

# Get the Best of Your Board–Management Relationship



Until recently, the minimum requirements to be a board member were the following:

- a) The person must be over eighteen years of age;
- b) The person cannot have an undischarged bankrupt; or
- c) The person must be mentally competent.

The qualifications for a property management company: none.

The above was sufficient to create a lack of relationship between boards and management companies in the management of a condominium corporation.

If we look at other professions, such as law or accounting, and compare them to property management, the first issue that we will come across is the lack of respect that exists toward the property management company, specifically property managers, which is not the same in other professional industries. Why is it so?

The requirement to work in either the law or accounting professions went through a process of evolution, which was guided by the profession itself. For exam-

ple, the property management industry did not always require professionals to meet certain education and experience criteria. It was only recently where the government stepped in, that the requirement for education and qualification standards were put in place. Yes, there was a standard in place called ACMO 2000, however, it was not mandatory.

In order to try and achieve a co-existence between boards and management companies, with the knowledge that it still will never be euphoria, the current steps and future requirements will help. The same way that we accept the fact that the preparation of tax returns may result in paying taxes, the educational requirements would be the first steps toward gaining mutual respect. These steps must continue to evolve with strict educational and qualification requirements for both managers and board members. A continuous professional update, post qualifications, should be mandatory. Research and development of all aspects of the property management industry should be undertaken. We should also not shy away from the “fee” issue. The cost cutting of management fees takes away from the level of service provided

and the quality of personnel. At the same time, it will help the boards to consider all the services provided to them and the cost for value received.

It was said that “We cannot control a relationship. We can only contribute to a relationship. All relationships, business or personal, are an opportunity to serve another human being.”

**Shlomo Sharon**  
*Chief Executive Officer*  
*Taft Management Inc.*

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The relationship between condominium managers and boards of directors is paramount to the success of the overall operations of a condominium community.



The pertinent adage is ‘Directors direct and Managers manage’. This concept sounds simple; however, too often roles become intertwined, misunderstood and downright messy, thereby resulting in frustration all around. When the relationship is a positive one and all parties involved understand their roles, the

Arguably, one of the most important relationships within a condominium community is between the corporation's board of directors and its manager/management company. As with any close connection, there are times that edges can become frayed and tensions may arise. We asked ACMO 2000 executives to give us their thoughts on the importance of maintaining balanced, professional and cordial interactions and posed the following questions to open up the discussion: How can management companies be more responsive to their boards. Is licensing making boards view their management companies in a more positive, professional light? Read on to find out their points of view.



condominium runs smoothly and efficiently. Even when issues arise, as they often do, when directors and managers work as a team these issues can be dealt with prudently and competently.

So, how do we achieve an ideal working relationship with our boards? Managing expectations and defining roles and responsibilities early on certainly help lay the foundation for a strong and successful relationship.

From the initial contact at a proposal meeting, it is incumbent upon the management team to listen to what a board wants and needs. This will help form the scope of work detailed in the management contract. However, as is the case with most management agreements, it is not possible to include all the details of the day-to-day operations. Open and ongoing discussions between boards and managers must consistently take place even after a contract is signed. As the manager, educating directors on their roles becomes an important part of the job. Communication is the key to avoiding misunderstandings.

While licensing has elevated the condominium management profes-

sion, some boards expect managers to be immediately responsive to their needs. Directors assume managers will be ethical, knowledgeable, diligent and professional. These expectations have not changed with the licensing requirements. It is likely that directors have always expected their managers to meet minimum standards, even before licensing was implemented. In the past, directors could rely on managers having an RCM designation, even though it was not required. With the implementation of licensing requirements, there is now a legal requirement that substantiates these minimum standards.

Boards have high expectations in addition to meeting minimum professional standards. Managers will need to be assertive in setting boundaries relating to what they will or will not do. Managers must be confident recommending boards use external experts as needed. Licensed managers are not lawyers, nor can they provide engineering services. Additionally, managers are not parking enforcement officers, couriers, emergency contacts or superintendents. With all

the responsibilities imposed by the new legislation, managers must help boards establish priorities. Once again, communication is key.

As we look to the future, management companies will need to realistically assess the time needed to effectively manage a corporation. