

president's message

Canadian Condominium is to embrace expanding condominium community



Spring in the year 2000 has hopefully welcomed all of you with sun, warmth and the possibility of relaxation. I'm willing to bet that this spring has blanketed you not just with flowers but also with the omnipresence of condominiums. When is the last time you spent an entire day without thinking, speaking, hearing or reading about condominiums? I cannot remember the last waking hour that I spent condo-free. That is not just indicative of my exciting life but indicative of the pervasiveness of the condominium industry throughout Canada and increasingly, the world. The challenge facing the Canadian Condominium Institute is to embrace this expanding condominium community and to remain the voice of that community.

It was with this awareness of condominium growth that your Executive proposed the structural changes that have been adopted by the National Board. Better organized and clearly focused we will ensure CCI's continuance as the pre-eminent educational and lobbying group in Canada. Thank you for your support and valuable volunteer time on behalf of CCI both nationally and in your local Chapters.

In April our National Secretary, Deborah Howes, represented CCI in Kelowna for the Okanogan Valley's Annual General Meeting. Deborah's report tells of a warm welcome and a wonderful group of people interested in improving their condominium knowledge. Every CCI Chapter has grown from

this type of organizing – simply a group of people interested in condominiums. I envy Deborah the chance to experience this group in person and I hope we will all have a chance to share in this opportunity at our semi-annual meeting in 2001.

As I am writing this report, final preparations are being made for the Hamilton 2000 Conference and semi-annual meeting. Registration continues to be strong and the Conference Schedule promises to be educational and entertaining. The master playwright, Bob Gardiner, is producing another sold out performance which I am sure will be as successful on tour as it was in Toronto last fall. Ron Danks and his team of organizers cannot be thanked too often for hosting a spectacular event.

On behalf of CCI National I wish you and yours a wonderful summer. Store your energy for those constant meetings that breathe life in the fall.

PAT CASSIDY, *President*

In this issue

3 Chapter Chatter

6 Water Treatment for HVAC Systems

7 Condominium Unit Owners Insurance Checklist

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Golden Horseshoe Chapter

With the "Condominium 2000" conference a mere few weeks away we are diligently working to finalize details. The response to both the trade show and conference has been overwhelming. We are anticipating a full-house in the trade show and remarkable attendance at the conference. Speakers have been confirmed and the itinerary is looking very exciting!

Once the conference is finished we're all looking forward to a quiet summer while we catch our breath before undertaking our fall directors course. We're optimistic that it will be as popular as those run earlier this year.

Our membership continues to grow and should soon exceed 350. Congratulations to our membership committee!

See you all at the Conference!

Healthy Wealthy & Wise

ACMO/CCI Condominium Conference 2000

November 17-18, 2000

International Plaza Hotel, Toronto, ON

Mark your calendars now!

Watch the CCI-T website for more information in the near future.

www.cci-toronto.org

A.C.C.I. **(Associate of the Canadian Condominium Institute)**

If you are a professional member of the Canadian Condominium Institute you should seriously consider applying for your professional accreditation. Successful candidates are entitled to use the designatory letters "A.C.C.I." as recognition of their high degree of skill, professionalism and outstanding achievements.

Candidates for the A.C.C.I. accreditation must be a professional member of CCI, have at least three years of professional condominium experience, have contributed to the condominium community by teaching courses, writing articles, participating in seminars or providing other services and successfully complete the A.C.C.I. examination.

For further information please contact your local CCI Chapter.

CCI Networking opportunity

A delegation of six directors from the Atlantic Chapter travelled to Hamilton the first weekend in June to participate in the CCI networking opportunity at the Spring conference/tradeshow and semi-annual national board meeting. We brought back experiences and information that better equip us to serve our chapter membership. Our appreciation and thanks to the host Golden Horseshoe Chapter!

On the home front, learning to live with Nova Scotia's new condominium legislation continues to be a priority as we near the end of the 99/00 membership year. Commissioning reserve fund studies for the first time is the situation of many condominium corporations, in a market place that is not yet fully aware of the need for reserve fund studies. It is a learning exercise all round!

Outreach plans for the new membership year include initiating contacts with the condominium communities in the three other Atlantic Provinces to start the long term process of developing an Atlantic membership in the fullest sense.



Views of the authors expressed in any articles are not necessarily the view of the National Canadian Condominium Institute

Property Tax Action Continues

The Manitoba Chapter of CCI has been joined in the property tax lobbying effort by a grass roots organization called the Concerned Condominium Owners of Winnipeg (CCOW). The CCOW is made up of individual condominium owners who are frustrated by high condominium property taxes and became politically active during the 1999 provincial election campaign.

