IN THIS ISSUE...

JAMIE HERLE TO REPRESENT OUR CHAPTER AT THE NATIONAL LEVEL .......... 2

CHAPTER CHATTER ABOUT TAXATION .......... 3

DON'T LET THE BED BUGS BITE PART TWO .......... 4

CANADIAN WESTERN BANK: FINANCIAL SOLUTIONS ............... 6

BOARD MEETING MINUTES ......................... 8

WHO PAYS AFTER DAMAGE ....................... 9

STUDY FINDS COMMUNICATION, DIRECTOR EDUCATION AND SENSE OF COMMUNITY LACKING ............... 10

CANADIAN CONDOMINIUM STATISTICS .............. 12

WHAT IN TARNATION IT'S POTHOLE SEASON! ............... 13

MEMBERSHIP APPLICATIONS ............. 14

---from Donna’s Desk.

Letter from NS-CCI Board President

Welcome old and new members!

It has been quite a while since our last newsletter and we are very pleased for the assistance of our new Board Member & Newsletter Editor, Lorne Purdy, in finishing the design and producing our first Newsletter in the new format for Spring 2017. This edition is intended to be the first of quarterly editions! As members you can search the website and upload any of the current or past editions of the Newsletter as well as many other documents and information from across Canada. Your Membership year is from July 1st to June 30th annually with renewals to be sent in May (before everyone heads to the lake for the summer). Our 2016-2017 application can be found at the back of this edition.

Our October 2016 Annual General Meeting has produced new faces to our board membership and some very eager and willing participants to our volunteer organization. Please take the time to take a look at our Board listing & email address on the inside page of this edition. Our Education committee is working hard to increase and improve the number of seminars and Directors Club (soon to be called “Condo Strength”) meetings. The Education committee has also been modifying the first Condo 100 course from the eastern Canada template to Saskatchewan legislation to be offered this year. This course will be offered initially only to Condo Board members as a “primer” on the knowledge base that board members should have for the proper operation of their Condominium Corporation.

Inside the cover pages of this edition are some interesting articles. Our National Executive representative, Jamie Herle, who I am sure many of you have already heard speak at a number of our seminars has provided tidbits on her involvement with CCI. We have included articles on issues that our members have indicated are currently important to them – such as eradicating bed bugs, recording proper board minutes, condominium investments and financing and an interesting article on asphalt and roadway maintenance.

There are a number of trade and professional members of our organization which we have listed on the back cover as a reference tool for your corporation. As we gain more trade members we will be happy to add them to our register.

Finally, we ask for your input on this new publication and suggest that you contact our editor to express your comments on what you would like to see in the next coming editions. For more information on upcoming events or to confirm your contact information for email blasts please email us at northsaskatchewan@cci.ca or take a look at our website http://cci-northsaskatchewan.ca.

Looking forward to seeing you at our next event!

I’ve Learned...

That a smile is an inexpensive way to improve your looks.

SUNCORP VALUATIONS

www.suncorp.ca

Our Business is Value.
JAMIE HERLE TO REPRESENT OUR CHAPTER AT THE NATIONAL LEVEL

My name is Jamie Herle. I have been active with CCI in some shape or form since 2005. I first started by speaking at a seminar in Regina then was corralled in as a South Saskatchewan CCI board member. My move to Saskatoon in 2008 included CCI. I joined the North Saskatchewan CCI in 2008 and was elected as the National Council Rep in 2009. As the National Representative I have attended many meetings, leadership forums and conferences on behalf of our chapter to bring back best practices and knowledge from others across the country to help our chapter and our members. In 2014 I was elected to the National Executive and was re-elected in November 2016. In my years with National I have sat on the Education, Membership, ACCI and Government Relation Committees. I currently sit on the ACCI and Government Relations Committee.

National CCI is the overarching body under which our chapter falls. There are currently 16 chapters across the country operating in 8 provinces. The National Executive’s duties and responsibilities are to continually act to lead, structure and grow CCI as an organization nationwide, comprised of all its existing and future Chapters, having regard to the diversity and changing needs and environment of our industry and members. The primary missions of CCI are to advocate, educate and facilitate connections between stakeholders in the condominium industry in local regions and across the nation. We create products or services that help accomplish these missions.

CCI is celebrating our 35 Anniversary this year. In conjunction with this anniversary we are going to be rolling out a few fun engaging activities to join our members across the country. Please stay tuned for more details.

NEWS AND UPCOMING EVENTS
Be Sure to Mark Your Calendar

March 30
NSCCI Member Seminar at Louise Community Church of the Nazarene 3042 Louise St. at 7:00pm. The topic of discussion will be “Smoking, New Marijuana Laws & Condominiums”. Presenter: Jamie Herle, WMCZ Lawyers

April 6
NSCCI Director’s Club Meeting at 7:00pm. The location is yet to be determined. The topic of discussion will be “The Condo Strength Program”. Presenter: Jamie Herle, WMCZ Law Group

May 23
NSCCI Member Seminar at Louise Community Church of the Nazarene 3042 Louise St. at 7:00pm. The topic of discussion will be “Reserve Fund Studies - Your Rainy Day Fund and It’s Raining”. Presenter: Devin Baker, Suncorp Valuations plus we will feature “Reserve Fund Shortfalls and Investment Options”. Presenter: Byron Eberle, Canadian Western Bank and Blake Barrigar CWB Maxium

*You will receive more information about these meetings via email

WE WANT TO HEAR FROM YOU

If you have a question or wish to raise an issue with your NSCCI Board, we would be pleased to hear from you. Please let us know what topics for articles or seminars would be of interest to you. Call, write or email us and we will make every effort to accommodate your request.

Email: northsaskatchewan@cci.ca
CHAPTER CHATTER

ABOUT TAXATION

An ad-hoc committee has been established to advance the cause of ‘value for taxation dollars spent’ versus ‘value for services received’ by condominium owners. This committee consists of the following volunteers: Chetan Thakore, Devin Baker, Donna Singbeil, Jamie Herle and Lorne Purdy.

A 6 page brief was prepared and delivered to Mayor Charlie Clark as well as all City of Saskatoon elected councilors. The Mayor’s Office responded with an invitation to meet with him on February 9th, which we have done.

