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FALL 2017

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Northwestern Ontario Chapter

CCI NWO CHAPTER IS PROUDLY CELEBRATING ITS 15 YEAR ANNIVERSARY

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CCI celebrates 35 years as the only National
Condominium Organization in Canada!

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Presidents Message

By Dan Kelly, President CCI NWO

Our short but sweet summer is here and gone and with it our year end of June 30. And so we can look back over another successful CCI - NWO chapter year.

It appears the targets we set were met in all significant categories. Specifically, our financial condition is strong under the guidance of our new Treasurer, Derek Tycholas. In addition our seminars program continues to be very well attended. And our newsletters, as compiled by Bob Machett, are of the highest quality. Even our membership retention target was met.

With that success as a base we start our new year on a very high note - the hosting of CCI - National Leaders' Forum on October 18 to 21. A great deal of planning has gone into this event and we expect all participants will enjoy "Waking the Giant". A key component of the Forum will be the Saturday morning panel. We have assembled several legal professionals who will present various legal cases on topics of current interest.

This is, by far, the largest undertaking for our chapter since formation and we expect it to be a resounding success in showing-off some of Thunder Bay to the rest of Canada in this, our 15th Anniversary Year. Thanks to the organizing committee of Mike Jones, Doug Shanks and Doug Steen for their hard work.

And finally, I can't forget to congratulate CCI - National on its 35th Anniversary. May it and our chapter continue to prosper and develop as the Condominium Connection in Canada.

Daniel P. Kelly CPA, CA, BBA

CCI NWO FALL SEMINAR | TIMES - THEY ARE CHANGING!

DATE:

Saturday, October 21, 2017

TIME:

9:00 a.m. to 1:00 p.m.

LOCATION:

Valhalla Inn – Scandia 1 & 2

FEE:

\$75.00 - members (no HST)

\$110.00 - non-members (no HST)

Fee includes coffee, tea and snacks

REGISTRATION:

Begins at 8:20 a.m.

Please register in advance to ensure seating and materials are available.

TOPICS AND GUEST SPEAKERS

No Smoking Condominiums

Warren Mouck

Regulating Short Term Rentals

Vicky Kraft

Airbnb and Condominiums

Andrea Diamond

Condo Cases from across Canada

Sonja Hodis LLB, Jamie Herle, ACCI, and Devon Cassidy, B.Sc, LLB, LLM

Ontario Condo Reform Update

Doug Shanks, LLB

Find out about the latest regulations and what the Condo Authority has been doing. What are the fees? What information does your condo have to provide to the Authority. And much more.

Northwestern Ontario Chapter Board of Directors

Daniel P. Kelly, CPA, CA, BBA – President

Mr. Kelly is currently an associate of the public accounting firm LCPS, Chartered Professional Accountants in Thunder Bay, Ontario. His merger with that firm comes after managing his own practice for 25 years. His involvement with CCI dates back to the founding of the Northwestern Ontario Chapter. He has been a board member and treasurer since that time. Dan is a regular presenter at CCI seminars. As the current president of the NWO Chapter he also sits on the CCI National Council and the Risk Management and Finance Committee.

Professionally, he has been a member of the Canadian and Ontario Institutes of Chartered Accountants since attaining his CA designation in 1978. Prior to that he graduated from the University of Minnesota, majoring in Business.

Mr. Kelly has also worked on boards as Director of the Thunder Bay Port Authority, the Thunder Bay Chamber of Commerce, Northwestern Ontario CA Association and Thunder Bay Community Auditorium.

Mike Jones – Membership Chair

Mr. Jones founded Jones & Associates Insurance in 1984 and only recently retired, passing on the business on to his son & daughter. He is a member of the local K40 Kinsman as well as the Port Arthur Gyro Club where he also serves on the Board of Directors. He is a Current Director and Past President of the Shebandowan Lake Campers Association where he is Chair of the Beaver Bay Roads Board. In 2016 Mr. Jones joined the Board of Directors of our local CCI Chapter and serves as Membership Chair.

Doug Shanks LLP – Education Chair

Mr. Shanks is a senior partner at Cheadles LLP in Thunder Bay, Ontario. Mr. Shanks practices in the field of business law, including substantial work for condominium corporations and their directors. He was called to the Bar in 1978. Particular areas of practice include: condominiums, banking, franchise, mining, intellectual property and technology licensing, insolvency and receivership proceedings, real estate transactions, including residential and commercial.

Mr. Shanks is a past director of the Thunder Bay Law Association, past member of the Canadian Tax Foundation and past member of the Canadian Bar Association, Ontario Council. He is also a past president of the North Western Ontario Chapter of the Canadian Condominium Institute (CCI), was the past representative of our chapter to the National Council of CCI for a number of years, and is presently the chair of the Constitution Committee for CCI National.

David Heroux – Website Management

David Heroux has been a career banker for over 25 years and has held several management positions throughout Ontario, Manitoba, and Saskatchewan.

In his present position as a Commercial Mortgage Specialist with RBC Royal Bank, he is responsible for the market development and underwriting of income producing real estate properties within the Manitoba and the Northern Ontario market.



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David is a Fellow of the Institute of Canadian Bankers, and he holds an Honours Bachelor of Commerce degree from Lakehead University and a Bachelor of Science degree from the University of Ottawa.

David has been active in several organizations including nine years as a member of the Board of Governors for Lakehead University, the last three as the Chair of the Finance and Operations Committee and an Executive Committee member. David is also an executive member of the Scandinavian Home Society Board and is the past chair of the Lakehead University Alumni Association.

David's passions include golf, sailing, tennis, hockey, and travel. In addition, he enjoys flying and has obtained a private pilot's licence.

Gord Soloway – Recording Secretary

Gord Soloway has over 27 years of experience in property management. As owner of Northwestern Property Management, his portfolio includes real estate management in the areas of condominium, commercial, residential, and non-profit housing.

Gord received his Bachelor of Business Administration degree (majoring in Accounting) from Lakehead University in 1988, Certified Management Accountant (CMA) designation from the Society of Management Accountants of Ontario in 1992 and Real Property Administrator (RPA) designation from the Building Owners and Managers Institute of Ontario in 2002.

Prior to joining Northwestern Property Management in 1990, Gord articulated with Clarkson-Gordon/Ernst & Young doing public accounting/auditing and was an Instructor at Confederation College for 5 years teaching in the areas of accounting and business math.

Gord Soloway was one of the founding members of the local chapter of CCI, a member of the inaugural board and continues to serve on that board at present.

Gord also volunteers his time in the community working with different charities such as Big Brothers/Big Sisters and the United Outreach Programs which provides milk to public school children in need.

Doug Steen

Doug is the founder and President of Steen Property Management Inc. He was employed for 18 years as an Accountant for a large paper manufacturer (Abitibi Forest Products) in Thunder Bay, ON before moving into the Property Management field.

Doug has been a leader in the property management field in Thunder Bay for twenty one years. Combined with a staff of 11, Doug provides a full range of property management services with a specialty in condominium management which includes: site identification, construction management, income collection, budgetary preparation, monthly financial statements, and computerized accounting procedures and reports.

Steen Property Management recently announced the union with Mirabelli Real Estate Corporation strengthening the business portfolio.

Doug is also a founding member and Past President of the Canadian Condominium Institute (CCI) Northwestern Ontario Chapter, and sat on the Regional Committee of ACMO and has also served on the National Board of the CCI for six years.

Doug is a Licensed Real Estate Broker in Ontario and is a member of Canadian Real Estate Association and the Ontario Real Estate Association. He has assisted several companies in the development of new condominiums and has advised developers in start-up and management services.



OFFICERS APPOINTED BY THE BOARD

Robert Matchett C.E.T. – Newsletter Chair

Robert Matchett spent the past thirty years providing electrical and instrumentation design services to the Industrial & Power industry. He was a Senior partner with Cook Engineering and continued as an Engineering Manager following its acquisition by WSP Canada Inc. Mr Matchett has provided both design and project management services for improvements in power distribution systems, instrumentation and DCS automation projects. Over the course of his career Mr Matchett served on numerous committees and boards including Pulp and Paper Canada Technical Division Electrical Committee chair, church boards, United Way, and most recently the CCI – Northwestern Ontario Chapter board and is now its Newsletter Editor.

Derek Tycholas CPA CGA – Treasurer

Mr. Tycholas graduated with a Honours Bachelor of Commerce degree from Laurentian University,. Since graduation he has been working at LCPS Chartered Professional Accountants here in Thunder Bay Mr. Tycholas is a Volunteer participant in the Community Volunteer Income Tax Program and an avid sports fan.

Alexander P. Mirabelli HB Comm

Alexander Mirabelli has been working in the Property Management Industry for 10 years. Alexander graduated with his Honours Bachelor of Commerce degree majoring in General Management from Lakehead University in 2013 and is currently studying for his Certified Property Manager's (CPM) designation with the Real Estate Institute of Canada. Alexander's determination and strong work ethic comes from his traditional family upbringing. He is focused on delivering a customized service for each individual client based on their needs while maintaining the vision and goals of the firm. Alexander has been an asset to the firm and will continue to grow his knowledge exponentially while delivering an unsurpassed level of customer service securing the clients bottom line.

Lori Smetaniuk – Office Administrator

Lori Smetaniuk, has a diverse back ground including night classes in accounting and computerized bookkeeping, administrative work and commercial property management. She returned to Thunder Bay in 2011 after living in Southern Ontario for 4 years. In July 2014 she started work at Waverley Park Towers as the Administrative Assistant, and in September she joined the CCI-NWO team as part-time Office Administrator.



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Condominium Authority Approves Fees

By Doug Shanks and Nathan Wainwright

The Condominium Authority of Ontario (“CAO”) is a recently created not-for-profit administrative authority which is aimed at strengthening consumer protection and supporting the needs of both current and future condo owners. The CAO will provide various services to condo owners and condo corporations. These will include:

- Helpful and easy to use information for owners on condo living;
- Mandatory education/training for condo directors;
- Setting up a registry of all condo corporations and their directors for increased transparency and accountability;
- Self-help tools for resolving common issues and disputes;
- Overseeing the Condo Authority Tribunal (“CAT”), which will provide online guided negotiation, mediation and adjudication services for certain disputes.

