Canadian Condominium Institute

CCI review

The newsletter of the Canadian Condominium Institute / Institut canadien des condominiums

SOUTH ALBERTA CHAPTER

SPRING 2020

Ryan Coles

My primary goal as the new president is to continue to grow our membership, with special emphasis on condo owners. They are the ones who we are all here to better serve.

Message from the President

I'm going to ignore the elephant in the room and spare you any comments about COVID19. We all hear enough of that. I have certainly been missing our luncheons/courses and look forward to seeing our members in person when it's safe for all to do so. Our Chapter Board members are still busy with CCI in our advocacy with the government and other regulatory bodies.

We have continued our discussions with the Insurance Bureau of Canada (IBC) to address the substantial increases in insurance premiums affecting condominiums across Canada. CCI participated in a telephone conference with IBC in April to review and adjust a number of recommendations to help improve the current insurance climate. IBC has now appointed a Risk Manager whose role is to assist condominium boards understand their risk, institute risk management practices, and become more appealing to insurance companies. IBC has put in place a Condominium Action Team (CAT) that is led by the Risk Manager with brokers and insurers across the country to help condominiums find insurance when they encounter difficulty obtaining coverages.

Our communication with Service Alberta has remained consistent as they continue to reach out to our Chapter for our opinion. Recent conversations were had about legislation changes for the emergency use of reserve funds,

(continued on page 3) →

join our mailing list

CCI South Alberta Chapter

- To keep updated on chapter events;
- To receive updates on industry news and condominium related issues;
- To network with other CCI South Alberta members;
- To sign up for future CCI events.

in this issue

Canadian Condominium Institute
South Alberta Chapter

THE VOICE OF CONDOS IN CANADA

Formed in 1982, the Canadian Condominium Institute is a national, independent, non-profit organization dealing exclusively with condominium issues and representing all participants in the condominium community

OUR MISSION

To lead condominium owners and industry members through education and advocacy with integrity and professionalism.

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Information Required by Canada Revenue

(continuation from page 1)

and the ability of Board's to temporarily defer AGMs or reserve fund studies due to COVID19 restrictions. We have attended stakeholder meetings about prompt payment legislation changes in the construction industry, and our North AB Chapter continues to represent CCI at ongoing task force meetings for RECA with regards to licensing of property managers and education.

We remain hopeful that the recent changes to the Act and Regulations that went into effect on January 1st, 2020 will help to reduce the claims the condominium corporations continue to experience.

Thank you for reading our newsletter and supporting CCI. In these tough times, I encourage you to all support local businesses wherever possible. Enjoy your summer and explore the beauty of South AB while we have it all to ourselves this year.

Ryan Coles
CCI South Alberta Chapter, President

At a Glance

WEBINARS

Speedy Board Meetings
Date TBA (11:30am - 12:30pm) registration online via website

Advanced Smart Charging Stations in Condos - Date TBA

Rewards and Pitfalls of Self-managing a Condominium: What you should know
Date TBA

Creating Good Working Relationship with Boards and Managers and service provider contracts
Date TBA

notice

CCI-SA has taken steps to support the temporary social distancing measures currently being implemented to arrest the spread of COVID-19.

Please check our website for updates on events as they become available.

EVENT: ACR Conference 2020 Calgary Trade and Convention Centre
Details for November 2020 coming soon

A Message from your Education Committee

I hope this message finds you, your families, colleagues and friends safe and healthy during these unprecedented times. Across Canada and around the globe we've had to adapt to a new way of coping and working through COVID-19. To some it may feel as if our world has been turned up side down while others may be embracing a new way of doing things.

We would like to reassure our valued members that you continue to be our priority and remain at the forefront of the decisions we make. As such, we are pleased to announce that starting this month, June, we will be resuming our educational presentations and courses. "How you ask?" By virtual means of course! We may not be able to meet in person just yet, but are very hopeful that it will happen soon. In the meantime, we will be offering webinars and other online education resources.

Our first webinar will be held this June on "Speedy Board Meetings". Is a speedy condo board meeting even possible you ask? Yes, of course it is! Will it follow proper rules and be fair for everyone? Yes, of course it will! This presentation will cover essentials in agenda planning, meeting rules and effective meetings. You will also receive tips to make YOU more effective.

We also have the following upcoming webinars:

- Advanced smart charging stations in condos
- The rewards and pitfalls of self-managing a condominium. What you should know.
- Creating a good working relationship with Boards and Managers, and service provider contracts
- Please keep an eye out for confirmed dates of the upcoming webinars.

We, the CCI South Alberta Chapter Education Committee hope that you continue to remain safe and healthy.

Maria Bartolotti, ACCI, FCCI,
Owner, New Concept Management Inc.
CCI South Alberta Chapter, Education Committee Chair

Condo safety in the time of the COVID-19 Pandemic

Here's what you need to know

By Maria Bartolotti, ACCI, FCCI, Owner of New Concept Management Inc.

Q: **Maria, what is the impact of the COVID-19 in multi-residential communities, and how best to keep our condos safe?**

A: Fears over the COVID-19 virus and its impact are quite valid. On March 17, the World Health Organization (WHO) declared it as a global pandemic, and everyone has been cautioned of the necessity of proper personal hygiene, social distancing and staying home as the best ways to mitigate its spread.