Our goal was to achieve one specific common denominator at the meeting followed by three others over time:

1. That the mayor would acknowledge there is in fact an imbalance in the services condo owners receive
2. That accomplished, we could move on to specifically identifying those services we are concerned about
3. Upon identifying those services we could then endeavor to put a value on them
4. Finally, develop an execution plan over time that would address these issues

While the meeting was cordial, we came away somewhat empty handed. The Mayor seems not to agree with our point of view. He feels their hands are tied because of the ad valorem system being used. They defend the system because it is based on one’s ability to pay market value: single family homes or condominium units with the same assessed market value will pay the same amount for property tax. Property taxes are calculated based on the taxable assessment of our property. Property taxes are not based on the amount of services you use or receive. This sounds fair, but in our view it isn’t. Our view is that as condo owners we are not fairly taxed. We disagree because in our view we are paying for our infrastructure twice without receiving maintenance or replacement assistance from the City. We pay for the same services as house-dwellers but still have to clear our streets of snow not to mention the responsibility to service, repair and replace our decaying infrastructure. How can this be fair? Further, both council and administration are determined not to enter private property to provide municipal services of any kind. To them private property is private property. We can pave our private network of roads with gold if we want to. Abiding by this bylaw allows the City to treat the single family homeowner and the condominium homeowner as though we are the same. We are not the same. Our footprint is much smaller. Again, because of the disparity in the amount of services provided to us compared to single family homes, we simply disagree.

There are remedies and tools available to Council that gives them the legal power to address our concerns but they seem reluctant to use them. Part of the problem might be that this particular argument is not new to them. They’ve heard it all before. We know that gated communities are a significant problem for access. And here is the kicker; if property taxes drop for condo owners, they rise for single family owners. Politically, they haven’t previously had the will to recognize our position and don’t seem to have any appetite for doing so anytime soon.

The Mayor did indicate that the costs being charged to condo owners for garbage and recycling fees is currently under review. We may see some relief in this regard. He also promised to look into the possibility of installing individual water meters on condo units, using townhouses as a possible experimental project. They feel as we do, that in order to conserve resources we need an accurate realization of how much we consume individually in order to be more accountable.

We did ask ‘where do we go from here?’ We offered to work with Finance and Administration in structuring a workable solution. The mayor did offer to meet with some of our members who would like to do some chatting on ‘condo coffee row’. I think a casual get together like this would be very useful in having him realize the magnitude of this matter. We are the electorate and should not underestimate the power we have; nor should we be hesitant to use it.

**So where do we go from here?** Should we keep kicking this can down the road? This is going to be a hard sell. Those members who have raised this issue with previous councils didn’t have much luck either. Obviously, our message is not being heard and frankly, I doubt that our point of view is going to gain any traction in the near future. But we should not be discouraged. In my opinion, we should organize ourselves as a working group of stakeholders dedicated to keeping the dialogue going. I would like to ask the City to establish an Advisory Committee who would research and subsequently report to council and administration on this issue. Of course we would like to work in unison if such a committee were created. This Advisory Committee could hold an open meeting with our membership at large. Our ad hoc committee plus a handful of interested volunteers could assist in keeping the message heard. Ultimately, as a group, we might engage some external assistance from the media, maybe create an online petition seeking thousands of condo-owner signatures, request that the City provide more transparency detailing the dollars they save when servicing condo developments vs. single family developments, asking to address council in chambers, etc.

We all live with this issue as condo owners and many of you will have a point of view as to where we go from here. Your committee welcomes your feedback as well as any suggestions you would like to share. If there are 3 - 4 members who would like to assist with this project let’s start by meeting for a coffee and come up with a plan. Any traction desired can only happen if it comes from our member base. Your Board of Directors is comprised primarily of fully employed people working and running their businesses. Their time is very limited and we need to recognize that. I have attached our chapter email address so if you want to chat get in touch and volunteer with us.

**Lorne Purdy - northsaskatchewan@cci.ca**

**REMEDIES THAT WE PRESENTED:**

1. **The City could consider lowering the mill rate factor for condominium units.**
2. **The City could consider increasing the level of service provided to condominium developments.**
3. **The City could consider a partial tax rebate to condominium owners.**
4. **The City could rewrite the current bylaw.**
Don’t Let the Bed Bugs Bite
Part Two
By Carmen Zuorro
CCI Board Member and Property Manager
czuorro@tegapm.ca

PROTECTING YOUR HOME FROM INFESTATIONS

Heating and water pipes running within the walls between units are great conduits that bugs can use to travel between units. The following suggestions can be implemented to help prevent easy access to your unit.
1. Seal all water lines and pipes with spray foam insulation. Remember to include pipes under sinks, toilet supply line, washing machine pipes that connect to the wall and heating pipes as they enter your unit.
2. Remove baseboards and silicone along the gap between floor and wall.
3. Place foam gaskets behind electrical outlets.

WHAT TO DO WHEN YOU DISCOVER BED BUGS

These questions are answered to assist your property manager with the most effective plan to eradicate the problem as quickly as possible. The more information you can provide the better.
1. When did you discover the bug(s)?
2. What time of the day?
3. When you discovered the pest, was there any evidence of more?
4. When you discovered the pest, did you search the rest of your unit? What did you find?
5. Did you save the pest?
6. How did you discover the pest? (making the bed, in a drawer, etc.)
7. Have you been experiencing bites or rashes? If so for how long?
8. Can you remember where you might have picked up the hitchhikers?
9. Have you had visitors? When? Who?
10. Have you visited anyone in the complex? If so what unit(s)?
11. If you have a vehicle, did you check the vehicle?
12. What have you done to control the pest? Did you use any chemical spray to help control the pests?

PRECAUTIONS FOR PREVENTING INFESTATIONS IN REVIEW

Bed bugs are small, cryptic and agile, escaping detection after crawling in to suitcases, boxes and belongings. The eggs are especially tiny and are usually overlooked. Acquiring second-hand beds, couches and furniture is another way that the bugs are transported into previously non-infested dwellings. Bed bugs also can be carried in on a person’s clothing or shoes, resulting in an infestation.