Specific to the condo director education and training, the CAO has yet to establish a list of the required courses; however, it has been confirmed that the required training must be completed within six (6) months of the day a director was appointed and the training will be valid for a period of seven (7) years. Further, the costs, charges and expenses incurred by the director shall be reimbursed by the condo corporation.

The CAO recently conducted a public consulting process seeking to collect information regarding proposed assessment fees and the amounts that will be charged to access the CAT. The CAO reports that the majority of the feedback was positive and, in turn, has confirmed the assessment and CAT fees.

In summary of the assessment fees, each condominium corporation will be charged an assessment fee of \$1 per month per voting unit. The initial assessment period will be a seven (7) month period beginning September 1, 2017 and ending March 31, 2018. The fees for the initial assessment period is payable by December 31, 2017. This fee will be ultimately charged to the unit owners by the condominium corporation. Unlike common expenses, the fee in respect of each unit is the same for all units regardless of unit size or floor level.

In summary of the CAT fees, effective November 1, 2017, the total cost to proceed through all three dispute resolution steps of the CAT will be \$200. The first step is a \$25.00 filing fee to access the CAT's online dispute resolution system. This system is designed to resolve disputes via negotiation and without the involvement of anyone outside the parties. The second step is a \$50.00 assisted resolution fee which provides for a mediator who will attempt to mediate the dispute between the parties. The third and final step is a \$125.00 adjudication fee which provides a CAT member to adjudicate the dispute and issue an order. These fees will be non-refundable and paid by the unit owner who files the dispute. Currently, there is no indication as to whether this fee is recoverable upon being successful in the dispute resolution process.

As of the date of this article, there is also no indication as to what dates will be covered by future assessment periods, when those future assessments will be payable or if there is a possibility that future assessments will increase or decrease from the initial \$1 per month per voting unit fee.

One logistical challenge is how exactly this will be implemented. Currently, there is no registry of all existing condominium corporations in Ontario; in fact, there is not even a registry of the municipal addresses to reach all the condo corporations. The CAO will send a package to all condominium corporations which will provide details on how corporation can register and how to pay their assessment fees.

Doug Shanks is a business lawyer and senior partner in Thunder Bay at Cheadles LLP who practices condominium law in Ontario. He advises condominium boards and owners of their rights and obligations under laws affecting condominiums and their owners. Nathan Wainwright is a summer student at Cheadles LLP and was instrumental in preparing this article.

This article is provided for legal information only, and is not legal advice. Legal advice should be obtained with respect to specific fact situations.



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Information Certificates: A New Mandatory Communication

REQUIREMENT FOR CONDO CORPORATIONS

By Sonja Hodis, LLB

As a result of changes to the Condominium Act, 1998 and the implementation of new Regulations, condominium corporations will have added responsibilities that will force them to communicate with their owners more often and provide transparency and accountability with respect to the operations of the condominium corporation.

Under the Regulations, which are now scheduled to take effect on November 1, 2017, condo corporations will have to send “information certificates” at certain times of the year and when certain events occur that trigger the obligation to prepare an information certificate.

There are three types of information certificates which must contain specified information. The chart below outlines the type of certificate, when it is to be issued and the contents required.

CERTIFICATE TYPE: PERIODIC INFORMATION CERTIFICATE (PIC)

WHEN ISSUED: Sent twice a year – within 30 days of end of first and third fiscal quarter

CONTENTS REQUIRED:

Must contain the following information that is current as of the last day of the quarter before it is sent out.

Information to include in PIC:

- Address for service of corporation
- Names and address for service of directors and officers
- Statement of all outstanding judgments against corporation and status of all legal actions to which corporation is a party
- Certificate or memorandum of insurance for each insurance policy
- Name and address for service of property management provider, property manager or person responsible for management of property
- Physical address or electronic method of communication Board has decided can be used to receive record requests, and any method of electronic communication that can be used to deliver copies of records to requester
- Statement identifying any director or officer who is a party to legal action that the corporation is also a party to or was a party to that resulted in a judgment against the corporation and the judgment is outstanding
- Statement identifying any director that has common expense arrears of 60 days or more
- Total number of leased units for which corporation has received notice
- Financial implications of all outstanding judgments against corporation¹ and of legal actions of which corporation is a party²
- Amount of deductible on corporation’s insurance policy that could be charged back to unit owner

1. Financial implications that must be disclosed are whether any judgment requires the corporation to pay damages, compensation or costs and the amounts thereof, whether any of these payments are covered by insurance and if so how much and whether the corporation has made a claim under the insurance policy.

2. Financial implications that must be disclosed are the total amount of damages, compensation or costs claimed by or against the corporation and whether any portion is covered by insurance and the amount covered, whether any portion of corporation’s legal costs and expenses incurred as result of action is covered by insurance and how much and whether the corporation has made a claim under the insurance policy.