These precautions, however, may not be enough in a multi-family setting, where residents not only live in close proximity but share common space. There is a need to reinforce the message at every opportunity, as the COVID-19 virus is highly infectious and can spread like the common cold.

This poses quite the challenge in environments where people live in close proximity. Indeed, condos are very much like cruise ships on land — contact with people is inevitable at some point.

There is heightened risk of catching the virus from contact in shared common areas, like the elevator, lobby, and amenity rooms. Door handles in common areas are especially susceptible.

It is thus important for condo managers to work with their boards and come up with a plan to help mitigate the spread of germs. However — and I cannot stress this enough — personal responsibility should play a big role in containing any potential outbreak in your condo.

Most condo managers would strongly recommend that the following precautionary measures be taken within your condo community.

Meetings (Board, AGM and Onsite): Condo managers and boards should, for the time being, use available technology for their meetings. Remote conference calls are the way to go — social distancing is imperative! →

Communication: Effective and timely communication is essential. Keep your condo community updated with current information and let residents know of what measures are being taken to safeguard the condo.

Neighbours: It is also important that we look after each other, especially if you know of seniors living in your condos who might need extra help.

Cleanliness: Step up cleaning measures. Maybe include additional cleaning and disinfecting of areas, especially frequently touched surfaces. Installing sanitizer stations in amenity rooms or reminders to residents about proper hygiene.

Self-isolation: Is extremely important if in the last 14 days you travelled outside of Canada or had close contact with someone who has or is suspected to have COVID-19. Self-isolation means that for 14 days you need to stay home and monitor yourself for symptoms, even if mild. Avoid contact with other people to help prevent transmission of the virus at the earliest stages of illness.

Playgrounds: If your condo community has a playground please follow the recommendations of Government and Health Authorities and issue a notice of closure to all residents. Playgrounds are infamous for carrying germs. Practise social distancing and help curb the spread of the novel coronavirus by not taking your kids to the playground.

In closing, contact your healthcare provider/Health Link 811 if you have further questions or concerns. Please go to the following links to learn more.

- Government of Alberta: COVID-19 information for Albertans
- Government of Canada: COVID-19 Outbreak update
- Government of Canada: How to Self-isolate

Remember that everyone has a role to play in beating this pandemic.

Until next time… cci

CONDO FINANCE

The Case For Condos Building A Financial Cushion

By Walter Wakula, MBA, ICD.D

The purpose of this article is to describe 'best practice' for a condominium corporation (Corporation) to build a financial cushion with contingency operating funds. Insurance premiums have skyrocketed this year and COVID-19 issues have reduced revenues creating a financial squeeze for many Corporations. These are examples of the need for a financial cushion which will be critical in the future to bridge the Corporation with enough cash to get through such tough times. This financial cushion can be created by building accumulated operating surpluses to a target level of three months of expenses in the operating fund for contingency purposes and/or by creating a separate contingency fund similar to the capital replacement reserve fund (Reserve Fund). The main reasons for having these contingency funds are to pay for unusual unbudgeted expenses, to cover unusual revenue shortfalls, to provide liquidity for unexpected and large operating cash outlays during the year and to pay for items that do not qualify as expenses to be paid from the operating fund or from the Reserve Fund. The overall objectives for having these funds is to reduce or avoid financial distress, avoid special assessments and to enhance the value of the Corporation and thereby the value of properties of condominium owners.

This article will focus on building an operating fund surplus for contingency purposes and a future article will deal with establishing a contingency fund.

Building a Targeted Operating Fund Surplus

As part of prudent financial management it is best practise to create a financial cushion equivalent to at least three months of expenses as an operating fund surplus on the Corporation's financial statements. Thus, if operating expenses average $100,000 per month, the Corporation should have at least $300,000 as an operating fund surplus. So, what does this mean, exactly?

The operating fund surplus shown on a Corporation's financial statements →

is the total of the annual surpluses or profits less the annual deficits or losses that the Corporation has accumulated since it was first created. Generally speaking, if the Corporation has little or no accounts receivable or payable balances and no prepaid expenses, the operating fund surplus on its statement of financial position (Balance Sheet) will be similar to the amount of operating fund cash it has in the bank. This surplus provides a working capital cushion against unexpected events such as reduced condo fee revenues during a COVID-19 type pandemic and/or large unbudgeted expenses such as unusually high insurance premiums. This financial cushion should be used mainly to solve temporary financial problems. These temporary problems will typically be resolved when or shortly after condominium contributions are increased with the next annual budget or to provide funds during the time it takes to organize and collect a special assessment.

A Corporation with little or no operating fund surplus would need to figure out how to finance the payment of the premium at a reasonable cost.

Insurance premiums are a recent example of an unusual under budgeted expense where increases of 30 to 40 percent versus previous year's premiums were normal, and where some premiums were multiples of the prior year premium. The problem of paying this higher unbudgeted premium is compounded even further if the inflated annual premium has to be paid in one to three monthly instalments rather than 12 monthly instalments. In this scenario, a Corporation with little or no operating fund surplus would need to figure out how to finance the payment of the premium at a reasonable cost.