CCI's lobbying process includes:

1. Inform and educate politicians about the inequity of the current property tax system.
2. Lobby support and create the political will to change the system in place.
3. Attract attention to this matter by letter writing efforts and throughout the media.

To date CCI's main focus has been on lobbying efforts and has not focused on a media campaign. CCI and CCOW are hopeful that efforts of CCI and CCOW will lead to appropriate changes in property taxes though are considering a media campaign if required, in order to raise the profile of our concerns.

Spring membership activities include "Anatomy of a Disaster" reporting on a fire at a Winnipeg condominium corporation and the successful outcome due to placement of adequate insurance and effective action by the property manager, insurance adjusters and Board of Directors. As well, a "Networking Lunch" is planned for June at which cable company representatives will present details of new digital and Internet services.

The Interior Strata Owners Association:

The First CCI Chapter in BC?

submitted by Deborah M. Howes
FCCI, National Secretary

The Interior Strata Owners Association (in sunny British Columbia) held their annual general meeting in Kelowna on Sunday, April 30, 2000. I was honoured to be a guest and invited speaker.

Formed in 1992 by Edna Galbraith and a core of other owners, the Association boasts 124 strata corporations as members, representing 4393 owners. The Association, known until Sunday as the O.K. Valley Strata Owners Association, was formed by strata corporations and owners to represent strata corporations and owners. The Association's voting members are all strata corporations in the BC interior – including Penticton, Kelowna, Cranbrook, Kamloops and Revelstoke. Associate and commercial members are welcome but cannot vote. All eight Directors of the Association must be unit owners.

Let me digress for a moment to identify some of the terms. In BC the current condominium legislation is the *Condominium Property Act*, but within the *Act* is reference to strata properties and councils. The new *Act*, the *Strata Property Act*, comes into force July 1, 2000 and will stay with strata concepts. A strata unit is a condominium unit. The strata council is the Board of Directors/Managers. The strata corporation is the condominium corporation. I think you get the picture.

The Association has two offices – one in Kelowna and one in Penticton – each staffed part time. Between the two offices, in 1999 they dealt with 1041 calls, at least 164 fax inquiries and 576 e-mails. In addition, they attended 36 meetings of strata councils.

The Association provides to each strata corporation a membership certificate, regular newsletters, a speaker at the AGM and at least three educational programs per year. It send each strata council a wallet sized membership card for each unit owner.

A significant issue facing these strata corporations and all condominium owners and professionals in BC is the new *Strata Property Act*. The new *Act* and Regulations come into effect on July 1, 2000. It brings many new and welcome changes in BC. (See the article entitled "A New BC Act" elsewhere in this edition.) Like many of us across Canada, BC strata councils and owners have been involved in the legislative reform process for several years.

Other issues of concern to the BC condominium community are: education of owners, board members and professionals; standards of conduct for managers and realtors; property taxes; education of municipal leaders and politicians on condominium issues. Don't they sound familiar?

I attended the Association's AGM to speak to the members about the Canadian Condominium Institute and to extend our invitation for them to form the first BC Chapter of CCI. I thank all of the members for their warm hospitality – especially Edna Galbraith and the Association executive – and for their interest in CCI. I urge them to share with us (and all of CCI to seek out) their many years experience with involving unit owners in their Association and with the use of arbitration to successfully resolve many condominium disputes. Let us take one more step to extend CCI from coast to coast.

Water Treatment for HVAC Systems

The implementation of a good water treatment program is essential in preventing scale, corrosion and biofouling of all HVAC systems that utilize water as a heat transfer medium. Maintaining clean heat transfer surfaces will not only improve on the efficiency of the equipment, but also extend service life and reduce maintenance costs.

This report will discuss the role of using water treatment in closed recirculating systems, open recirculating systems and space heating steam boiler systems. These HVAC systems play a vital role in providing heating and air conditioning for many commercial and industrial properties.

Closed Recirculating Systems

Most familiar examples of closed recirculating systems are the hot and chilled water systems. Although these systems are almost totally sealed and require very small amounts of raw water make-up, corrosion and corrosion product fouling can seriously effect the operation of these systems. Closed system inhibitors are used to prevent oxygen from attacking the interior metal surfaces. BetaDearborn's CORRSIELD inhibitors are organic, nitrite or molybdate based. These products are normally fed into the system with the use of pot-feeder and monitored with a simple filtration test.

Corrosion products and other suspended matter will cause sludge-like deposits throughout a system and will also cause excessive wear on pump seals and control valves. Side stream cartridges filters are very good in removing suspended iron and debris in the bulk water. The filter sizes range from 100-10 microns. A heavily fouled system would require 100 micron filters and gradually lowered as system clean-up occurs.

Open Recirculating Systems

The most familiar example of an open recirculating system is a cooling tower. This type of system has the greatest potential for scale, corrosion and biological fouling.

Maintaining sufficient amounts of bleed-off, cooling water treatment and regular degrees of a microbiostat will eliminate these major concerns. Cooling tower treatment neglect will result in chiller condenser tube fouling and higher energy costs.

The use of reliable chemical feed equipment is also very important to the success of the treatment program. Volume or conductivity based controllers are the two primary methods used to provide automatic chemical feed and bleed-off for open cooling tower systems. It is also recommended that a make-up and bleed-off water meter are installed in order to apply for the local

city sewer rebate program. The city will provide a sewer rebate for water that is evaporated over the cooling tower.

Steam Boiler Systems

The use of a water treatment program for small space heating or humidification steam boilers is essential in maintaining a clean, efficient and corrosion free boiler and condensate return system. BetaDearborn incorporates a patented all-in-one steam boiler program that requires only one product and a simple test for program monitoring. The OPTIGUARD MCM series contains a blend of scale and corrosion inhibitors and neutralizing amines for proper pH buffering of the condensate return system. This program is ideally suited for operators and owners who aren't able to dedicate much time towards an effective steam boiler water treatment program.

For more information on products, services and representation in your area, contact

BetaDearborn Canada

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Condominium Unit Owners Insurance Checklist

CCI offers this check list to help unit owners with their purchase of insurance. Unit owners are encouraged to take this list to their personal insurance provider. Get verification of each of the coverages.

CONDOMINIUM UNIT OWNERS COMPREHENSIVE FORM

The following features are drawn from the Insurance Bureau of Canada Form IBC 1167

<input type="checkbox"/>	Personal property Replacement cost value
<input type="checkbox"/>	Additional living expense Suggest 50% of Personal property amount or Fair rental value – 100% of annual rent/rental value on rented units
<input type="checkbox"/>	Unit improvements and betterments including upgrades Replacement cost value
<input type="checkbox"/>	Loss Assessment Common Property and Liability assessment risk
<input type="checkbox"/>	Unit Many policies give 2.5 x Personal property amount
<input type="checkbox"/>	Additional Protection Also pays the difference between corporation – purchased property insurance deductible and unit owner policy deductible Check to ensure there is no deductible exclusion
<input type="checkbox"/>	Personal Liability Ask for \$1,000,000 or more
<input type="checkbox"/>	Voluntary Medical Payments Usually \$1,000, may be more
<input type="checkbox"/>	Voluntary Property Damage Usually \$500, may be more
	Plus Jewelry, watches, furs, boats, cameras, computers, land, cottages, rental properties, hearing aids, boats, RVs, etc.
<input type="checkbox"/>	Declare everything this is not a complete list.

CHECKLIST TIPS

Personal property

Add up the replacement cost value of all your furnishings, household goods and supplies, food, appliances (other than appliances in the unit when it was originally built), clothing, linen, personal tools, toys, personal computers, etc. including applicable taxes.

Additional living expense

Many insurers give an amount of coverage equal to 50% of the amount of property insurance selected

or, if you rent your unit out,

the **Fair rental value** of your unit. Inform your insurance provider of the 100% annual rent/rental value of the unit.

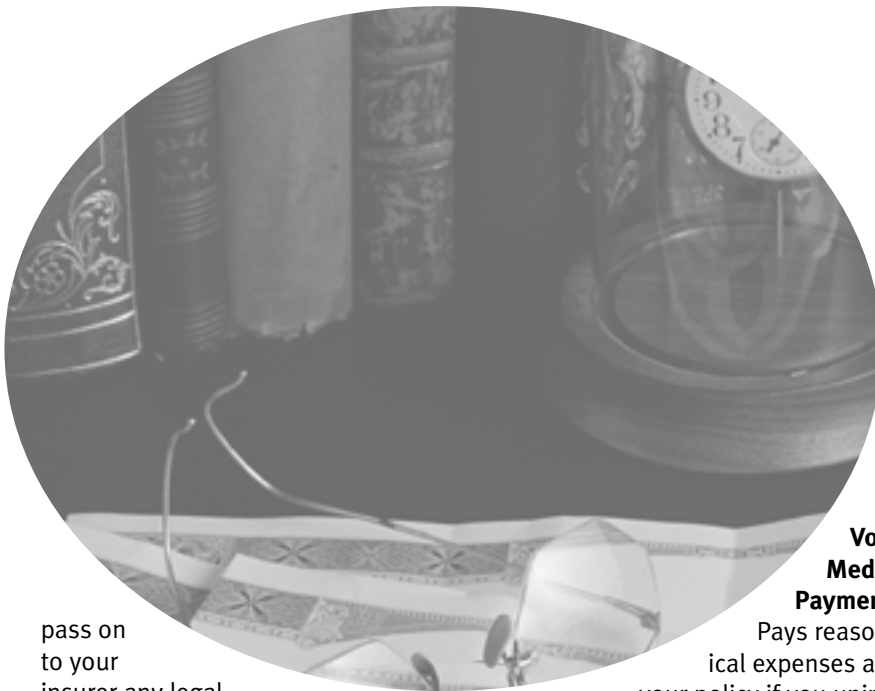
Unit improvements and betterments including upgrades. This, too, is on a replacement cost basis, including labour and taxes. Be sure to ask for enough.