- Any insurance policy the corporation has failed to obtain or maintain
- Bylaw number for standard unit bylaw
- Copy of any mandatory disclosures required to be made by directors
- Copy of budget for current fiscal year and any amendments
- Statement whether budget may result in surplus or deficit and amount
- Balance of reserve fund
- Annual contribution to reserve fund and anticipated expenditures for remainder of current fiscal year
- Proposed plan to increase contributions to reserve fund, if any
- Status of any outstanding claim under New Home Warranty Plan Act
- Statement of whether condo failed to comply with reporting requirements to Condo Authority
- Copy of any compliance order issued by Registrar against Condo
- Any other information Bylaws require to be included

CERTIFICATE TYPE: INFORMATION CERTIFICATE UPDATE (ICU)

WHEN ISSUED: Within 5 or 15 days of when change occurs depending on change

CONTENTS REQUIRED:

Within 5 days of change to:

- Board composition that results in loss of quorum. Must advise of fact and number of vacancies on board as well as request any individual who intends on being candidate to notify Board in writing within 5 days after ICU sent by Board

Within 15 days of change to:

- Address for service of corporation, directors, officers
- Name or address for service of property management provider, manager or person responsible for management of property
- Change in address or methods of receiving records requests or communicating record requests
- Any change to deductible clause or maximum amount that can be charged back to owner
- Termination of Insurance policy

Other

- Any other information required by bylaws in time specified in bylaw

CERTIFICATE TYPE: NEW OWNER INFORMATION CERTIFICATE (NOIC)

WHEN ISSUED: Within 15 days of new owner giving notice in writing of owner name and unit number under s. 46.1(2)

CONTENTS REQUIRED:

Must include the following:

- Copy of most recent PIC
 - Copy of most recent ICU
 - Any other material set out in bylaw
-

The government has indicated that it will be creating standardized forms for these certificates. For corporations under 25 units, there will be an option for those corporations after a turnover meeting has been held to exempt themselves from the requirement of sending the various information certificate for any fiscal year if 80% of owners consent to the exemption in writing. The consent is only valid for the balance of the fiscal year in which the consent is obtained. As such, if a condo corporation wants to continue to be exempt from the requirement to send these information certificates, they will need to obtain consent from 80% of owners each fiscal year. An owner is not entitled to consent to the exemption if the unit is in arrears for 30 days or more but can consent once they are no longer in arrears. Information certificates can be made available on a website as long as the owners have received the necessary notice of online posting and the requirements for electronic communication/mail under the Act and Regulations are met. Owners are entitled to request a paper copy of the certificate.

These information certificates do not replace a status certificate although some of the information is similar to what is found on a status certificate. In addition, unlike status certificates, the condominium corporation can not charge for these certificates to be prepared.

As with many of the new changes to the Act and the implementation of the Regulations, these information certificates will add additional work for property managers and/or boards that are self managed as well as additional operating expenses to have the certificates prepared and delivered. However the goal behind these certificates is to foster better communication between Boards and owners and to provide transparency and accountability. This is something that the condo industry is in much need of. Most of the information required in the PIC and ICU is information that Boards should have already been advising their owners of in any event on an ongoing basis. The legislative requirements are now formalizing the process and making it mandatory. For those Boards that have been good communicators to date, these new requirements should not be too onerous.

Sonja Hodis is a litigation lawyer based in Barrie that practices condominium law in Ontario. She advises condominium boards and owners on their rights and responsibilities under the Condominium Act, 1998 and other legislation that affects condominiums such as the Human Rights Code. She represents her clients at all levels of court, various Tribunals and in mediation/arbitration proceedings. Sonja has also gained recognition for creativity and tenacity in ground breaking human right caselaw in the condominium industry. Sonja can be reached at (705) 737-4403, sonja@hodislaw.com or you can visit her website at www.hodislaw.com or watch her videos at www.condoindmotion.com.

NOTE: This article is provided as an information service and is a summary of current legal issues. The article is not meant as legal opinions and readers are cautioned to not act on the information provided without seeking legal advice with respect to their specific unique circumstances. Sonja Hodis, 2017, All Rights Reserved.

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Condo Legislation Update

DATES ANNOUNCED FOR NEW CONDO LAW CHANGES

Ontario is making progress on its commitment to increase consumer protection in condos and improve how condos are run. The ministry is excited to announce a number of new protections under the amended Condominium Act (Condo Act) and the Condominium Management Services Act (CMSA) that will be taking effect this fall, and in early 2018.

NEW CONDO LAW CHANGES:

Condo Act – New changes to the general regulation under the Condo Act are now available on the e-laws website. These changes include increased protections for condo owners, including improvements to how condos in Ontario are governed and greater transparency and accountability of condo boards. (Please note that it may take several days before updates are added to Ontario Regulation 48/01).

Condo Authority Tribunal – A new regulation is also available on the e-laws website that supports the establishment of the Condominium Authority Tribunal. The tribunal will offer alternative dispute resolution services for certain types of disputes prescribed by this regulation.