Once bed bugs are introduced they often spread throughout a building. The bugs can travel from room to room or floor to floor either by crawling or via a person. Unlike cockroaches that feed on filth, the level of cleanliness has little to do with most bed bug infestations. pristine homes, hotels and apartments have plenty of hiding places and an abundance of warm-blooded hosts.

GENERAL PREVENTION

Bed bugs are challenging pests to control. They hide in many tiny places, so inspections and treatments must be very thorough. In most cases, it will be prudent to enlist the services of a professional. Experienced companies know where to look for bed bugs, and have an assortment of management tools at their disposal. Owners and occupants will need to assist professionals in very important ways, by allowing access for inspections and treatments.

General housecleaning measures, such as vacuuming floors and surfaces, seldom reach the places where bed bugs hide. Targeted vacuuming of infested harboursages, however, can help remove some of the bugs before treatment. Bed bugs and especially the eggs can be difficult to dislodge. Optimum results will be achieved by moving and scraping the end of the suction wand along infested areas such as seams and fabric folds of beds and sofas, and the perimeter edge of wall-to-wall carpets. After which, disposal of the vacuum contents in a sealed garbage bag is necessary, as the bugs will crawl out of the vacuum back into the home.

PREVENTING INFESTATIONS

As difficult as it can be to eradicate bed bugs, it makes great sense to take precautions to avoid them in the first place. Households should be vigilant when acquiring used furniture, especially beds and couches. Curbside items should be avoided, and second-hand articles should be examined closely before being brought into the house or avoided all together.

Travellers may want to get into the habit of checking their beds in hotel rooms, and if there are any signs of bed bugs should request another room in another part of the hotel. Travellers may want to elevate suitcases off the floor onto a luggage stand. Should you suspect that you may have brought home bed bugs, it would be prudent upon returning home to place all clothing in plastic bags until they can be placed directly into the washer and/or dryer. The suitcase should be placed in clear plastic bags and examined regularly over the next two weeks. The incidence of bed bugs is increasing to the point where vigilance by all is a prudent practice. Familiarity can help to avoid infestation, or at least prompt earlier intervention.
Preventing Infestations:

- **DO NOT** pick up discarded furniture for use in your home.
- **DO NOT** purchase second-hand household furnishings for use in your home.
- **DO NOT** accept used household furnishings for use or storage in your home.
- Prevent visiting children or pets into bedrooms to play.
- Do not allow your children to play in bedrooms when visiting other children.
- Do not let your children play on discarded furniture.
- Be mindful when in public places, remember bed bugs are excellent hitchhikers.

When travelling:

- Do not put suitcase or clothing on bed or floor – do not empty suitcase contents into drawers.
- Many people are placing their suit case on luggage stands or in the bathtub when not in use and further, putting their suit case in a large plastic bag.

**DO NOT PANIC** – the hardest thing to do is not to panic

- **DO NOT** use any type of bug spray (spraying will spread the bugs through your home and also to attached neighbouring units).
- **DO NOT** start sleeping in another room (Bed Bugs will follow you there).
- **DO NOT** throw out any furniture, mattresses or cardboard boxes. These items should be taken in a truck by the unit owner or resident to the landfill. Do no place any of these items in your car as this will contaminate the car. Be mindful of your neighbours and do not spread the infestation.

**DO**

- Advise property management of the situation
- Carefully inspect the area where you suspect bugs to be
- Thoroughly vacuum the furniture and start to de-clutter the area
- Properly remove junk/garbage. Do not place these items in other parts of your home before thoroughly checking for bed bugs.

Remember, education is the best method to help prevent a bed bug infestation. The Board of Directors, owners and the property manager must work together with professionals to attack the problem as quickly and respectfully as possible.

---

WE INVITE YOU TO BECOME A MEMBER OF NSCCI “YOUR CONDO CONNECTION”
CCI welcomes all individuals and businesses with interests in the condominium community to become members. Join our chapter and receive the benefits of belonging to the only national condominium organization in all of Canada.

CCI MEMBERSHIP ENTITLES EACH MEMBER TO:

- One vote at the Chapter general meetings
- One vote at the National Annual General Meeting in Toronto
- The right to run for office at the Chapter and National levels
- Copies of Chapter and National newsletters
- Access to Chapter education programs at member rates
- Information about member trades, services, professionals and networking across Canada

EACH CHAPTER MAY PROVIDE ADDITIONAL MEMBERSHIP BENEFITS. MEMBERSHIP FEES ARE SET BY EACH CHAPTER

Why join NSCCI? As a resident or condominium director, you will enjoy a host of valuable membership benefits:

- Direct access to the certified experts in the field and profit from their experience
- The benefit of membership rates when you register for CCI sponsored courses, seminars and events
- Chapter and national newsletters with up-to-date information, news and events
- Significant discounts when attending the CCI National Annual Convention
- See the latest ideas and newest products at local and national trade shows
- Network with industry leaders ... CCI's events present excellent networking opportunities
- Support CCI’s lobbying efforts for better reforms to government on behalf of all condominium owners

FOR PROFESSIONAL TRADES AND SERVICE PROVIDERS SERVICING THE CONDOMINIUM INDUSTRY

- Expand your business profile among the “who’s who” of the condominium industry
- Create your own competitive advantage ...maximize your economic potential as a service provider
- Network with business leaders

CCI ... WORKING ON BEHALF OF THE CONDOMINIUM INDUSTRY AND ITS RESIDENTS

**Your membership application can be found on pages 14 and 15**
Financial solutions tailored for condo corporations

As a Director on a condo board, you represent the unit owners, uphold the Condo Act, and are responsible for decisions regarding common element repairs and replacements, finances, investments and banking. You also accept the challenge to ask condo owners to cover shortfalls for unexpected large expenditures and you do it all as a volunteer.

A trusted and experienced banking partner that knows your business

The board of directors of the condo corporation should be financially savvy and obtain sound investment and cash management advice for their reserve and operating funds. Canadian Western Bank (CWB) has a suite of specialized products and services that meet the challenging banking needs of property managers and condo boards. When the condo Treasurer is faced with the need for liquidity and investment earning potential, CWB has the Business Savings Account. This unique account pays an interest rate comparable to a GIC without the need to lock your money into a fixed term – the money is there when you need it and growing when you don’t. CWB also has knowledgeable and dedicated specialists that know the business and can be counted on to respond to the needs of their condo banking clients. Whether the preference is to call or email our specialists directly, come to the branch or do banking online, CWB provides the ideal solution to make banking easier.

