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HOW TO BE A GREAT CONDO BOARD DIRECTOR IN ALBERTA



TABLE OF CONTENTS

Message from Peter Best, CEO of Magnum York. 3

Alberta Condo Stats. 4

What is a Condo Board? 4

The Board Member Story; Why Join? 5

10 Traits of Excellent Board Members 6

Board & Board Director Responsibilities 11

The New Alberta Condominium Act, Bill 9 12

Running An Effective Board Meeting. 14

Working With Your Property Manager. 16

Your Monthly Reporting. 17

Environmentally Sound Property Management 18

WELCOME HOME



With \$2B of property under management, Magnum York has been providing quality condominium and rental property management services across Alberta for over 20 years.

CONGRATULATIONS! Becoming a board director

is an exciting endeavor. Taking an active role in how your condominium is managed can be a rewarding way to contribute to your community.

As a board director, you've got the pleasure and pressure of making informed decisions that impact the current and future state of all of the owners' property.

It's not always easy. Board members typically don't get paid, are expected not to make mistakes, and have to quickly become informed experts on topics they may have never heard of before, including complicated financials and reserve funds.

Over the years, we've helped thousands of condominium board directors transform their properties into worry-free viable long-term investments.

We thought we'd put what we know about being an efficient board director all in one handy guide. With the right approach, you'll be experiencing more pleasure than pressure in your condo board adventure! Enjoy.

Peter Best
President & CEO/Broker
Magnum York



ALBERTA CONDO STATS

# of condo corporations in Alberta: 15,0000+.	Avg # of condo board meetings in a year: < 6
% of homes sold in Alberta that are condominiums: 20%	Average # of new condominiums built each year: 6,800
# of amendments in Alberta's Bill 9: 50+	Avg # of hrs spent as a condo board member per year: 40

WHAT IS A CONDO BOARD?

A board of directors is a group of people who oversee the activities of the condominium corporation and the building(s).

Every condominium has a board that is elected by the owners, and therefore are accountable to the owners for their actions and decisions. They carry out the condominium's responsibilities as a corporation defined by the bylaws of the Condominium Property Act (Bill 9), and provincial and federal tax law.

The primary job of a board member? To ensure proper governance in all matters for all condo owners.

Board members must ensure that rules are applied uniformly and not just from time to time as suits directors or management.

The board conducts it's business by holding regular meetings, usually monthly, and with an agenda. The board reports to owners at annual general meetings (AGMs).

At the AGM, the owners will vote on the election of the new board members for the year. Most corporations have a max # of years a board member can contribute.

Your years as a board member can be rewarding experience if the board is transparent, truthful and dedicated to working together.

THE BOARD MEMBER STORY

Why does someone become a “Board Member”` a.k.a. “Director”?

Being a condo board director is a rewarding experience. Sometimes the reasons that it’s such a memorable time are different than the reasons a person joins! It can really open your eyes to a lot of new learning.

We’ve helped thousands of board directors. Here’s why people join their condo boards:

- You want to contribute to your community. “Give Back”
- You want to address problems that have been bothering you, and have a direct say in their resolution.
- You want to meet new people/develop friendships.



GOVERNANCE

The framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency with all stakeholders.



MONEY

A board’s job includes collecting fees and payments from owners. This is usually done with a property manager, who also helps with budgeting, reserve forecasting, expense admin and vendor mgmt.



ROLES

A board member can play additional roles on the board, such as president, secretary, treasurer or participate in a sub-committee focused on specific issues & tasks. The Chair establishes the agenda..

- You want to gain skills and knowledge
- You want to have a say in how the money is spent.
- You want to get experience being on a board.
- You are a new owner and were tricked into joining.
- You want to learn the budget of the building, seeing how to condo fees are collected and what they pay for.
- Your condo is your biggest investment and you want to help guide the growth in equity.
- Your occupational skills suit one of the positions of the board, such as an accountant, lawyer or marketing expert.

THE AVERAGE LENGTH OF TIME ON A BOARD IS 2.67 YEARS

DON'T SECOND-GUESS YOUR DECISIONS

“I’ve been thinking about that decision we voted on at the last board meeting and I think we need to talk about it again.”

Nothing wastes time more for a board than revisiting decisions that have already been voted on.

The time to be informed and debate decisions is BEFORE the board takes a vote.

Once decided, move on. There’s other business to take care of!

10 TRAITS OF EXCELLENT CONDO BOARD MEMBERS

A board commits to each other in a social contract. Here are 10 traits of Directors we see in high performing condominium boards.



GIVING BACK

As in most pursuits, those who are passionate about giving back are living happier, more fulfilled lives.



PUNCTUAL

This should be an easy one. Get a watch. Showing up on time means showing respect for your peers on the board.



THICK-SKINNED

As a board member, you sometimes bear the brunt of owner's anger. Be patient and don't let it get to you.

AND, if you are late, don't further disrupt the meeting with your excuse. A quick sorry, then settle in and catch up quietly.