Condo Manager Licensing – As a reminder, a new regulation regarding licensing of condo managers and management providers was previously released and is available on the e-laws website.

WHEN CHANGES TAKE EFFECT:

On November 1, 2017 – Most Condo Act changes, including the new tribunal, and the licensing provisions of the CMSA will come into effect.

On February 1, 2018 – Remainder of the CMSA will come into effect.

DESIGNATION OF ADMINISTRATIVE AUTHORITIES:

On September 1, 2017 – The Condominium Authority of Ontario (CAO) will be designated as the condominium authority for purposes of the Condo Act and will become responsible for the administration of certain provisions of the Condo Act, including management and oversight of the tribunal. You can find more information on the CAO's website.

On November 1, 2017 – The Condominium Management Regulatory Authority of Ontario (CMRAO) will be designated as the administrative authority for purposes of the CMSA and will become responsible for administering the CMSA including licensing condo managers and providers. You can find more information on the CMRAO's website.

WHAT'S COMING NEXT:

The ministry will be releasing in the near future:

- A series of new forms under the Condo Act to make it easier for condo corporations and owners to comply with the new requirements.
- A set of plain language guides and fact sheets to help Ontario's condo community better understand the new condo law changes.
- The education and exam requirements for condo managers.

The ministry will also be seeking public input on future regulations, including:

- Public registry of condo corporations.
- Complaints procedures, code of ethics and insurance requirements for condo managers.

Stay tuned as we will be notifying you as soon as these become available!

ontario.ca/page/condominium-law-changes

HST misconception a sleeping giant

NOT ALL CONDO FEES EXEMPT FROM HARMONIZED SALES TAX

By Stephen Chesney on Friday, June 23, 2017

Income tax considerations have received a lot of attention lately in Canadian condominium corporations. Meanwhile, it looks like another type of tax has been flying under the radar and could become a potentially significant liability for condominium corporations, boards of directors and management companies who may be unaware of or even ignoring the issue.

HST or harmonized sales tax is a term not normally associated with condominium corporations. That may be due to some misleading articles and misinterpretations of the current law in Canada over the past decade. This article will focus on clarifying in general terms the HST rules as they relate to condominium corporations in Canada. The objective is to raise awareness so that owners, boards of directors and management can consider whether they may be affected by the issue. If so, then they should most certainly seek out professional advice.

The largest source of the confusion has been with some previous pronouncements that “condominium fees in Canada are exempt from HST.” This statement is much too general: the law does exempt condominium fees, but only “residential” condominium fees. Therefore, what people often do not realize is that, generally, condominium fees on commercial units are not exempt and are in fact taxable.

Complicating the matter are other types of revenues that are also taxable and have become more prominent over the past few years. Revenues such as guest suite and party room rentals, roof rentals for telecommunications equipment and certain types of parking rentals may also be subject to HST. This is not a complete list; there are additional revenues that condominium corporations earn and will need to be considered as well. These “other” or “ancillary” revenues can add up to thousands of dollars per year and are often overlooked when condominium corporations assess whether they are required to collect and remit HST.

So what are the rules to determine whether a condominium corporation must register and charge HST on these previously mentioned sources of revenue? The legislation has a “small supplier” rule, which applies to non-profit organizations. Since condominium corporations are generally considered non-profit organizations, they do not have to register and collect HST if their revenues, referred to as “taxable supplies,” are less than \$50,000 for the year. Therefore, each condominium corporation has to add up all of these taxable supplies. If the total exceeds \$50,000 on an annual basis the condominium corporation has to apply for a tax registration number and begin to collect and remit HST.

While many condominium corporations will fall well under this threshold, there is an exceedingly large number of condominium corporations that will find themselves above the threshold for exemption and that may have never even considered the implications. To examine the potential tax liability, it’s necessary to understand the system of collecting and remitting HST.

If a condominium corporation is in Ontario and exceeds the threshold for exemption, it would have to collect tax of 13 per cent HST on all commercial condominium fees and any other taxable supplies. However, they may be able to claim “input tax credits,” which are essentially some of the HST that they have paid out on their expenses, such as various operating costs and other repair and replacement projects.

There is a lot of uncertainty as to what input tax credits condominium corporations can claim. The considerations vary depending on the situation. Some of the questions that arise are: What percentage of total HST paid by the corporation can be claimed as an input tax credit? How should expenditures such as reserve fund charges be handled when they may or may not relate directly to the taxable revenues?

Where a condominium corporation has residential and commercial units or activities, it would be considered a mixed-use entity for HST purposes. There are various rules in the law that need to be considered with respect to claiming input tax credits for mixed-use entities, so it's critical to seek professional advice. Ultimately, the condominium corporation must remit the net HST to the government, usually on a quarterly or annual basis.

So why call this a "sleeping giant" of an issue? Because it appears as if there are many condominium corporations in Canada that are clearly well above the small supplier threshold and are not registered and are not collecting and remitting the tax. In some cases, they may have exceeded the threshold for years without considering the tax.

There are also various strategies that a corporation can take to come into compliance with the law, such as making a voluntary disclosure. Therefore, if a corporation appears to be in a position where they are required to collect and remit HST they should immediately seek professional advice.

Whatever direction a board or management chooses, continuing to ignore the issue and hoping it will go away is a risky strategy. If this goes unreported the corporation could be held liable for the unreported tax as well as penalties and interest. The government normally has a specific period of time to reassess a tax return, but a corporation is always liable for HST it has never reported. This could amount to many thousands of dollars and it can be resolved by registering and collecting the tax. While accounting for and collecting the HST are added burdens on management, a sudden assessment for unreported and uncollected taxes represents a much larger burden to the corporation.

Stephen Chesney is a Chartered Accountant and partner with the firm Parker Garber & Chesney, LLP in Richmond Hill and currently specializes in the auditing of Ontario condominium corporations.





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Five winter safety tips for condo managers

A SPECIALIST SHARES SEASONAL ADVICE FOR PROTECTING BUILDING OCCUPANTS AND PROPERTIES

By Jason D. Reid on Wednesday, December 16, 2015

To enhance resident safety programs and protect building operations, consider the following five safety tips for preventing, planning for, and responding to common seasonal emergencies.

1. MONITOR ROOM TEMPERATURES

Routinely inspect important service areas to identify unusually cold rooms. Examples of the rooms that should be monitored include sprinkler rooms, electrical rooms, generator rooms, fuel storage rooms, and mechanical / electrical rooms and parking garages.

This more than often allows property managers to address frozen pipes, false alarms, temperature complaints, and HVAC concerns before they become an emergency. Further, this proactive initiative allows property managers to foresee and preempt resident complaints.

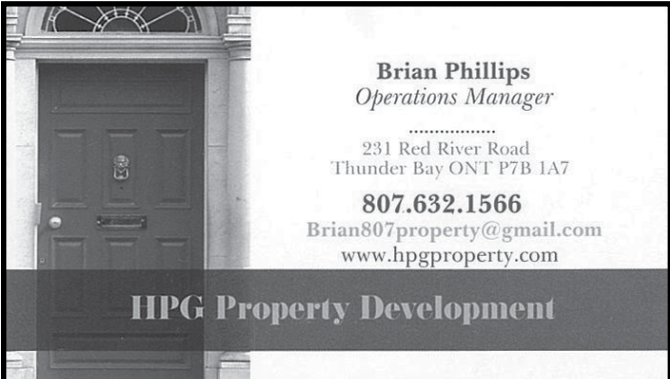
2. INSPECT THE PERIMETER

Slips, trips and falls are the leading causes of injuries at work in Ontario and the leading injury claim property managers faced in 2016. Conduct routine patrols inspections to include the perimeter of the building, as well as any walkways and access routes to the property.

Identify potential concerns, such as icy or wet and slippery surface conditions. Quickly detecting an icy walkway and applying salt on it will eliminate a slip, trip and fall hazard. What's more, it will show that the board of directors and property have an effective safety program in place.

3. TRAIN BUILDING STAFF

The Ontario Fire Code gives building owners numerous responsibilities, the most important of which is to ensure their fire department-approved building plan is implemented. As representatives of building owners, property managers and their supporting staff must be trained to act in the event of an emergency – an often forgotten component of these plans. Fire safety experts offer training sessions, as a component of implementation, and provide certificates of completion that document a property manager and his or her team's training.



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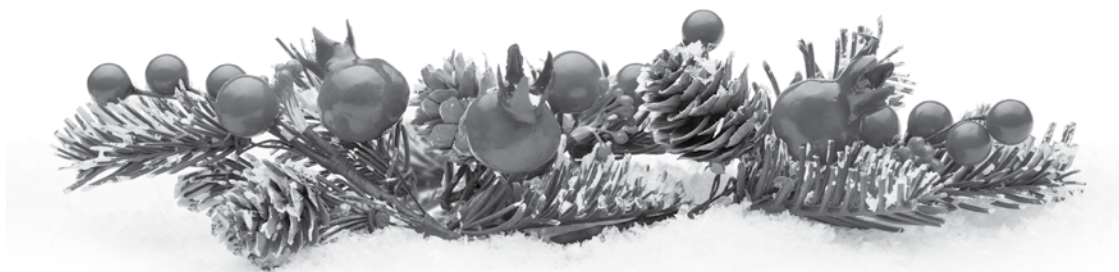


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4. HOLD INFORMATION SESSIONS

The holidays serve as a reminder of what's important, such as family. A building's family of residents expects to be safe in its home.

Residents need to have a basic understanding of the life safety systems in their building, which are ultimately designed to protect them. They also need to know that the decision to evacuate or stay in their suite during a fire alarm is theirs, but the hard fact is that the earlier building occupants leave in the event of a fire, the better the chances they have of surviving. It's the property manager's job to ensure that residents make informed decisions.

