The Ups and Downs of Elevator Maintenance Contracts

By: Harry Nielsen, Property Manager, PSCC 888 – Stonebrook

Recent articles about the decrease in elevator service and the increase in entrapments in the GTA would normally concern us… but PSCC888 has a solution… they have an Elevator Consultant!

During budget preparation in September 2015, PSCC888 realized that their 5-year elevator contract was coming due in May 2016. PSCC888 talked to a local elevator consulting company about how they could assist in negotiations. Before the Corporation had even read their brochure, the consultant reviewed the existing elevator contract and quickly pointed out that there was a requirement to notify the incumbent 6 months in advance if PSCC888 wanted to go out for bid and avoid auto-renewal.

PSCC888's Board of Directors agreed that they needed assistance in negotiating such a long term and binding contract. The current elevator company seemed to be doing a pretty good job but they were unsure if they were paying too much or getting the right level of service. The Board agreed to engage elevator consultants, F. Shaw and Associates, for $750 per year for each of the three elevators.

The elevator consultant began by conducting a comprehensive inspection of the elevators and found several thousands of dollars in recommended improvements. Then came the call from the elevator service company: “We’ve got some good news and some bad news. The bad news is that you need a few thousand in repairs and it will require some down time on your elevators. The good news is that it is covered under your comprehensive maintenance agreement.” Hmm... wonder when they had planned to tell PSCC888?

Next the consultant reviewed the invoices and said that the Corporation should not be paying extra for entrapment charges or the annual Fire Alarm Test (F.A.T.). What? Really?

The consultant selected two other service providers, along with the incumbent, to receive a request for quotation (RFQ). The incumbent ended up with the lowest bid, more than 30% ($500 per month) lower than the existing contract... and no extra charges for...
entrapments or F.A.T. The incumbent even agreed to start the new contract, along with the reduced rate, one month prior to the end of the existing contract.

Today when there is an issue such as a strange noise or slow closing doors PSCC888 notifies their elevator consultant. When they want to repair a panel in the elevator or install cameras they call the consultant to obtain quotes.

Back to those recent articles about elevators in the GTA; PSCC888 has found that you don’t have to pay more to get better service. And regarding those entrapments? Turns out the abundant safety features in elevators today trigger the elevators to stop proactively until the situation can be verified. Like warning lights in vehicles, they are bound to engage occasionally. For PSCC888 the occurrences are rare and the response from the elevator company is typically less than 45 minutes.

All aboard. This car is going up!

Board Confidentiality –
A Requirement & Responsibility
By: Stan Dulberg, Property Manager, Hamilton

Under the Condominium Act, 1998, Section 37, Standard of Care (1): “Every Director and every officer of a corporation in exercising the powers and discharging the duties of office shall (a) act honestly and in good faith; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.” 1998,c 19,s.37 (1). This would include maintaining strict confidentiality respecting all matters discussed by the Board of Directors at the Board of Directors’ meetings and/or at any other time that a Director is acting on behalf of the Corporation.

Sadly, too often, Board matters escape from the Board Room and end up within the ears of other owners, contractors, etc. who may or can interpret the information received to something that totally does not resemble the matters discussed at the Board meeting.

Without question, Board confidentiality is a serious responsibility, which, under no circumstances whatsoever, should be deviated from.

Only just recently did I become aware of a circumstance, wherein all Board members present at a Board of Directors’ meeting wholeheartedly agreed to confidentiality regarding an extremely serious matter that was to be decided and acted upon once a solicitor’s opinion had been received. Immediately, subsequent to the holding of the Board meeting, did we become aware that this information had been circulated through the building, resulting in the need to call a Special General Meeting.

On another occasion, I attended a Board of Directors’ meeting and discussed with the Board the Corporation’s current aged receivables listing. The very next day, an owner approached me and asked, why are my arrears now a known fact throughout the Corporation? The only way that this information could have become public knowledge was that a Board member, for whatever reason, decided to expose Board confidentiality and publicized this owner’s unfortunate situation. This was an extremely embarrassing condition, and I could only apologize profusely to this owner for this shortcoming.