Loss Assessment

Your Insurer pays for your part of a special assessment levied on unit owners because:

1. it is made necessary by a direct loss to the collectively owned condominium property caused by an insured Peril, or
2. of a liability claim for an occurrence that takes place during your policy term. The limit is included in your personal liability limit.

You must inform your Insurer immediately you are aware of an incident that could result in a claim and you must



pass on to your insurer any legal documents and any other written communications you receive concerning the assessment.

In both cases, your insurer will not pay for any part of an assessment made necessary by a deductible in the corporation-purchased insurance.

Unit

If the condominium corporation has no insurance on your unit, its **Additional** insurance is inadequate or is not effective, this coverage pays the **Protection** deficiency to repair or replace your unit. "Inadequate" includes a deductible in the insurance policy of the condominium corporation.

This coverage pays the difference between the corporation – purchased property insurance deductible and your unit owner policy deductible, *if your policy is appropriately worded.*

Check to ensure there is no deductible exclusion in your policy.

Personal

World wide personal liability protection for you and your family arising out of Liability most personal activities. This is not auto liability and you must declare any recreation vehicles including boats, etc. to have coverage.

Policies generally provide \$1,000,000 coverage – you can get more.

Voluntary Medical Payments

Pays reasonable medical expenses as defined in your policy if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable.

Usually \$1,000, may be more.

Voluntary Property Damage

Pays for unintentional direct damage you cause to property of others even if you are not legally liable.

Usually \$500, may be more.

And

Declare everything to your insurance provider, including jewelry, watches, furs, cameras, computers, land, cottages, rental properties, hearing aids, boats, RVs, etc.

This way, your insurance provider can offer you the available options and the cost of them.

Contributed by Hugh Falconar, F.C.C.I. with the kind help of Louise Bremness, F.C.I.P., Insurance Bureau of Canada

SPECIAL NOTES

Coverages that warrant special attention are:

1. **Loss Assessment** insurance is not for special assessments made necessary by degraded building components, underground infrastructure, parkades, etc. Insurance no more exists for these things than it exists for rusty or worn out cars.

What the coverage is for is, if the condominium corporation:

- (a) passes a valid assessment for damage to the collectively owned (common) property caused by an Insured peril – that is, a peril within the scope of the property insurance of your policy, or
 - (b) is sued for bodily injury, death or damage to property of others in excess of the limits of the corporation-purchased liability insurance. In such a case, the corporation would have to assess the unit owners for the shortfall.
2. **Unit Additional Protection** insurance is for the chance of the condominium corporation having no insurance on your unit, its insurance being inadequate or not effective. The Insurance Bureau of Canada has agreed that the word "inadequate" includes reference to a deductible in the corporation purchased insurance on units that is greater than \$500. The IBC felt that condominium unit owners should be in no worse a position than people insured by homeowner and tenant package policies whose usual deductible is \$500.

A benefit of the coverage is that it includes the intent to pay the difference between the unit owner policy deductible – usually \$500 – and the higher deductible in the corporation-purchased policy.

Even though the vast majority of insurance companies belong to the Insurance Bureau of Canada, not all go along with this thinking. The unit owner has to look for an insurance company that does provide the coverage that is included in the IBC recommended Form for condominium unit owners.

3. **Condominium Contingent Insurance**

What this means is anybody's guess. There is no standard form for such a thing. If such a coverage is mentioned in your policy, read the clause to find out what it gives.

Check your policy wording

or have your insurance provider explain any differences between this checklist and checklist tips and what you are actually getting. Although IBC Form 1167 is a 'benchmark' form, individual insurance companies are free to offer their own policy wordings.