Fire and smoke move very quickly, and the conditions in any part of the building may change in an instant. Smoke can spread through a building and enter a suite, even when the fire is many floors away. During an emergency, residents will not have much time to decide what to do, so make sure residents know what to do ahead of time. A specific building's fire and evacuation procedures are found in its approved Fire Safety Plan, which may differ from building to building.

Hold a resident information meeting at least once a year, whether it be a fire safety session or a question-and-answer period for concerned residents. Residents need to know the evacuation and shelter-in-place procedures, including the vital role of their property management team during fire alarms.

5. ENSURE HOLIDAY SAFETY

Remind residents of the following holiday fire safety tips to ensure buildings are safe and secure this holiday season.

- **Decorations:** Always choose decorations that are flame-retardant, non-combustible and non-conductive. Never hang holiday decorations from sprinkler heads/pipes, or in a way that would impede their intended use.
- **Holiday flowers and plants:** Holly and mistletoe can be fatal to small children; the smaller the child, the smaller the dose that can cause serious medical problems. Poinsettia leaves are typically not fatal if swallowed, but can have negative impacts. Call 9-1-1 if a child ingests any of these plants.
- **Trees:** Do not set real trees up near a heat source such as a radiator, television, fireplace, or heating duct. Artificial trees must have a label indicating that they are fire-retardant. Metal or aluminum trees are conductors of electricity, so do not decorate them with strings of lights or any other electrical product.
- **Lights:** Use the proper lights for the environment. (Indoor light strings/sets should not be used outdoors because they lack weatherproof connections; some outdoor light strings/sets burn too hot for indoors.) Inspect light strings/set before use, checking for cracked bulbs and for frayed, broken or exposed wires, and discard if faulty.
- **Fireplace:** Never burn gift wrappings, boxes, cartons, or other types of packing in the fireplace. They burn too rapidly and generate far too much heat.
- **Candles:** Never leave burning candles unattended. Snuff them out before leaving the room or going to sleep. Check the condominium rules, as open flame/sparks or heat-generating devices may not be allowed for use in the building unless approved.
- **Carbon monoxide:** Don't forget to inspect carbon monoxide and smoke alarms for function prior to the holidays.

The above steps can significantly enhance a property manager's building operations this winter, and better prepare and equip their teams to effectively prevent, prepare, mitigate, respond and ultimately recover from emergencies.

Jason Reid is a building emergency management specialist & senior advisor to National Life Safety Group. He is also the 2015 chair; Resilient Communities Ontario's Fire & Emergency Management Committee, and a past chair; Emergency Management Committee at BOMA Toronto.





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A Reasonably Prudent Director

By Chris Jaglowitz on May 21, 2015 Posted in Case Studies, Governance, Living Together

Condo directors in Ontario are expected to exercise a certain degree of attentiveness, caution and prudence while carrying out their duties. This expectation is known as the “standard of care” and is set out in section 37(1) of the Condominium Act, 1998, which provides:

37. (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.

While the wording of this standard of care seems pretty simple, some directors don’t entirely understand what it means. A recent Superior Court case illustrates that some directors don’t understand it at all, or don’t care.

At paragraph 115 in *Ballingall v Carleton Condominium Corporation No. 111*, Justice Catherine Aitken provides this guidance to help directors understand their obligations and a clear example and description of what directors should never do:

A reasonably prudent director of a condominium corporation, attempting to meet his responsibilities as a director, would not undermine Board decisions, mislead unit owners as to the Board’s responsibilities and their efforts to meet those responsibilities, encourage unit owners to distrust the Board, undermine the legal advice from the Corporation’s legal counsel, mislead unit owners as to what that advice entailed, provide his own legal advice to unit owners, and on one occasion post to his personal website legal advice received by the Board without the consent of the Board. A reasonably prudent director, acting in good faith, would not make the Board dysfunctional, would not promote antagonism and dissent on the Board, and would not threaten other Board members. A reasonably prudent director would not put his own economic interests ahead of the legitimate interests of all categories of unit owners.

A reasonably prudent director would seek a compromise that respected the disparate, but legitimate, interests of all unit owners in the context of the community established by the Corporation’s Declaration, By-laws, and Rules.

Justice Aitken went on to find that CCC 111 director John MacMillan breached his obligations as a director under s. 37(1) of the Condominium Act. Specifically, he did not act in good faith in regard to the Board’s obligation to enforce the single family residence restriction in the Declaration in a way that took into account the legitimate interests of all unit owners. The specific findings as to the director’s conduct summarized in the quote above are surprising.

It’s not yet clear what will ultimately flow from the court’s finding that this director breached his standard of care, but things will surely end badly for that individual.

Because the case covers a wide variety of interesting condo topics and is both entertaining and informative, it’s a must-read. And if you’re a condo director doing some or all of the things that the director in this case has done, you’re doing it wrong.

Ontario Condo Law Blog - www.ontariocondolaw.com

Chris Jaglowitz is a Partner with Gardiner Arnold LLP in Toronto where he practices condominium law and dispute resolution. Is the Editor of the Ontario Condo Law Blog where this article first appeared.