At numerous times there are matters of strict confidentiality that are discussed at Board meetings. Decisions are made at Board meetings by the Board of Directors, and the disclosure of the results of those decisions should be officially released by the Board as a whole through Management, and not by any one Director in formats of their choice. Official communication is of importance, not just “I think we discussed and decided that…”, which is an easy means of communicating misinformation as opposed to fact.

It is extremely important that at the outset of each term of the Board of Directors subsequent to an Annual General Meeting, that each and every Board member sign a Directors’ Code of Ethics. There is no doubt a number of samples of this document available, and the Board should seek advice from their Manager and/or the Corporation’s solicitor as to which format would be best suited for the Corporation’s requirements.

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Breaching the Directors' Code of Ethics not only puts the Board member in question at risk, but the entire Board as a whole. Remember, Directors have an obligation and a requirement to act honestly and in good faith. Not respecting Board confidentiality puts the Board member and/or the entire Board at risk of being sued personally by an aggrieved party, and the Corporation’s Directors & Officers liability insurance may not respond in this instance. If that were the case, the Board member in question, or the Board as a whole, could be placed in the unenviable position of having to defend him/herself or themselves, and bearing the entire cost of a successful claim awarded against the subject Director or the entire Board for not acting honestly and in good faith by virtue of not maintaining Board confidentiality.

Members of the Board act on behalf of all other owners, and should be aware that if any member of the Board breaches Board confidentiality, there may be an opportunity for that Board member being asked to resign by their fellow Directors and/or being removed from the Board by way of a requisition of owners requesting their removal.

Having lived in a Condominium Corporation and having served on the Board for the entire three years of ownership, there is no way whatsoever that I would like to be a part of a Board or work with a Board member who did not feel that Board confidentiality was an extremely important facet of the responsibility of serving on the Board. No Board member, or any Board as a whole for that matter, should ever be placed in the position of being required to explain why a fellow Board member went beyond their responsibility in terms of maintaining Board confidentiality.

It is important that all Board members make themselves aware of Section 38 (2) of the Condominium Act, which states specifically as follows: “No Director or officer of a corporation shall be indemnified by the corporation in respect of any liability, costs, charges or expenses that the person sustains or incurs in or about an action, suit or other proceeding as a result of which the person is adjudged to be in breach of the duty to act honestly and in good faith.”.

In closing, any Director that does not wish or want to act honestly and in good faith and maintain confidentiality within the Board, has no business serving on the Board.

Welcome!

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

H.S.C.C. #625  T.S.C.C. #1696
Tableau Commercial  W.C.E.C.C. #537
H.S.C.C. #552

We Want To Hear From You!

The Wilson, Blanchard Executive invites you to visit our website to complete our Performance Evaluation Form and let us know how we are doing. The Performance Evaluation, drafted specifically for our Board members only, provides a confidential forum for you to let us know how each department of our company is meeting your expectations and to provide us with your input regarding how we can improve our service levels. The results will be used by our Executive Officers to gain a better understanding of your corporation’s needs and/or expectations and how we can better meet them.

We encourage you to contact your manager’s immediate supervisor for a password then visit our webpage, www.wilsonblanchard.com, and under the Tools heading click on the Performance Evaluation drop down box. The confidential survey is very user friendly and will require very little time to complete.

We look forward to hearing from you!
CONGRATULATIONS
WILSON, BLANCHARD MANAGEMENT INC.
For participating in the 2016 Heart & Stroke Big Bike

RIDE BIG. LIVE BIG.

For a second year, twenty-eight Wilson, Blanchard Management employees set out from Ancaster Jack Astor’s, on Monday, June 13, 2016 to ride the Heart & Stroke Big Bike to help create more survivors! Together, this year we raised $7,077.22 towards heart and stroke research, where they will use it to develop life-saving treatments that bring hope to heart disease and stroke patients.

A special thanks to all our friends and family who supported our team and a special thanks to our industry associates:

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