Deferring several months of Reserve Fund contributions and 'repaying' these deferrals before year end may provide enough liquidity in the operating fund to bridge the cash shortfall. However, remember that transferring money from the Reserve Fund to the Operating Fund is not permitted under the Condominium Property Act, and under-contributing under the Reserve Fund plan is both not prudent and may subject the Corporation's Board to legal risk. Short term borrowing could be another solution. However, few Corporations have operating lines of credit or are able to otherwise borrow money due to the expense, Board time and the administrative difficulty for setting up, reporting under and otherwise maintaining such lines of credit or other borrowings. A mid-year increase to condominium contributions is another option but this is cumbersome and costly to implement and can reduce owners' confidence in the financial stewardship of the Board. In extreme cases a special assessment would be needed to bridge into the next annual budget cycle.

So how does a Corporation build its operating fund surplus to have at least three months of expenses in this fund? Three months of expenses represents 25 percent of annual operating expenses and, depending on non-condo fee income, could be 20 to 25 percent of a year's condominium contributions. However, most Corporations already have operating fund surpluses so only the difference between the target and the current surplus is needed. Using the above example, if $300,000 is the target fund surplus needed and the Corporation already has $100,000 in fund surplus at the end of the year, only $200,000 needs to be raised, or about 17 percent of annual operating expenses. Budgeting a 17 percent increase in condo fees in one year for just one budget line item may be difficult for owners or cause a barn burner of an annual meeting. Thus, it is better to spread the increase over 3 years at 5 to 6 percent a year, or over more years at a lesser increase per year. One method to budget this item is to simply budget for surplus/profit in the annual budget or, if the Corporation's systems or property manager require a break-even budget, create a budget line item called "Provision for Contingencies" and budget into this line item. Make sure you are not off side of your Corporation's bylaws when budgeting this provision. cci

The free lunch is over

By Andrew Fulcher, Prairie Management & Realty

Recent changes to the Condominium Property Act and the Regulations have made it so much simpler for condominium corporations to bill back to unit owners the deductible portion of the insurance policy when there is an insurance claim concerning a loss from within a unit. This is a monumental shift in how insurance happens in condominiums and one that I personally applaud standing on a chair. If I could stand on two chairs, I'd applaud from there also! This is a BIG deal!

When I first got into condominium management many years ago, I was flabbergasted by the fact that it seemed that any loss caused by an absent-minded or inattentive owner, would be covered under the condominium corporation's insurance policy. And the worst part then, was that most bylaws were so poorly written that it was impossible to charge back the unit owner for damages/deductibles. This is a real-life example: a person who was not paying attention leaves a window open in minus 35° Celcius temperature. The heating system [hot water] freezes and proceeds to create an indoor swimming pool in the owner's fourth floor unit. Happily, the owner was not home and was visiting relatives a province away. Fortunately, before the water could get too high, it was able to find its way down to the third floor and thereafter to the second and first floors, this drained the swimming pool but the resultant apartment rain was not really a great improvement to the neighbours. To cut a long story short, the insurance claim was over $120,000 with a $20,000 deductible payable by the condominium corporation. As the corporation's bylaws were excruciatingly outdated, we were not able to charge this back to the owner. So, the owner got away IMHO scot free, causing a large flood. They did not have to pay anything towards this claim. My sense of fair play was much offended by this!

This building suffered several of these occurrences over a three-year period. Deductibles increased to the point of being over five figures! The condominium corporation was seeing its accumulated cash evaporate paying for senseless insurance claims. And the worst part is, most of these claims could have been prevented had the unit owners actually been paying more attention, not opening windows in frigid temperatures, not overfilling the bathtubs when getting on the phone with relatives, not leaving lit ➔

cigarettes burning on decks … I could go on ad infinitum. After only a few years in the business, most managers I know have enough preventable insurance claim stores to fill a short book!

I am very sure that the enormous increases in insurance premiums this year are directly correlated to items like these happening repeatedly in condominiums across the country. Alberta has taken a very progressive stance on this issue. The new Act and the Regulations allow condominium corporations to bill back unit owners up to a maximum of $50,000 for the deductible portion of the insurance claim occurring within a unit owner's unit. Condominium corporations do not have to prove liability, do not have to prove that the owner ought to have known better, do not have to prove that the owner was at fault. If the cause of the insurance claim comes from inside the owner's unit, then he or she is going to be paying the deductible on behalf of the condominium corporation, end of story. Of course, this is now going to create another problem in that some unit owners do not have unit owner insurance. Condominium boards are now obligated to let unit owners know of any insurance changes especially changes relating to the Condo's insurance policy and its deductibles. The best practice is for unit owners to send a copy of the condominium insurance policy and/or certificate to their own personal insurance company and ask this company: do I have adequate personal coverage in case I get assessed with a deductible? Many unit owners' policies' deductibles are in the region of $1,000 to $2,000. It will be much better for all condos, in the economic sense, for a unit owner to pay $1,000 to $2,000 to their personal insurance company and have their personal insurance company cover the deductible of the condominium insurance policy up to a maximum of $50,000.

Condominium boards are now obligated to let unit owners know of any insurance changes especially changes relating to the Condo's insurance policy and its deductibles.

