the AGM package sent out to owners. It includes several items such as any participation in legal proceedings against the Corporation, if there are any condo convictions against the person in the past 10 years, if

the person has any interest in contracts or transactions that the Corporation is involved in and if the person is more than 60 days in arrears.

For any person who is currently a director and if any of the above issues arise, they must submit a disclosure statement to all owners within 30 days stating the details. Failure to do so results in that person immediately ceasing to be a director.

Information Certificates – All Corporations will be required to communicate in greater detail to their owners during the year and these certificates will be in prescribed forms. Electronic communication will be permitted if an owner has confirmed in writing to accept that method of communication. The Corporation will be required to keep a record of the communication methods for owners. Copies of these documents must also be available at the AGM. Corporations can be exempt from sending out these certificates if they have less than 25 units and if 80% of all owners consent in writing annually.

- (1) **Periodic Information Certificate (PIC)** – This is a document similar to a status certificate but will not contain information specific to any unit, it will be information on the full condo. It is sent twice a year, in the fourth month (based on numbers at the end of the 3rd) and in the tenth month (based on numbers at the end of the 9th). It will include many items but to name a few: address for service, directors names, any legal proceedings, insurance certificate and amount of deductibles, property manager and the management company, the number of leased units, identify if there is a standard unit by-law, the current budget and if there is a surplus or deficit anticipated at year end, the reserve fund balance, annual contributions and anticipated expenses to year end, and confirmation that the dues have been paid to the CAO.
- (2) **Information Certificate Update (ICU)** – This is required to be sent out within 15 days when a specific event occurs. If there is a change in any of the following: address for service, directors and their positions, manager, method of communication, insurance deductible or change in insurance, vacancy on the board. If there is a loss of quorum of the Board, the ICU must be sent to owners within 5 days.
- (3) **New Owner Information Certificate (NOIC)** – This must be sent to new owners within 15 days of possession of the unit and must include the most recent PIC and ICU and anything else deemed required by the Corporations by-laws.

Access to Records – There are 4 steps in requests for access to records and each step requires the use of a prescribed form.

Step 1 – Requester submits form.

Step 2 – Board responds to the request within 15 days and includes costs and what, if any records will not be disclosed and why. The requester now has 60 days to respond.

Step 3 – Requester response including payment.

Step 4 – Provide documents - Core documents must be delivered in 15 days and Non-core documents within 30 days. Account for any cost differences between the actual cost and the initial quoted cost.

Core documents include the Corporation's legal documents, current budget, recent financial statements, last audit, past year of redacted minutes, past year certificates and the reserve fund study. There is no cost if these are provided electronically and 20 cents per page if printed copies provided.

Non-core documents are provided at a cost of 20 cents per page and can include reasonable labour costs.

Owner Meetings – There will be prescribed forms for the 'preliminary notice' and the 'notice of meeting'. The notice of meeting is to be sent 15 days before the meeting. The preliminary notice will be sent 20 days before the notice of meeting.

Quorum for general meetings is 25% for the 1st and 2nd attempts and then is reduced to 15% for a 3rd attempt. Managers will not be permitted to solicit proxies if an agenda item includes election or removal of directors (the manager can collect and hold proxies).

Preliminary Notice – This must contain the following:

- The purpose of the notice and nature of business for the meeting.
- The date of the meeting.
- If it is a requisitioned meeting, a request to owners to provide materials for the meeting and the manner in which an owner can notify the board by a specified date with this information. The Board is not obligated to include any such materials unless a petition is signed by 15% of the owners in a standard form.
- If it includes a call for candidates, information about the composition of the current board.

- Information if the meeting is to remove or appoint an auditor.
- If the meeting is regarding any Section 97 voting changes or by-laws that information is to be disclosed as well.
- Notice of Meeting – it must include the number for quorum, manner in which an owner may be present and vote, details on the number of vacancies and the current board, the director disclosure information and qualifications and any other items that the Board may be required to include for voting at that meeting.

Record Retention – Record retention is 7 years for financial and other operating records. Unlimited retention is required for all legal documents (Declaration, by-laws, rules), any agreements and all insurance policies. 90 days for proxies and ballots. Periods can be extended if litigation is pending. Retention can be in paper or electronic formats.

Budgets – At least 30 days before the start of any fiscal year, an operating budget and a reserve fund budget for the following year must be prepared. Within 15 days of preparation, the budget notice must be mailed to owners.

Dispute Resolution – The Condominium Authority Tribunal will deal with disputes between condominium corporations and owners. It makes binding decisions that are as enforceable as a court order. They have the power to do the following:

- Refer disputes to mediation
- Order compliance with the Act and Corporation documents
- Order a party to pay damages for non-compliance up to \$25,000
- Order a party to pay legal costs
- Impose penalties up to \$5000 to a Corporation who refuses access to records without a valid reason
- Procedures for meeting requisition

Insurance – The regulations will send out a basic default definition of a standard unit for situations where a Condominium Corporation has not passed its own by-law. The Corporation can then amend the standard unit definition through another by-law.

The Act makes it clear that the responsibility for damage to a unit, to another unit or to the common elements, lies with the owner of the unit where the person who caused the damage lives. The chargeback to owner of that unit would be the lessor of the total cost of repairs or the Corporations deductible limit. The Corporation can only change this by amending the Declaration.

Condominium Management Services Act (CMSA)

All managers must be licensed to operate in Ontario – this is called a ‘general license’. There will be a graduated licensing process for entry level managers during their training and education period which will be a minimum of 2 years – this is called a ‘limited license’. All management companies must also be licensed and must designate someone in their company to be the ‘Principal Condominium Manager’. This supervising licensee will be responsible for all licenses in the company.

Directors in self-managed Corporations are exempt from holding a license provided that they are not being compensated in any way for performing management services.

Registered Condominium Manager (RCM) Designations

Congratulations to Debbie Anderson, Branko Vasiljevic (pictured) and Sabrina Wolf of Wilson, Blanchard Management Inc. who were each awarded their R.C.M. designations recently. We are proud of our RCMs!



Branko Vasiljevic pictured with ACMO Board members Audrey McGuire and Robert Weinberg.

Are you looking for an easy way to stay up-to-date on news from Wilson, Blanchard Management and information related to Condominiums in Ontario? It's simple – follow us on social media! There are lots of options to fit your social media preferences.



Ray Wilson Receives ACMO Lifetime Award

Wilson, Blanchard Management Inc. is proud to congratulate our co-founder and President Ray Wilson on receiving the Association of Condominium Managers of Ontario (ACMO) Lifetime Award. ACMO presented the award to Ray on April 21, 2017 at their 40th Anniversary Celebration.

Ray has been involved in the condominium management industry since 1979, having left a 12 year extensive background in construction and holds multiple designations within the industry, including RCM, ACCI, FCCI, AIHM, CMOC and ARP. As past president of ACMO, a past director on the National Board of CCI, a frequent speaker, consultant and college instructor, his expertise is considered invaluable in the industry, as evidenced by his induction as a Lifetime member of ACMO.



Cambridge Office Wins WB Annual Ten-Pin Bowling Challenge

Congratulations to the Cambridge office for winning the much coveted bowling trophy this year. The Toronto team have held title to the trophy for the previous three years! The office Ten-Pin Bowling Challenge was held at Burlington Bowl on April 27th.



The Cambridge office celebrating after their win.

Welcome!

Wilson, Blanchard would like to welcome our newest managed properties:

H.C.C. #41	M.T.C.C. #660	W.C.C. #250
W.S.C.C. #551	W.N.C.C. #53	Wa.S.C.C. #463
Wa.S.C.C. #561		

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