Borrow from CWB Maxium Financial for major common element repairs and replacements

Funding reserve fund shortfalls is ultimately the responsibility of all unit holders. When a condo corporation borrows money, it is an alternative to a special assessment and can be an effective solution in terms of addressing this responsibility. Borrowing money to pay for the expenditure alleviates the pressure of asking unit holders to come up with the funds in one lump sum. The loan is registered to the Condo Corporation as opposed to individual unit holders and there is no requirement for personal guarantees or credit checks.

Reserve fund shortfalls are all too common

A reserve fund study is one of the greatest planning tools available for Condo Boards. It forecasts how much money needs to be set aside today for the next 30 years for estimated repairs and replacements. It minimizes the risk of shortfalls and accordingly, is a requirement under legislation for many provinces. However, the reserve fund study does not eliminate a condo’s exposure to unexpected expenditures. Why? Unexpected events can derail the existing funding plan. These may include; recessions, a struggling energy sector, unexpected job losses or the Canadian dollar hitting rock bottom. All of these may negatively impact a condo’s cash flow. For example, unexpected expenditures due to extreme weather or inferior construction may lead to potentially higher insurance premiums or accelerate damages that were not part of the initial reserve fund study. A condo reserve fund is earmarked for planned repairs and replacements such as roofing and elevators. Typically, reserve funds do not have additional contingency funds to pay for unplanned expenditures.

Byron Eberle
AVP & Branch Manager
306-667-2800
byron.eberle@cwbank.com
cwbank.com

Blake Barrigar, CPA, CGA
Director Condo Originations
1-800-379-5888 ext. 224
blake.barrigar@cwymaxium.com
cwymaxium.com
Canadian Western Bank has dedicated specialists that provide a single point of contact for property managers and condo boards. They know the industry and your business and are responsive to all your banking needs.

**Condo Corporation Financial Solutions**

**Commercial Banking Services for Condo Corporations**

For information, call Byron Eberle, AVP & Branch Manager
306-667-2800, byron.eberle@cwbank.com, cwbank.com

**Loans for Condo Corporations**

CWB Maxium Financial (A CWB Financial Group Company) finances condo common element repairs and replacements.

- Building envelopes
- Energy retrofits
- Guest and super suites
- HVAC systems
- Balconies and windows
- Elevators
- Underground parking garages
- Lobbies and recreational facilities

**Up to $50M**

We offer loans up to $50 million with flexible payment terms and competitive rates.

For information, call Blake Barrigar, CPA, CGA, Director Condo Originations
1-800-379-5888 ext. 224, blake.barrigar@cwbmaxium.com, cwbmaxium.com
Board Meeting Minutes: What is necessary and what should they or should they not contain?

By Donna Singbeil & Jamie Herle
North Sask CCI Board of Directors

The Condominium Act, 1993 (the “Act”) grants ultimate authority for managing the condominium corporation’s affairs to its board of directors subject to any restriction or direction given to it by its members at an AGM. The Act further requires that a board shall keep minutes of its proceedings. A commonly asked question is, “What should be and what should not be included in the minutes?”

Minutes of board meetings are a record of the decisions and actions taken by the board in the course of fulfilling its responsibilities and duties. Minutes should be a formal record of what the board has done to carry out the business of the Corporation. They should be a concise record of the board’s discussions and decisions. Minutes should not be a complete transcript of every discussion and word at the meeting; they do not need to contain speeches, arguments or particulars on motions that are not passed, but rather they should contain the material aspects of the meeting including what type of meeting, the date, whether a quorum was present, what action items were raised by motion, the material aspects that led to the vote, and whether they were approved or not.

According to Regulations of The Act, owners are entitled to request to see the minutes once they have been adopted or approved (for the preceding 12 months from the date of the request) and therefore issues of privacy are raised. When providing owners with access to the minutes of a condominium meeting you must be careful not to offend privacy legislation. You need to ensure that owners are not provided with access to minutes that contain details of discussions identifying particular owners, identifying specific units, employment matters, specific contractual negotiations or pending arrangements, potential insurance claims, litigation or matters that could prejudice the Corporation’s ability to carry out its activities or negotiations. Therefore, when an owner or person authorized by an owner requests a copy of the minutes pursuant to the Regulations, any portions of the minutes concerning a specific owner, a particular unit, insurance, employment, prejudicial or legal matters should be deleted so that the reader cannot identify the unit owner or confidential information. It is recommended that the board keep separate minutes for this purpose; where the appropriate provisions should be blacked out or removed as part of the normal process of storing minutes for purposes of providing access to information pursuant to “Regulations”.

BOARD MEETINGS AND “IN CAMERA” MEETINGS

Some boards will make their meetings open to observers. As indicated above, there are some items that should not be disclosed and discussed in front of the general ownership. “In camera” meetings are necessary at times and if used properly and not used excessively, they are important and useful. An “in camera meeting” means a private or closed meeting of the board; this means that only the board members and if the specific circumstances dictate others required for the discussion who may be providing information and material to the subject matter before the Board attend the meeting.

“In camera” meetings are often misused by boards and therefore lead to misunderstandings and mistrust among condominium owners. It is suggested that boards respect condominium owners concern about the Corporations affairs and try to maintain transparency and an open policy with respect to all matters that they can and that the owners respect and trust the board, their duties, responsibility and obligations that they have entrusted in them by voting them to be their board members to carry out the Corporation’s affairs.

“In camera” meeting minutes are not to be accessed or disclosed to general membership and are “In camera” because of the liability and privacy issues to be heard. Any record of an in camera meeting should be a separate document and not disclosed to general membership. The penalties are steep, signalling people to take note of this legislation. There are administrative penalties of up to $10 million for businesses and $1 million for individuals. It is also important to note that the legislation breaks down the proverbial corporate curtain; directors, officers and agents who have directed, assented to, acquiesced in or participated in the violations could be held personally liable.