But the story doesn't just end there... The changes to the Alberta Regulations make it obligatory for each condominium corporation to define what a standard unit is for insurance purposes. This means that when there is a loss, the insurance company can rely upon a written document that will detail what finishings units have. There will be no more arguments over who put in Brazilian cherry hardwood, whether the developer installed gold leaf taps and all Corian and Granite counters. Most importantly for townhomes, will be whether the basement was developed or not... Each condominium in Alberta is now obligated to define what the finishing items are for each unit-type. This will make it so much easier to repair units going forward and will define a base standard for the condominium. Anything above that standard, the owner will have to insure and replace at their expense, depending on bylaws.

So, in the future, hopefully we will see a decrease in the amount of insurance claims having to be put through under the condominium corporation's insurance policy as many small claims may now be picked up by the unit owners' own insurance company. Hopefully, the reduction of insurance claims will result in a stabilization of premiums rather than the ups and downs we have recently seen.

Are there any negatives coming out of these changes? Unfortunately, yes. I can foresee instances where owners, who are lacking the requisite insurance, are not able to pay deductibles. I can see occurrences where condo boards fail to send out insurance details to their owners resulting in the owner, through no fault of their own, having inadequate insurance coverage. Lawsuits will ensue.

On the whole, the changes are very good for the industry and will pass the burden on to owners to be responsible for their actions. The free lunch… Is now over. cci

Legal Fees in a Condominium Foreclosure

By Stephanie D Whyte, David S Cumming

Why should owners who pay their monthly condo fees have to contribute towards the cost of legal fees to pursue owners who don't?

Of course Condominium Corporations want to collect all expenses, including legal fees incurred when dealing with owners who fall into arrears. Ideally, Corporations want to pass the legal fees onto the delinquent owner in the same way as condo fees. A recent case in Alberta has cast doubt on the ability of Condominium Corporations to do just that.

Though this decision raises some questions, it is important to note that the matter of cost recovery is not decided. The case Tutt v The Owners: Condominium Plan No. 7822572, 2020 ABQB 213, a decision out of Edmonton, involved a longstanding feud between the Board and an owner. The history between them included a restraining order and defamation claim. The particular issue in this case was the owner's late payment of condo fees. In rather odd circumstances, the owner paid his condo fees, though late, and the Board didn't know the fees were paid before they commenced a lawsuit to collect. The court ruled that because no fees were outstanding when the lawsuit was filed the Corporation was not entitled to recover any of its legal fees.

Though not at issue, the court commented on whether legal fees can be enforced against a unit in the same way condo fees can. The court addressed whether a caveat for legal fees holds the same "super-priority" as condo fees. Unlike most caveats, a caveat for condo fees survives the sale of the property. This means that the fees must be paid by the lender.

The court concluded that the legal fees do not have the same priority as condo fees. In coming to the decision, the court looked at the Condominium Property Act which states that a Corporation can assess a contribution to fund its operating account and reserve fund but does not specifically address legal or other fees. The

court concluded that this prevents a Corporation from treating legal fees like condo fees.

The Court took the position that a lender should not have to take a backseat to money spent on litigation, especially when the actual fight is about more than common expense collection. However, there is a compelling argument that the owners can agree, through the bylaws, that legal costs can be charged to the unit as a contribution. Why should the other owners pay extra because one owner doesn't pay or doesn't behave?

The Court decided that if the bylaws allow then the Corporation can file a separate caveat for legal fees, but this caveat is not entitled to "super-priority". The consequence? If the mortgage is underwater the Corporation won't be able to recover legal fees through sale of the property.

The Courts in Edmonton and Calgary have a history of treating cost recovery differently. There are also other decisions that run contrary to this case. Master Prowse in Condominium Plan No. 8210034 v. King provided a very thorough and complex analysis on the circumstances of when and how a Condominium Corporation can recover its legal fees. Justice Lee in Condominium Plan No 0526233 v Seehra and Justice Dario in Bank of Montreal v. Rajakaruna both adopted and endorsed the analysis provided by Master Prowse in King.

The law remains somewhat unsettled on this point but in the meantime, there are a few practical lessons to take away from this case. One is the importance of good bylaws as, if the bylaws don't permit it, the Corporation won't be able to caveat for legal fees at all. The second is that Corporations should also move with reasonable haste to collect unpaid fees, and make sure the accounting is up to date before they do. If foreclosure is necessary, Corporations need to be very careful with how they navigate their way through the legal process to give them the best chance at recovering their expenses. cci

If foreclosure is necessary, Corporations need to be very careful with how they navigate their way through the legal process to give them the best chance at recovering their expenses.

Welcome to new members

Business Partner Member
Kevin Pelletier
Prevent Mechanical Ltd.

Condominium Corporation Members
Townhomes of Patricia Landing (TPL) #051 1003
Scenic Gardens Condominiums #9410573

Individual Member
Sandra Smith

Professional Member
Pete Dhaliwal
Unit Management

CONDOMINIUM CORPORATION MEMBERSHIP

124 19 Ave NE Condo Association CC #9211425

Agora Condominiums CP 0010282

Carefree Resort (CP 8621413)

CC# 9510648

CC#: 9512009

Champagne Condominium (CC#: 1311832)

Chaparral Ridge Terrrace

Christie Point CC#9512707

Coach Bluff Villas CP 7810933

Coachway Green CP 8211095

Colonial House (CP 9811329)

Condominium Plan 9210296

Country Lane Estates CC 0311515

Courtyard/Plan #: 9710247

Creekside Village

East Glen Horizon Village (CC #:8810578)

Eau Claire Estates

Evergreen Village CP 8911305

Fairway Greens Condominium

Fletcher Village (CP 9910398)

Gateway South Centre CC #0614475

Gladstone Village 931 2049

Groves of Varsity CC #141 1334

Hallmark Estates (Condo Plan No. 8110076)

Heritage Bay CC #8010872

Heritage Heights Condominium

Heritage Manor (CP 8011110)

Hidden Hollow Villas CC #9910257

Ironstone Lookout CC #0714028

Lowery Gardens CC #901 1426

Lynnwood Village CC #7710274

Madison Heights (CP#: 8311933)

Manor Homes of Inverness (Condo Corp 9610460)

Manor Homes of Inverness (Site 1)/ 9610460

Meadow Wood Village CC 7821840

Monarch at McKenzie Towne CC #111 1368

Mountaine View Place CC #1410478

N3 (CC# 1710419)

Palm Village Condominium Association (#9012188)

Pine Pointe Place CP 982 0328

Point on the Bow (#9910641)

Poplar Green (CC#: 0012525)

Prestwick Place CC# 0810325

Prince of Peace Village CC#: 9812469

Redberry Ridge Condominium

RiverReach Condominium (Corp No. 1312207)

Riverview Condo (CP#: 9611050)

Roxboro House (CC: 7810681

Sanderson Ridge Condominium Corporation/ 091 2007

Scenic Gardens Condominiums #9410573

Sheep Creek View Condominium (CC#: 0910178)

Sierra Morena Villas (CC#: 9510122)

Sierras of Country Hills (CP 0012058)

Sierras of Evergreen

Spruce Manor CC #051-4514

Stella Nova (CP#: 0414396)

Stonekeep (CC#: 1410248)

Sunvale Place Villas (Condo Corp#: 1513108)

Terraces North CC #9012563

The Citadel CC # 0914825

The Estates at Terrace View

The Homesteads

The Marquis CC #0113151

The Sierras of Richmond Hill

The Tudors at the Landings (CP 0311055)

Townhomes of Patricia Landing (TPL) #051 1003

Townhomes of Peacekeepers Way CC# 0614675

Varsity Towers (OCP# 8912018 OP)

Villas of Wentworth

Wellington Retirement Residence Partnership (No 051-3792)

West Condo (CC#: 0811706

Westchester Pointe Garden

Whitehorn Village Retirement Residence CP 0210329

Woodmeadows Condo CC #8110127 →

cci south alberta chapter members AS OF JUNE 7, 2020

INDIVIDUAL MEMBERSHIP

Iftikhar Ali
Warren Barker
Robert Barradell
Brian Bass
James Bell
Margaret Bell
Bruce Blight
John Burton
Stephen Cassady
Donna Cheyne
Virginia Clements
Cynthia DeDeugd
Habiba Elahee
Linda Faulkner
Nicole Fish
Yves Gagnon
Terry Gibson
Mark Hambridge
Brenda Hawthorne
Priscilla Hill
Marlene Jansen
Ernie Johnson
James Kelly
Marvie Kenny
Arlene Kirkpatrick
Ramsey Kostandi
Lillian Lupuliak
Robert MacLeod
Kathleen McCabe
Gail McDermott
Debbi McDonald
Barbara Mendaglio
David Michaels
Frits Pannenkoek
Rick Petrinack
Byron Preston
Eder Reynoso Garcia
Al Richards
Laura Rogers
Barry Rosenfelt
Phil Rosenzweig
Eileen Sanders
Glen Schmidt
Tracy Schubart
Sandra Smith
Sterling Swati
Marie Templeton
Jan Thompson
Seyed Ziamousavi

Membership expires on July 1

Your membership renewal invoice will be sent to you in the next few weeks. Contact the office if you have had a change in contact person and/or management company **admin@ccisouthalberta.com**.

BUSINESS PARTNER MEMBERSHIPS

ACCOUNTING/FINANCE

VersaBank
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Jim Critchley (403) 669-9516

CWB Maxium Financial
Pierre Sauve 1-800-379-5888 ext. 399

Manulife Securities
Kevin Rendek (403) 230-3909

Matco Financial
Samia Preston (403) 718-2127

Morrison Financial Services Limited
Matthew Solda (416) 391-3535 ext.117

William J. Rhind & Associates Ltd.
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BUILDING SCIENCE/ENGINEERING/ RESERVE FUND STUDY

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DEVELOPER

Blue Jean Property Management
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Michael Boisclair

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Companions Caring 4 U
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Gateway West Property Management
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Streetwise Property Management Inc.
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Urbantec Property Management Inc.
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SIS Supply Install Services Ltd
Jody Roberts (403) 640-1334

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Eco Lighting Solutions
Tracy Grills (403) 208-0257

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Tyler Scarlett (403) 984-5300

Service Master of Calgary Disaster Restoration
Joan Montgomery (403) 287-7700

Westerly Restoration

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Louise Challes (403) 705-4447

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Heather Taylor (403) 539-5804

SERVICES: CONTRACTOR

Abris Construction Calgary
Lindsay Boon (403) 629-3474

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Taylor Construction
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Mark Joudery (403) 462-1778

SERVICES: GAS DETECTION

Multigas Detection
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cci south alberta chapter members AS OF JUNE 7, 2020

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Travis Olinek (780) 473-8464