This is Canada’s first and foremost law blog devoted to condominium issues. Condo Managers, Directors, and Unit Owners should stay tuned for timely and topical news, information and analysis on Condo Law in the province of Ontario.



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The Canadian Condominium Institute leads the condominium industry by providing education, information, awareness and access to expertise by and for our members.

Coast to Coast... we are your condo connection!

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1. providing education through seminars, lectures, courses and conventions and enhancing the development and understanding of condominium;
2. utilizing existing and emerging technology to further achieve our goal;
3. publishing newsletters, books and periodicals;
4. communicating with the public concerning condominium matters;
5. representing condominium interests to all levels of government;
6. developing and maintaining relationships locally, nationally and internationally, for the mutual benefit of all groups involved in condominium;
7. promoting integrity and professionalism throughout the condominium industry; and
8. granting certificates of accreditation designating to the general public and to other practitioners within the condominium industry that certain professionals have met and maintained the established standards of CCI.

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Reviewed and confirmed by Communications Committee March, 2016

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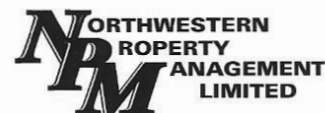
No,	Condo Name	Number of Units
TBCC #		
1	The Carriage House	22
2	Varsity Square	48
3	Guildwood Park	70
4	Guildwood Park	40
5	Waverley Park	151
6	Guildwood Park	40
7	McVicar Estates	53
8	Glengowan Place	54
9	Parkview Meadows I & II	54
10	Maplecrest Tower	98
12	Parkview Meadows III	50
13	Victoria Park	42
14	Parkview Condo	17
15	Boulevard Park Place	72
16	Leland Court	13
17	Signature Court	36
18	Parkwest Manor 1	31
19	Harbourview Terrace I	67
20	King Arthur Suites	36
22	Parkwest Manor II	31
25	Harbourview Terrace II	35
26	Brookside Place	24
28	Banting Place	48
29	Brookside Manor	48
31	Fanshaw Place	36
33	Marina Park Place	29
38	Hilldale Gardens	38
39	Silver Harbour Estates	21
40	Foxborough Greens	26
41	Pinecrest Manor	32
42	Fanshaw Place II	30
48	Mariday Suites	48
50	Lakeview Suites	24
52	Allure Building	51
54	Terravista Townhomes	18
56	Aurora Building	48
58	Hillcrest Neighbour Village	19
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OCT 18-21, 2017

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**WED.
OCT 18, 2017**



Meet & Greet

Time: 6:00pm – 9:00pm

Location: Valhalla Fireside Room

Reconnect with CCI leaders on your arrival in Thunder Bay.
Dinner after on your own at some great dinner spots.
Shuttle and restaurant suggestions will be provided.

Complimentary drink and appetizers
PRICE: Free

**THURS.
OCT 19, 2017**



Sleeping Giant Brewery
Time: 7:30pm – 10:30pm

Join us for dinner at T Bay's newest craft brewery.
Music by Flipper Flanagan's Flat Footed Four
(likely long lost cousins of Buddy What's His Name
and the Other Fellas in Newfoundland).
A progressive dinner with paired servings to the
craft beer (wine is available if Beer is not your thing).
Local delicacies such as bacon wrapped walleye skewers,
Persians for dessert, and much more.

Guided tour of the craft brewery and its history.

PRICE: \$70.00 + 13% HST

**FRI.
OCT 20, 2017**

**CCI Spooky National
Awards Banquet**

Join Us For a **VICKED** Good Time if you **DARE**

Time: 7:30pm – 10:30pm

Go back in time to the fur trade at Old Fort William. Fort William
Historical Park is a Canadian historical site that contains a
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It was designated a National Historic Site of Canada in 1923.
The Pipes and Drums of Thunder Bay will entertain you before dinner
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Ojibwa "smudging ceremony", which is a must experience.
After dinner is the bewitching hour at the Old Fort! Wear a costume
so you are ready for a haunting evening.

Terror in William's Town - The Witches' Plague

A terrible darkness has awoken in the secluded community
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its terrifying cackle bubbles in the river. William's Town is overrun
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to dark, dreams to nightmares, life to death. You can try but
you will never escape the terror in William's Town.

PRICE: \$80.00 + 13% HST

**SAT.
OCT 21, 2017**



Time: 9:00am – 1:00pm
Topics you don't want to miss.

- No Smoking Condominiums, including the condo units. What the courts have said will be enforced and why.
- Short term vacation rentals in Condos. Air bnb representative to present their side; A person from the City of Chicago Illinois to tell you about its experience with regulating short term vacation rentals.
- Condo cases in Canada from lawyers across Canada. Find out about the latest cases.
- Condo Reform in Ontario update. Condo authority update.

PRICE: \$50.00 + 13% HST

NOTE: If you require an alternate meal, please note on your registration. It must be requested two weeks prior to the event

All registrations for the CCI-National 2017 Fall Leaders' Forum will be done online.

To Register, please visit the below link (or copy and paste it into your browser):

<https://cci-portal.ca/events/fallleaders2017>

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