PREPARED

It takes a great deal of time and energy to become fluent in the operations of a large condo.

If you're not interested in the financial health of the condo, it's going to be a tough slog!

It will be tougher if you don't stay informed:

- Know your bylaws and The Condominium Act
- Research issues before board meetings
- Read all board documents prior to the meeting



OPEN

Listen to others opinions and ideas. Be willing to change your mind. Learn and grow.



FAIR

Board members are elected by the owners to represent all owners, not just their own or their buddy's special interests.

Don't join a board to get permission to do something nobody else wants or to seek exemptions from rules.

You have a legal responsibility to put the needs of the condo association and building first.

You shouldn't accept gifts or special treatment.



RESPONSIVE

When other board members contact you, make it a priority to respond. Especially if there is a vote.





STRONG MEDIATOR AND A GOOD COMMUNICATOR

Because emotions can run high, it's up to the board members to remain calm and stable so they can mediate when conflict occurs.

Boards must remain neutral and effective in general governance; never making it personal.

When the board (and board members) communicate with the owners frequently, consistently and transparently, the whole association can get a lot more done in a lot less time.



DELEGATE

Pets & parking are the two biggest complaints at condos, but it's not your job to yell at people. The board makes the rules, but it's management job to enforce them. The ability to delegate is super important for board members.



YOU!

The most important trait of a board member is that you are you. You're unique. Take this opportunity to bring your own special skill set and experience to the board, while also being open to learning. The satisfaction of making a difference will stay with you a lifetime.

ACTING THROUGH THE BOARD AS A WHOLE, A BOARD DIRECTOR IS RESPONSIBLE TO:

- Establish sound fiscal policies and maintain accurate records
- Develop a workable budget, keeping in mind the needs, requirements and expectations of the community
- Establish reserve funds
- Act on budget items and determine assessment rates
- Collect assessments
- Establish, publicize, and enforce rules and penalties
- Authorize legal action against owners who do not comply with the rules
- Review local laws before passing rules or sending bylaws to membership for approval
- Appoint committees and delegate authority to them
- Select an attorney, an auditor, insurance agent and other professionals for the association
- Provide adequate insurance coverage, as required by the bylaws and local governmental agencies.
- Inform board members of all business items that require their vote
- Inform members of important board decisions and transactions
- See that the corporation is protected for the acts of all parties with fiscal responsibilities
- Attend and participate at meetings

YOUR MAGNUM YORK PROPERTY MANAGEMENT TEAM IS DEDICATED TO ENSURING YOUR BOARD FULLY COMPLIES WITH DIRECTOR RESPONSIBILITIES.



Province of Alberta

CONDOMINIUM PROPERTY ACT

ALBERTA BILL 9

The Condominium Property Amendment Act (Bill 9), includes more than 50 amendments that reflect the input of Albertans.

Revised Statutes of Alberta 2000 Chapter C-22

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Shop on-line at www.qp.alberta.ca

Improved consumer protection and governance for Condo's

The new Alberta condominium propriety amendment act has brought many changes over the past few years.

Magnum York mitigates risk of non-compliance for condo boards by ensuring your corporation is in line with Alberta Bill 9. The new amendments include:

1. Improved protection, clarity and transparency for condo buyers
2. Improved protection for existing owners from Boards.
3. Improved mandatory board governance.
4. Legal requirements for increased condo board transparency & accountability to owners.
5. Raise standards in Alberta's condominium management sector with RECA oversight, education and licensing for all property managers.
6. Enhance dispute resolution by establishing the framework for a new tribunal that will hear and settle disputes.



For Condo Board Members, Alberta's new Bill 9 requires heightened diligence due to higher accountability, transparency and potential personal liability.

WHAT IS INCLUDED IN THE NEW CONDO GOVERNANCE REGULATIONS?

Introduced in December 2014, the first stage of Bill 9 came into effect in 2018, focusing on protecting condo buyers and ensuring their investments are properly looked after.

This second stage which goes into full force in Jan 2020, focuses on condominium governance.

The new governance regulations include:

- Revamped voting rules so owners can participate more effectively, both in writing and in general meetings
- Clarified insurance, maintenance, and repair obligations between owners and the corporation
- Easier access and clarity about condo documents that need to be provided to owners
- Strengthened rules of how reserve funds are managed
- A fairer process when condo corporations issue bylaw fines
- More protections for condo owners' investments
- Improved rules around meetings, including more notice to attend AGM (annual general meetings) and get topics on the agenda

RUNNING AN EFFECTIVE BOARD MEETING

■ ESTABLISH AGENDA BEFORE HAND

If you want to discuss something at the board meeting, get it on the agenda before hand so everyone has a chance to read background

material or prepare their thoughts before arriving at the meeting..

Most meetings follow "Robert's Rules Of Order"; here's a quick reference for meeting procedures: www.robertsrules.org

■ BUDGETS, RESERVE FUND, RISK MANAGEMENT

Much of the board's meeting time will be spent about how to allocate costs, how to budget for next year and prepare for long-term. Part of the board's accountability is to ensure risk is mitigated in as many ways as possible, including insurance.