SERVICES: LAWN MAINTENANCE & SNOW REMOVAL
Yard Maintenance & Snow Management
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Lighting for Security

By Emmanuel Serrano, Electrical Engineer
Buildings and Facilities Engineering - Calgary
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We are all concerned about safety in our daily lives, our businesses and our homes. When it comes to condominiums, property managers, board members, and residents all value safety and security within their own property and the building as a whole. Building security systems are a primary means to facilitate safe and secure environments for occupants. Property managers and board members have an added responsibility to continually identify and analyze areas of concern, and implement solutions to maintain and improve these security systems for the property. The perception of security usually translates to more satisfied residents and has benefits for everyone including those within the surrounding community. Typical security concerns for buildings usually include loitering around the property, persons attempting unauthorized entry into the building, and criminal activity happening within and around the property. This can be even more of an issue in areas known to have a history of crime based on crime statistics, crime reports, cases of vandalism and specific resident complaints.

When we think of security systems for buildings, we typically think of traditional security systems such as alarm systems detecting unauthorized intrusion into building entry points, card access control systems that only allow authorized entries of residents or staff into the building or parking garages, or closed circuit television (CCTV) security camera systems that visually monitor certain areas of a building or building perimeter. Depending on the various applications and environments these systems are installed in, and the rapidly advancing technologies of electronic and information-based systems, it is a good idea to periodically evaluate the various systems to ensure proper operation and continued effectiveness over time. One aspect of security that is sometimes overlooked, but plays a key part in a total security plan, is lighting.

Since the 1960s, there have been numerous studies on how lighting →

The lighting assessment should examine all aspects of the site and apply pertinent lighting best practices to provide meaningful and practical recommendations.

relates to crime. In general, studies have shown that lighting improvements can decrease the public's fear of crime and the actual incidence of crime in many cases. Lighting has a direct effect on security as it allows for surveillance of building surroundings after dark by occupants, others in the community, and law enforcement authorities. Better lighting has also been shown to help boost community confidence and the level of informal social control. In addition, lighting can also help to facilitate or improve the effectiveness of the other types of security systems mentioned above. For example, proper illumination and uniformity of light within CCTV camera ranges can ensure better visual images and facial recognition.

An overall lighting assessment and study by a professional lighting designer or engineer can be a great tool as part of a total security evaluation and plan for improving security at a property. Lighting assessments usually involve site investigations, collection of field lighting measurements, identification of areas of concern, and provision of recommendations for improvement based on engineering lighting guides and industry standards. Recommendations for improving security lighting can be achieved by various methods; for example, providing additional lighting fixtures in areas lacking illumination, or revising existing lighting layouts and/or fixture light properties and orientations for better light coverage. Typically, the end goal is increased illumination and uniformity throughout the required areas.

Some important factors that should be considered when analyzing and recommending lighting improvements include how the lighting can affect the effectiveness of other security systems (e.g. strategic light fixture placement for CCTV camera field of views), how surrounding area features affect the ambient lighting within the property (e.g. overhead tree cover, adjacent building and street lights), or how landscaping or building features may unintentionally cause unwanted shadows that can become places for loitering or hiding. The lighting assessment should examine all aspects of the site and apply pertinent lighting best practices to provide meaningful and practical recommendations. At the same time, the assessment should evaluate cost-benefit factors to provide optimal solutions that are economical as well.

Lighting is an important part of a total security solution, as it can have benefits on its own and facilitate the operation of other security systems. An overall lighting assessment is an important tool for planning as it can pinpoint areas for improvement, not only from a lighting perspective but from an overall security perspective. Where appropriate and effective solutions are implemented, it can provide appreciable returns on investment for the property and invaluable benefits of enhancing the safety and well-being of occupants and the public. cci

April Showers Bring May (and Spring)… Building Leaks!

Springtime brings with it many idyllic visuals – buds on trees, flowers blooming, and staining at balcony corners. Wait… what?!

By Heather Elliot, P.Eng., LEED® Green Associate
Associate - Building Envelope Specialist, Entuitive

Yes, stains are a treasure map when it comes to building inspection, leading us to potential sources of moisture management and drainage issues! One of the best times of year to perform a visual inspection of the exterior systems at condominium properties is when the spring rains begin. This is a great time to check for signs of potential weak points in the building envelope and assess overall moisture management.

This article will share how leaks are caused, the effects of leaks, and what you can do about it.

Causes of Leaks

Leaks are most often caused by:

- roofing, cladding, and sealant failures,
- voids in water resistive barriers, damp-proofing, and waterproofing, and
- defective flashings and drainage methods.

The first two items may relate to aging of assemblies, ut can also become a factor if poor quality materials or detailing were used in the original construction. The third item is something that can often become apparent immediately following a large rain.

A review of your building exterior can showcase staining and areas of repeated wetting, especially if done at this time of year. The effects can often be obvious. Take the image on the left — can you tell which band of windows has flashing at the base? Flashing is generally prefinished metal extended beyond the face of cladding and bent out with a drip edge to help force water to drip off before wetting cladding below.

In this case, one row of windows at the top floor has sill flashing with a drip edge (one typical window highlighted below in this row), and you can see how it is more effectively directing water away from the wall compared to where cladding is wet below all other lower level windows:

Other areas that exist on a variety of condominium buildings and where staining is often first noticed include: ➔

• Balcony and window corners, where water can be directed against the adjacent wall instead of out and over the leading edge of the balcony or windowsill.