CANADIAN ANTI-SPAM LEGISLATION

What about non-Canadian senders? CASL looks at where the receiver is and not the originator. Therefore, if a non-Canadian is sending you an email it must comply with CASL. The government claims the legislation lets them cooperate with foreign governments to share information and enforce similar laws. Only time will tell, but I have my doubts that emails from the South African heir are going to cease after July 1.

To be fair CASL contains some transitional periods. A few of importance are: where there is an existing business or non-business relationship AND the relationship includes communication of CEM’s there is implied consent for a 3 year period to July 1, 2017, unless consent is withdrawn earlier; and after July 1, 2017 people can bring private civil suits for damages and penalties. Class action law suits could be a big threat.

CASL may be a big deal or it may end up on the heap of laws which sound great but are subject to little enforcement. Until we know, the risk of being a test case is something to avoid. Individuals and businesses that send CEM’s have a very large onus and should take steps to ensure they are compliant with CASL. This article does not cover all of the ins and outs of the legislation. Be sure to talk with your advisors to ensure you are on side.
WHO PAYS AFTER DAMAGE

By Naheed Bardai

One of the most common questions I get asked is whether or not the condominium must repair damage to the interior of an owner’s unit. Unfortunately, all condominiums are different and so there isn’t a one size fits all answer. The purpose of this article however is to help condominium boards identify the various issues to consider.

1. WHAT ARE THE UNIT BOUNDARIES?

As a general rule, unit owners are responsible for the repair and maintenance of the unit, whereas the condominium is responsible for the repair and maintenance of the common property pursuant to section 35 of The Condominium Property Act, 1993 (“the Act”). This general rule will not apply in cases involving insurance but will apply to issues like damage after wear and tear for which there is not normally any insurance coverage. It is for this reason that owners are usually required to replace light bulbs in their unit, whereas the condominium generally replaces light bulbs on the common property.

In order to determine who has the obligation to maintain and repair any part of the property, it is important to know where the unit boundary ends and the common property boundary begins. In order to determine the boundary lines, it is important to look at the condominium plan and section 8 of the Act which sets out some default rules in the event the boundary is not spelled out in the condominium plan. For instance, for condominiums built after the Act came into force, windows and doors form part of the unit unless the condominium plan says otherwise.

The unit boundary will have a significant effect on the costs that are incurred by the condominium. In some condominiums the unit boundary is the back side surface of the dry-walls which means that roofs, windows, plumbing, sidewalks, gardens and internal roadways all form part of the common property for which the condominium is responsible. In other instances, the boundary may be the lot line which means that the structure, lawns, gardens etc. will all form part of the unit and the condominium would only be responsible for internal roadways, sidewalks and shared facilities.

It is important that the common property is properly identified because the condominium corporation must plan for the long term repair and maintenance of the common property, including the preparation of a reserve fund plan. Condominiums will want to make sure that their reserve fund study deals with all of the common property but does not include components within the unit boundary.

2. WHO CAUSED THE DAMAGE?

Although the general rule is that unit owners are responsible for the maintenance and repair of their unit and the condominium is responsible for the maintenance and repair of the common property, where a unit owner causes damage to the common property, the unit owner may still be held responsible.

3. WHAT ABOUT INSURANCE?

All condominiums (other than bare land condominiums) are required to maintain insurance over both the units and the common property pursuant to section 65(1) of the Act. Condominiums are required to have insurance for major perils such as fires, and other perils specified in the condominium bylaws.

Bare land condominiums may but are not required to maintain insurance over bare land units or on buildings or improvements placed on bare land units pursuant to section 65(1.1) of the Act. However, in my experience, the bylaws of most bare land condominiums do require that the condominium maintain this insurance.

What this means is that after a fire or other insured peril, the general rule will no longer apply and instead, it will be the condominium’s insurer that will be responsible for the repair of the common property and the unit property (excluding betterments, improvements and the unit owner’s contents).

For example, if a unit owner inadvertently causes a fire by leaving the stove on which causes damage to their unit and the hallway, both the condominium’s insurer and the unit owner’s insurer will be required to respond. The condominium’s insurer will repair the unit (to a base standard) and the common property, whereas the unit owner’s insurer will pay for the replacement of the contents and any improvements. So for example, if the base standard was linoleum and the unit owner installed tile, the condominium’s insurer would pay for the cost of linoleum and the unit owner’s insurer would pay for the difference between linoleum and tile.

This means that after an insured event like a fire, two insurers will respond and two deductibles will have to be paid. One deductible would be the deductible under the condominium’s master policy, while the other would be the deductible under the unit owner’s policy.

The cost of the deductible under the condominium’s policy will be a common expense shared by all owners except where an owner (or person residing in the owner’s unit) causes the damage through an act or omission on their part, in which case the deductible under the condominium’s policy may be added to the common expenses of the unit owner. In my example, the deductible could be charged back to the owner who started the fire as a result of their carelessness.

It is important that unit owners are made aware of the amount of the deductible under the condominium’s policy. In many cases where the unit owner is required to pay the deductible under the corporation’s policy, their individual unit insurer will make the payment on their behalf as part of their unit policy. Unit owners should check with their insurer to make sure they have this coverage.

One of the disputes that often arises relates to what is (or is not) included as part of the “standard unit”. If the condominium is relatively new, it will be fairly easy to determine what falls within the standard unit and what does not. However, if the condominium is older, it may no longer be that easy to determine what forms part of the standard. More and more condominiums are passing standard unit bylaws to establish the base standard over which they will obtain insurance coverage. That way, if a unit owner buys a condominium unit where the previous owner installed a $100,000 chandelier, it will be clear that the chandelier is not part of the standard unit. Even in new condominiums this can be an issue because some owners will purchase considerable upgrades from the developer and there will be an issue as to whether the upgrades are part of the “standard unit”.

CONTINUED ON NEXT PAGE...
NOTE: Every condominium will have its own insurance policy (with its own exclusions) and its own unique bylaws. Similarly, the rules which apply to one condominium, may not apply to another (for example a bare lands condominium). You should review the insurance policies, bylaws and plans with your counsel and insurer to make sure your condominium is adequately insured and that you are aware of the policy exclusions.

TIPS FOR CONDOMINIUM BOARDS

Every condominium is a little different, therefore, when looking at an issue like damage to a unit, it is important that the board have the following documents with them:

A. The Condominium Property Act, 1993 and accompanying Regulations;
B. The Condominium Plan (to identify unit boundaries);
C. The Bylaws for the Condominium;
D. Details about the original construction of the condominium, especially in cases where there is no standard unit bylaw; and
E. The insurance policy for the Condominium.

Naheed Bardai is a lawyer with the firm of MacPherson Leslie and Tyerman LLP. He is a past Vice President of the Canadian Condominium Institute (Ottawa Chapter) and past Board Member of the Canadian Condominium Institute for Northern Saskatchewan. Naheed frequently writes and lectures on Condominium Issues. This article is provided as an information service by MacPherson Leslie & Tyerman LLP. It is general in nature and does not constitute legal advice.

Study Finds Communication, Director Education and Sense of Community Lacking

Wednesday, October 26, 2016
By Michelle Ervin – Ontario Condo Business Editor

New research into condominium governance found that board members, property managers and unit owners have a number of familiar topics on their minds. Lack of community, lack of director education and poor communication were among seven themes identified by Dr. Randy Lippert, professor of criminology and sociology at the University of Windsor, in a recent study.

For the study, Dr. Lippert and his research team of graduate students interviewed roughly 150 board members, property managers and unit owners in condominium dense New York City and Toronto. The individuals represented condominiums ranging in price — more than and less than $600,000 in Toronto — and in size, from fewer than 50 units, to 50 to 150 units, to greater than 150 units.

Funded by the Social Sciences and Humanities Research Council of Canada, the independent research was designed partially to highlight the issues for unit owners and service providers in hopes of improving condominium governance. Going into the study, Dr. Lippert predicted that he would find disputes and dysfunction, based on information available about the U.S. experience with these types of arrangements.

“We expected a lot of conflict, a lot of litigation, and in some places we found that, but in others, we didn’t at all,” he said. “Some condos are run extremely well; if you speak with owners, you find that they’re happy with their property management company, they are not too freaked out about how fast their condo fees are rising, so it was really a mix in that respect.”

The research ran almost in parallel with the Ontario government’s review of the Condominium Act, which explains why they picked up on similar themes. Dr. Lippert said he’s optimistic that some of the legislative changes that were recently passed but that are not yet in force will address certain issues. However, he added, it really depends on the details of the regulations.

One of those changes is to introduce and make mandatory basic education for new directors. Both unit owners and board members reported to the researchers that they were troubled by the fact that directors frequently deferred to property managers on decisions due to lack of knowledge.

Another of those changes is a forthcoming requirement to follow specific procedures for certain procurement contracts. The details of the requirement are to come in the regulations, but it could answer concerns the research identified about conflicts of interest on the part of board members.

Unit owners also commented on the difficulty in combating breaches of the Condominium Act when they’re up against board members who can call on the corporation’s lawyer as a resource. Dr. Lippert noted that the Condominium Authority, which would provide a cheaper, faster alternative to taking disputes to court via a tribunal, may address this.

But, he said, unit owners questioned whether they alone ought to bear its cost. (It’s expected that the Condominium Authority will be self-financing once established, with a monthly fee of roughly $1 per unit owner supplementing service fees.)

Those with experience locked in conflict with their board considered that the benefits of a Condominium Authority might outweigh its cost — assuming the Condominium Authority is brought to life. Those with institutional knowledge dating back to the 1970s recalled that a ‘Condo Office’ was promised by a previous provincial government.

“They never did anything with it,” Dr. Lippert explained, “so there is the suspicion that it’s just window dressing and won’t really do anything.”

However, the research also found that satisfying the craving of
unit owners for communication from their board could be another way to head off conflict. An easy step for boards to take would be to host fireside chats or other gatherings outside of the mandatory AGM, offered Dr. Lippert.

"Actually have more open meetings, which I get can be uncomfortable sometimes for condo directors and property managers," he said. "But at the same time, sometimes people just want their beef to be heard and that can go a long way in terms of defusing problems and litigation later."

A common fault line in condominium communities exists between investor owners who do not reside in their units and the owner occupiers who do, according to the research. In particular, these two groups appeared to be at odds over reserve fund spending, and whether to prioritize aesthetic projects or saving for critical replacements.

The research found that unit owners worried about the lingering influence of yet another player in the condominium community, the developer. Owners pointed to examples of developers trying to dodge warranty obligations and install developer-friendly members on the post-turnover board.

All of which is to say condominium governance — and property management — is complicated, as Dr. Lippert observed. He characterized the research as a small, but in-depth contribution to an area that demands further inquiry as millions of Canadians and counting live in condominiums.

"It’s really kind of stunning how much they [board members and property managers] have to know and do,” he said. "Everything from hoarding, tobacco smoke drifting through corridors, fire hazards, mentally ill owners wandering the halls, crime, conflicts of interest on the board in terms of arranging contracts ... and just a huge list of ongoing things that they have to deal with in a fair way and consistent with the legislation."

Dr. Lippert plans to report further on the findings of his work in forthcoming academic papers. He is also finishing a book manuscript tentatively entitled Condo Conquest, which will be reviewed for publication by University of Toronto Press. Anyone interested in obtaining a copy of the final report can contact him at lippert@uwindsor.ca. He is also still interested in reaching more property managers for confidential interviews.
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!*  

<table>
<thead>
<tr>
<th>Province</th>
<th>No. Corporations</th>
<th>No. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>8,000</td>
<td>440,000</td>
</tr>
<tr>
<td>British Columbia</td>
<td>30,000¹</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Manitoba</td>
<td>1253</td>
<td>6,650</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>259</td>
<td>4,519</td>
</tr>
<tr>
<td>Newfoundland &amp; Labrador</td>
<td>148</td>
<td>4,042</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>58</td>
<td>1,468</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>381</td>
<td>13,359</td>
</tr>
<tr>
<td>Nunavut</td>
<td>18</td>
<td>241</td>
</tr>
<tr>
<td>Ontario</td>
<td>9,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>54</td>
<td>802</td>
</tr>
<tr>
<td>Quebec</td>
<td>62,000²</td>
<td>450,000</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>1558</td>
<td>77,900</td>
</tr>
<tr>
<td>Yukon</td>
<td>237</td>
<td>4,740</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>112,966</strong></td>
<td><strong>2,603,721</strong></td>
</tr>
</tbody>
</table>

¹ Stratas  ² Syndicates

Statistics were compiled to the best of our ability from resources within each Province/Territory and number of units were estimated when unknown/unavailable.