■ PROPERTY MANAGER

Your property manager is there to present precise budgets, reserve fund forecasting and investment, vendor management, and help run efficient monthly board meetings & annual general meetings (AGMs).

■ THE CHAIRMAN

New members of boards don't have to worry too much about the mechanics of the board meeting.

In the end, the Chairman of the board runs the board meeting according to an agenda they will distribute in advance of the meeting, along with any accompanying documentation.

■ DECISION MAKING

After allowing enough time for sound discourse on a subject, the Chairman will drive the board toward a decision. The Chairman will ask for a "motion." One director says "I move that ... ". She then asks for a "second." "I'll second that." Both names are recorded. All in favour? A vote is counted. A final "pass or not" motion is made & recorded in the minutes.

The efficiency of the Chairman will greatly impact the effectiveness of the board meeting.

■ MINUTES

Major comments decisions made by the board will be recorded by a pre-appointed secretary. The minutes will be approved at the next meeting. Accuracy & detail of minutes is vital.

■ VENDOR SELECTION

As a board member, you should have a complete view of necessary maintenance and repairs required for your property, as well as financing options. Your property manager will identify and manage vendors to ensure delivery of outcomes as expected.

YOUR MONTHLY REPORTING

The entire Magnum York firm is focused on keeping you & your Board on track

Every month, Magnum York prepares a monthly reporting package for board members that includes an agenda, financial statements and project status updates.

BEFORE YOUR MEETING -->

- Review your report & financials when you receive them prior to your board meeting
- Notify your property manager BEFORE your meeting if you need clarity on any point
- Be prepared to make decisions using the information in the reports
- Review the agenda and communicate with your property manager any edits & additions

TIPS TO ENSURE YOU GET THE MOST FROM YOUR RELATIONSHIP WITH MAGNUM YORK

- Trust your property manager; you're both on the same team
- Some boards designate a single person to liason with the property manager
- Ensure tenants are using the appropriate methods to report issues and work with Magnum York vs. always contacting the property manager directly.
- Your board, and especially the treasurer, should know some fundamental accounting principles such as accruals and how general ledgers work
- Access your online property management account in our Rent Manager program 24/7/365

The Best Way For Boards to Work With Your Property Manager

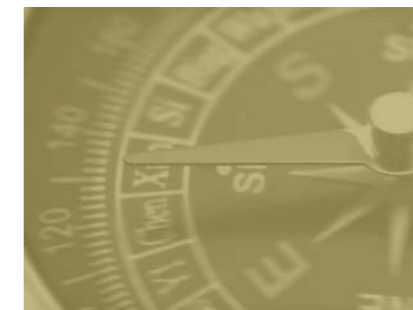
Property Managers are most effective when their only communication with your property is through the board.

Condo owners and/or renters should be directed to use our extensive online services which include emergency response forms and unit document downloads.



ACCOUNTANTS

Our accountants maintain all accounting records and submit monthly statements to the board. Statements such as the Balance Sheets, P&L, annual operating budget and reserve funds are presented.



PROPERTY MANAGERS

Your Magnum York property manager will provide a status update of all projects that are ongoing, which ones are coming up, and information on vendor management.



PROPERTY ADMINISTRATORS

Over 90% of your property requests are handled by our Property Administrators; your monthly report will include a status update of these requests, or you can login to our systems to review at your leisure.

MYGREEN CONDO MANAGEMENT

It's a very easy decision for a board to make investments in environmentally sound solutions that also provide significant ongoing savings for the owners.

Because of the the volume of services that Magnum York provides to Alberta condo associations and our green impact, we've been able to negotiate savings for condo owners for up to 25% off their annual costs with Direct Energy.

Here are a few ways your association can start to make a difference:

- Use paperless communications
- Install motion detectors to turn common lights on / off
- Building envelope improvements
- Use energy efficient appliances
- Service HVAC systems annually
- LED lighting
- Plant native plants

The financial benefits of green buildings include lower energy, waste disposal, and water costs, lower environmental and emissions costs, lower operations and maintenance costs, and savings from increased productivity and health.

When opportunities arise, Magnum York can present you with environmental alternatives to traditional vendor and building solutions. We work with all our vendors to maximize savings and impact.



ATTIC INSULATION

Heat loss is a significant wasted cost of a condominium. Attic insulation is a big part of the building envelope. No frozen pipes. Paid for in about 12 to 24 months.



IMPLEMENT RECYCLING PROGRAM

Reduce your bulding's garbage by 30% to 50%, reducing garbage pickups and cost.



LED LIGHTING

Paid back within 12 to 24 months.

VARIABLE SPEED PUMPS

Paid back within 12 to 24 hour months.

"To any board that is looking to bring on Magnum York, I would not hesitate to recommend them. What we have accomplished in the first few months of them taking over, has been more than what our last company did for us in two years."

Taylor Kipnes, Canoe Condo Board in Auburn Bay



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