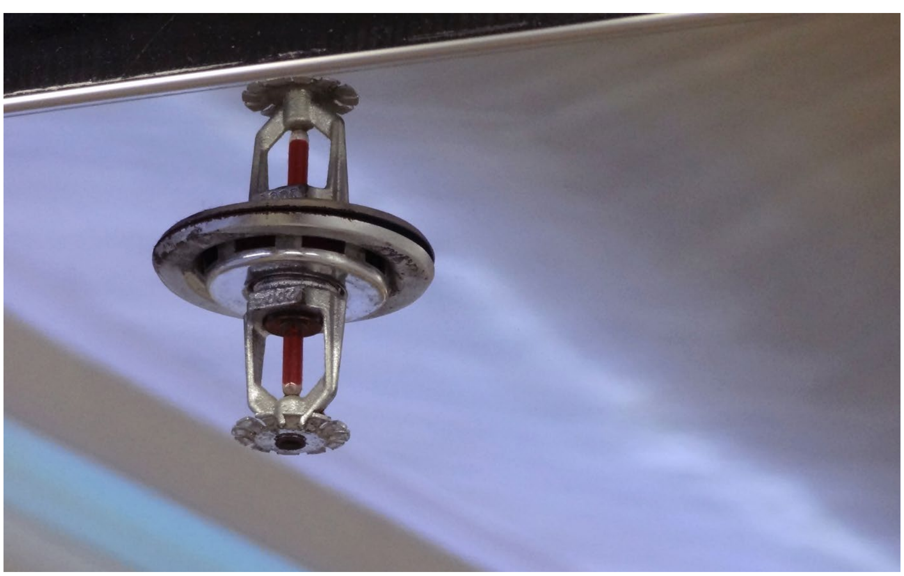
• Areas where roof gables intersect with other assemblies such as chimneys and walls, but no flashing is provided to direct water away.

• Below ends of eavestroughs where they are installed tight against adjacent walls or where the gutter repeatedly overflows.

Effects of Leaks

Repeated wetting that doesn't get the chance to dry out between rains can cause accelerated deterioration of finishes and eventually, damages to underlying elements. The effects of poor moisture management may extend all the way through the building. Although elements closest to the exterior are likely to be the most affected, water also tends to follow the pathways open to it, sometimes finding its way deep into the structure. A question to ask if significant signs of moisture staining are noted is "are the interior materials resilient enough to withstand intruding moisture, or will they be damaged?"

In wood frame construction, if temperatures are right, deterioration can begin as soon as materials become wetted. The longer water ingress goes unaddressed in this and in any situation, the larger the overall cost and disruption when repairs are completed can become.



Intruding moisture can also create problems with indoor air quality. Moisture can combine with organic material in wood and facers used in building products, such as framing and drywall, to create a breeding ground for rot and mould.

What You Can Do About It

Moisture-related damage can be minimized if the more obvious signs are addressed proactively. By focusing on potential weak points and addressing aging systems through repairs and replacements, it's likely that the interior structural elements will never be exposed to water.

Following a large rainfall or other precipitation event, it might also be useful to:

• Check alignment of sprinklers to ensure they aren't repeatedly wetting the base of a wall.

• Check eavestroughs for adequate slope and ability to drain. If eavestroughs are undersized, walls below may be wetted due to overflow.

• Check downspouts to ensure water is directed away from building foundations and does not pool. Use splashpads and downspout leader extensions to control the flow.

• Check plaza areas, decks, and balconies for ponding water. Generally, water should be able to drain freely to internal drains or from the leading edge, with no standing water after a 24-hour period.

Springtime is in the air, the birds are singing and we should all be out enjoying the green grass as well as the finer views this season brings. If those views are marred by things like staining, it's time to take a second look! cci

Why Costing Matters

by Harold Weidman, Reliance Asset Consulting

Condo premiums continue to increase at unprecedented levels — this article explains why you need to pay attention. Premiums are comprised of two major parts:

1. The rate that the insurance company applies per $100 of coverage based on an estimate,
2. The cost estimate.

The first is controlled by the insurance market. The second is the result of whether the costing performed was accurate. Together, these factors determine how high (or low) your premiums will be.

This is the part that must catch your attention — the cost estimate. You may think that all estimates are created equal and therefore should be quite similar, but how well do you understand the underlying process to get to said estimate?

To arrive at a sound and accurate estimate that you trust, you first need to understand the process that derived the data.

There Are Different Types Of Costing:

It is important to determine whether the costing method being applied will provide the best results for you.

1. Reproduction cost estimates the cost based on an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, super-adequacies, and obsolescence of the subject building.
2. Replacement cost is based on the estimate to construct, at current prices as of a specific date, a substitute for a building or other improvement, using modern materials and current standards, design, and layout.

Reconstruction cost is based on costing to rebuild a structure and based on experience and factors related to actual losses such as economies of scale, unexpected cost differences such as accessing a job site in a built-out neighborhood or having to frequently work between and among existing buildings while being respectful of neighboring property and noise levels.