We thank the many Gov't Land Titles and Land Registry Clerks and CCI Condominium Lawyers who helped in the compilation of these statistics.

Canadian Condominium Institute - National Office
2800 14th Avenue, Suite 210, Markham, Ontario L3R 0E4  • Tel: 416.491.6216 / 1.866.491.6216  • Fax: 416.491.1670
Email: info@cci.ca  • Website: www.cci.ca
WHAT IN TARNATION
It’s Pothole Season!
By Connie Lorenz for Common Ground Magazine

When was the last time you thought about your asphalt maintenance program? Learning to recognize your asphalt needs before something happens will help save your community thousands of dollars.

OXIDATION
As asphalt is exposed to weather, fluid spills and traffic, the tars and oils begin to break down, loosening their hold on the aggregate. This process marks the natural deterioration of your pavement.

RAVELING
As your pavement oxidizes it begins to “ravel” meaning it loosens its hold on the aggregate and starts breaking away, most notable around drainage areas. Your community may have already begun an asphalt maintenance program using either “sealcoating” or “rejuvenation.” Check your records to find out what repair efforts may have already been started.

SEALCOATING
Because this is a water-based process it needs to be done every 12-24 months. Eventually, the areas where the sealcoating has been used will begin to crack due to the asphalt and sealcoating expanding and contracting at different temperatures. Through repeated applications, the cracks will become larger and larger, until eventually the pavement will need a complete overlay.

REJUVENATION
Because rejuvenators are made of the same products as your pavement, they penetrate the pavement surface and do not delaminate like sealcoating. This process reconditions your pavement, giving it back the flexibility it needs to expand and contract as the weather dictates – without cracking. It is generally recommended that you rejuvenate your pavement every 3 years although many projects have gone 5 – 7 years between treatments. This process will definitely extend the life of your pavement.

CHOOSING ONE
If your property has not begun an asphalt maintenance program and you still have untreated virgin asphalt, you can begin with either sealcoating or rejuvenation. However, if you’ve already started a sealcoat program, you should continue with it until an entirely new overlay has been installed. Oil and water don’t mix – rejuvenators can’t penetrate the sealcoating and asphalt, and will leave a tarry, sticky mess on the surface. Thus, even though sealcoating provides minimal protection to begin with, it’s best to reapply it when you can see down into the cracks, because protecting your base is vital.

If you’ve already begun a rejuvenation program, then you’re on the right track and should check with your contractor about what the manufacturer recommends for application. You can apply sealcoating on top of rejuvenation, but why would you? Yes, sealcoating is less expensive. But the problems that sealing causes and the frequency of applying it – along with the cost of the overlay that sealing necessitates – far surpass the expenses associated with rejuvenation.

GETTING IT DONE
Research what’s already been done. Include such information as a property overview map, total square yards of paved surface, records of any previous maintenance work, signs and striping details, and anything else pertaining to your parking lots and roadways.

Find a contractor. Make sure you choose a firm that does its own work. Otherwise a company may act as a contractor, then subcontract all the work to another company and charge you 10-15% for itself as a finder’s fee. The risk in this scenario may be that the subcontractor isn’t insured or qualified to do the work you need done.

During the bidding process, tell your contractors exactly what you want. If you need specific repairs – say, a surface coating and striping-give the same information. If one of the contractors discovers additional issues on-site, make it a point to notify the other bidders that changes have been made. It’s impossible to compare apples to apples when someone brings you an orange.

If you end up with a wide variation in bids don’t just ask the highest bidder why he is so expensive – ask the lowest bidder whey he is so cheap. This might reveal a process or shortcut with which you’re not comfortable.

When scheduling be mindful about garbage and recycling pick-up days, disabled residents in your community, special events that are being planned in your community like anniversaries. Making sure everyone in your community is well informed will serve you well.
MEMBERSHIP APPLICATION
Membership for 2016-2017 year ending June 30, 2017

How/from whom did you hear about CCI?:

CONDOMINIUM CORPORATION MEMBERSHIP

<table>
<thead>
<tr>
<th>PLEASE COMPLETE ALL AREAS</th>
<th>Townhouse</th>
<th>High Rise</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condominium Name:</td>
<td></td>
<td></td>
<td>No. of Units:</td>
</tr>
<tr>
<td>Management Company:</td>
<td></td>
<td></td>
<td>Contact Name:</td>
</tr>
<tr>
<td>Address:</td>
<td></td>
<td></td>
<td>Suite #:</td>
</tr>
<tr>
<td>City:</td>
<td></td>
<td></td>
<td>Province:</td>
</tr>
<tr>
<td>Postal Code:</td>
<td></td>
<td></td>
<td>Fax: ( )</td>
</tr>
<tr>
<td>Phone: ( )</td>
<td></td>
<td></td>
<td>Email:</td>
</tr>
<tr>
<td>Fax: ( )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condo Corporation Address:</td>
<td></td>
<td></td>
<td>Suite #:</td>
</tr>
<tr>
<td>City:</td>
<td></td>
<td></td>
<td>Province:</td>
</tr>
<tr>
<td>Postal Code:</td>
<td></td>
<td></td>
<td>Fax: ( )</td>
</tr>
<tr>
<td>Phone: ( )</td>
<td></td>
<td></td>
<td>Email:</td>
</tr>
<tr>
<td>Fax: ( )</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Board of Directors:

<table>
<thead>
<tr>
<th>President:</th>
<th>Name</th>
<th>Address/Suite</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer:</td>
<td>Name</td>
<td>Address/Suite</td>
<td>Email</td>
</tr>
<tr>
<td>Director:</td>
<td>Name</td>
<td>Address/Suite</td>
<td>Email</td>
</tr>
</tbody>
</table>

Please forward all correspondence to:

| Management Company address | Condo Corporation address |

Fee:

- 1-6 Units ............ $90.00
- 7-24 Units ............ $115.00
- 25-50 Units ........ $150.00
- 51+ Units ............ $200.00

INDIVIDUAL MEMBERSHIP

| Name:                         | |
| Address:                      | Suite #: |
| City:                         | Province: |
| Postal Code:                  | Email: |
| Phone: ( )                    | Fax: ( ) |

Fee: Individual Membership ...... $80.00

This section must be completed in order for the membership application to be processed. CCI communicates with its members via e-mail regarding updates on condominium legislation, CCI events and opportunities, newsletters, and member communications; in accordance with the CANADA anti-spam law that came into effect July 1, 2014 you must indicate whether you wish to receive electronic correspondence from us.

