

Counterpoint



A Vote for Change

Opponents of electronic voting are scared. Scared that electronic voting is going to expose the archaic and flawed system of proxy voting for what it is – unnecessary and obsolete. They're scared because they know that it is largely through proxy voting that some people have been able to maintain and secure their positions for extended periods – giving them years, sometimes decades, of unchallenged control and all the benefits that come with it. So, while the rest of the world has already adopted electronic voting or is moving quickly to embrace it, in Canada we see self-interested pockets of resistance trying to hang on to the status quo.



Denise Lash

The first telling observation is that these pockets of resistance are not condominium owners themselves. If that strikes you as strange, it should. Ask any owner who has used electronic voting and they will tell you the inescapable truth – they *love* it. They get to cast their *own* vote, using an encrypted email link that connects with a secure online voting site. They vote at their *convenience* and in *private*. They *participate* in the voting process and express their *personal* preferences – free from the self-interested influence, or worse, interference, of others.

None of this should come as any surprise. Owners are no different than any other consumer – they expect the same seamless and easy-to-use digital experience in their condominium living as they experience in all other areas of their life. A *proxy*? The very notion that an owner should need to use a proxy – whether electronic or paper – to give someone else the right to cast their vote in this day and age of the internet must seem like a quaint holdover from the Victorian era.

It's easy to see why electronic voting is now the norm in over half the states in the U.S. and spreading rapidly. It's also easy to see why some states, like Arizona and Florida, have passed legislation which *prohibits* proxy voting, and other states are in the process of doing the same. More on that in a moment.

Condominium owners are not the only ones who love electronic voting. High performing condominium directors, boards and managers who are motivated by the best interests of their unit owners also love it. Electronic voting *dramatically* increases unit owner participation – frequently up to levels of 90% or more. Unit owners engage in the voting process and express their opinion, because it's easy to do – “click”, and they've voted. Boards have clear mandates as a result. The increased participation also ensures that quorum is easily obtained, often

weeks, and at least days, in advance of a meeting. Electronic voting translates into owner participation, and owner participation translates into accountability. High-performing directors, boards and managers *welcome* this kind of accountability – for them, it means affirmation and recognition of a job well done. It's only poor performers, or worse, those taking advantage of their position for personal gain or conducting themselves inappropriately, who fear the loss of control that occurs when electronic voting makes proxies irrelevant.

Back to Arizona, Florida and the U.S. experience, where electronic voting is steadily leading to the extinction of the proxy. Arizona, the sunny retirement state with one of the highest densities of condominiums in the U.S., prohibits proxy voting after the developer's control of the condominium has ended (which is to say, for most of the condominium's life). Similarly, Florida, another high-density condominium state, prohibits proxy voting for the election of directors. Illinois provides that once a condominium adopts electronic

voting rules and regulations, proxy voting is *no longer allowed* for board elections. New Jersey recently allowed condominiums to use electronic voting and at the same time, passed a law which prohibits condominiums from offering proxies to owners unless they also allow owners to cast absentee ballots, effectively rendering proxies meaningless.

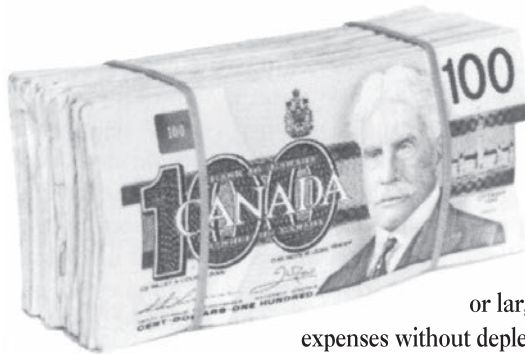
Why are these states passing laws to prohibit or severely curtail the use of proxies? The answer is simple. Experience has shown that proxies may entrench incumbent directors to the detriment of the condominium – concentrating power and decision-making in the hands of a few, resulting in low director turnover, minimal accountability, and conflicts of interest that favour the few at the expense of the many.

The danger lurking in proxies is such that U.S. states are now discussing whether the ban on proxies should be extended from the election of directors *to include votes of any type* the condominium conducts. There's a reason proxies have been banned in political elections in most advanced democracies – if the goal is to ensure the integrity of the electoral process, allowing someone else to vote on your behalf makes no sense.

Canadians have historically been slow adopters. That's not a bad thing. We are a cautious lot by nature, we encourage consultation, and we seek consensus – all of which takes some time. In the case of electronic voting, its widespread acceptance is inevitable – for all the right reasons. It's a matter of when, not if. Those seeking to resist the tides of change and hang on to the antiquated and inherently flawed system of proxy voting, whether by electronic or paper means, may have their own self-interested reasons for doing so, but at some point they'll be forced to concede that electronic voting is both the present and the future, and in the best interests of the unit owners they serve. ■

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