NOTE: Reconstruction is the correct approach for completing insurance appraisals. The above definitions should be accompanied by a credible source of the definition, otherwise, it is concocted and leads to a false understanding of the proper method. ➔

The Above Methods Can Be Applied By Utilizing One Of The Following Costing Estimates:

1. Quantity Survey or Detailed Estimate – this is a detailed based estimate that typically identifies and breaks down materials and labour into individual components but if typically applied can be costly and time-consuming. It is important that proper overhead and profit factors are included. This approach applies to Reproduction Cost or Replacement Cost if a newer building with no super or sub adequacies.

2. National Costing Databases – this is a form of an estimated cost developed by utilizing comprehensive databases derived over an extended period in the marketplace and then applied utilizing square foot, unit in place or model-based costing. Where buildings are newer the results will be a Replacement Cost and Reconstruction Cost. The costing analysis can apply algorithms to develop and compile an estimate.

3. Proprietary Costing Databases – typically created by a company similar to national costing databases but generally less sophisticated and susceptible to failure or shortcomings if not rigorously updated with an extensive amount of time required, particularly when covering a significant number of locations where it is applied. These databases typically generate a Replacement Cost estimate.

4. Project Comparison or Market Estimate – this is a comparison based on projects which must be similar and current in nature otherwise becomes outdated or skewed if any significant changes occur in the marketplace related to costing. These typically generate Reproduction or Replacement Cost estimate.

For insurance appraisals the Reconstruction Cost is specifically tailored to insurance appraisals and encompasses all the aspects of what can be expected should a total loss occur.

Additional Factors That Impact The Accuracy Of The Estimate:

1. Quantity Takeoffs – garbage in equals garbage out therefore the application and support of proper AutoCAD systems are critical to ensuring accurate results.

2. Exclusions & Inclusions for Condominiums/Strata's – The impact on the cost estimate can vary depending on who is responsible for items based on bylaws and agreements. An example is exclusive areas (usually common but which are utilized by an owner such as a rear yard deck, an apartment sunroom, or appliances) which may or may not be included in the insurance policy. Another example encountered on a regular basis is who is responsible for ownership of the perimeter fences. A simple question but probably one of the most difficult to answer without proper investigation.

3. Applying Multiple Costing Sources for Veracity – each of the four methods previously discussed have their strengths and weaknesses. It is incumbent on insurance appraisal providers to utilize more than one costing estimate source or method and use their knowledge to understand — and explain — where the best applies. One source may be ideal for site improvement costs whereas another source will be superior for building improvements.

4. Current Building Codes – an example would be if a building has a partial or no sprinkler system and current building code requires a full system, the appraisal must account for this requirement.

5. Site Improvement Considerations – aside from the building, the site improvements must be considered. This was abundantly clear in the Fort McMurray fires when the site improvements were eliminated. Some insurers require underground services to be covered, which can be a very significant cost, especially in high-risk seismic zones. These must be clearly defined as being included or excluded.

6. Demolition Estimates – if separate demolition costs are not provided, then the insurer will draw funds away from the building estimate. It is important that proper analysis is completed.

Additional Protection An Appraiser Can Provide:

1. Errors & omission insurance of at least $5,000,000 or more
2.Workers' Compensation Board in Alberta and WorkSafe in BC – protects clients against any onsite occurrences of appraisers claiming damages

How To Know If A Cost Estimate Is Accurate? Standards.

Users of appraisal reports sometimes question the conclusions reached, believing the value estimate to be too high or low. For the reader to understand whether the report conclusions are credible, there must be a basis for measuring the veracity of the numbers. It is therefore incumbent on the reader to understand the basis of development, methodologies utilized, and the reporting process. It is also incumbent for the insurance appraiser to explain their processes and the standard they are applying.

Within the sphere of our appraisal expertise, we are often engaged to review other appraiser's work product for purposes of litigation. An appraisal review requires substantial expertise in the subject matter of the report and a thorough understanding of applicable ethical and professional standards.

The appraisal review process can identify flaws in both the methodologies utilized and in the compliance with applicable standards. Failures identified in either case lead to review conclusions that the report under review is not credible, and by extension, that the value conclusion cannot be relied upon. Especially in insurance appraisals, our experience is that most reports fail the review process and the conclusions reached are simply not credible.

An appraisal review requires substantial expertise in the subject matter of the report and a thorough understanding of applicable ethical and professional standards.

Most Important Things To Consider Before Engaging An Appraiser (to complete an insurance appraisal):

- Is the appraiser a member of a nationally recognised appraisal association such as the Canadian National Association of Real Estate Appraisers (CNAREA) or the Appraisal Institute of Canada (AIC)?
- Does the appraiser hold the correct designations to complete the work (DAC or AACI)? Both organisations have professional standards for the development and reporting of appraisal results. The completion of the report requires that the appraiser certifies and signs the report indicating compliance with the standards. This compliance protects the client ensuring that a professional product is received, and the results can be relied upon.
- Is the appraiser experienced in similar assignments and knowledgeable of your geographical area? How might you find out?
- Ask to see their previous sample reporting – are they relevant?
- Ask for a list of their clientele – is it widespread? Will they provide references?

Insurance appraisals are a specialty. All designated appraisers are not necessarily experienced nor competent in this field. Their inadequacies may cost you heavily in inflated premiums; therefore, it is vital to seek the experts. Look for experience and proven expertise in this field; a company that is respected by the courts, insurance companies, and by their clients. cci

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