- I AGREE to receive electronic correspondence
- I DO NOT wish to receive any electronic correspondence

Signature: ____________________ Date: ________________

Cheques should be made payable to: Canadian Condominium Institute - North Saskatchewan Chapter
PO Box 7074, Saskatoon, SK S7K 4J1
Email: northsaskatchewan@cci.ca
Website: www.cci.ca/NorthSaskatchewan
How/from whom did you hear about CCI?:

PROFESSIONAL MEMBERSHIP

Name:  

Occupation:  

Company:  

Address:  

Suite #:  

City:  

Province:  

Postal Code:  

Phone: ( )  

Fax: ( )  

Email:  

Website:  

Fee:  □ Professional Membership - $200.00

BUSINESS PARTNER MEMBERSHIP

Company:  

Name:  

Industry:  

Address:  

Suite #:  

City:  

Province:  

Postal Code:  

Phone: ( )  

Fax: ( )  

Email:  

Website:  

Fee:  □ Business Partner Membership - $300.00

This section must be completed in order for the membership application to be processed. CCI communicates with its membership via e-mail regarding updates on condominium legislation, CCI events and opportunities, newsletters, and member communications; in accordance with the Canada anti-spam law that came into effect July 1, 2014 you must indicate whether you wish to receive electronic correspondence from us.

□ I AGREE to receive electronic correspondence  □ I DO NOT wish to receive any electronic correspondence

Signature __________________________  Date __________________________

Cheques should be made payable to: Canadian Condominium Institute - North Saskatchewan Chapter

PO Box 7074, Saskatoon, SK S7K 4J1

Email: northsaskatchewan@cci.ca

Website: www.cci.ca/NorthSaskatchewan
Join us as CCI Celebrates our 35th Anniversary in 2017!

We should all be proud that CCI is the ONLY National organization dedicated to the promotion and education of the condominium community, and has done so for 35 years!

<table>
<thead>
<tr>
<th>LISTING OF BUSINESS PARTNER AND PROFESSIONAL MEMBERSHIPS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCOUNTANTS</strong></td>
</tr>
<tr>
<td>COLIN L. TAYLOR</td>
</tr>
<tr>
<td>EPR Saskatoon, CGA Prof Corp.</td>
</tr>
<tr>
<td>WILLIE BIRSS</td>
</tr>
<tr>
<td>Collins Barrow PQ LLP</td>
</tr>
<tr>
<td>MELISSA KIEFER</td>
</tr>
<tr>
<td>Price Waterhouse Coopers LLP</td>
</tr>
<tr>
<td><strong>INSURANCE BROKERS</strong></td>
</tr>
<tr>
<td>ELAINE PEGG</td>
</tr>
<tr>
<td>Rayner Agencies Ltd.</td>
</tr>
<tr>
<td>TONY LAZURKO</td>
</tr>
<tr>
<td>Butler-Byers Insurance Agency Ltd.</td>
</tr>
<tr>
<td><strong>LAWYERS</strong></td>
</tr>
<tr>
<td>JAMIE HERLE</td>
</tr>
<tr>
<td>WMCZ Lawyers</td>
</tr>
<tr>
<td>NAHEED BARDAI</td>
</tr>
<tr>
<td>MacPherson, Leslie &amp; Tyerman LLP</td>
</tr>
<tr>
<td><strong>PROPERTY MANAGERS</strong></td>
</tr>
<tr>
<td>DONNA SINGBEIL</td>
</tr>
<tr>
<td>ICR Commercial Real Estate</td>
</tr>
<tr>
<td>ROGER WILSON</td>
</tr>
<tr>
<td>Elite Property Management Ltd.</td>
</tr>
<tr>
<td>SUZANNE TURANICH</td>
</tr>
<tr>
<td>Turanich Acquisition Management</td>
</tr>
<tr>
<td>LORIE HOULE</td>
</tr>
<tr>
<td>Saskatoon Real Estate Services</td>
</tr>
<tr>
<td>SHIRLEY SILBURT</td>
</tr>
<tr>
<td>Colliers International</td>
</tr>
<tr>
<td>HILLARY SAYED</td>
</tr>
<tr>
<td>Progressive Property Management Ltd.</td>
</tr>
<tr>
<td><strong>PROPERTY MAINTENANCE</strong></td>
</tr>
<tr>
<td>KEVIN MCEWEN</td>
</tr>
<tr>
<td>Goodwen Management Inc</td>
</tr>
<tr>
<td><strong>RESERVE FUND CONSULTANTS AND APPRAISERS</strong></td>
</tr>
<tr>
<td>DEVIN BAKER</td>
</tr>
<tr>
<td>Suncorp Valuations Ltd.</td>
</tr>
<tr>
<td>GRACE MUZYKA</td>
</tr>
<tr>
<td>Brunson Lawrek &amp; Associates</td>
</tr>
<tr>
<td>TERRY SOBIESKI</td>
</tr>
<tr>
<td>Brunson Lawrek &amp; Associates</td>
</tr>
<tr>
<td>SHERRIL CARLSON</td>
</tr>
<tr>
<td>Carlson Reserve Planning &amp; Consulting</td>
</tr>
<tr>
<td>BYRON EBERLE</td>
</tr>
<tr>
<td>Canadian Western Bank</td>
</tr>
</tbody>
</table>

We are proud to be associated with our professional and business members. The CCI Saskatchewan Chapter does not warrant, guarantee or accept responsibility for work performed by the companies or individuals listed. Members are encouraged to compare quotes for services they require and to ask for references when contracting for goods and/or services.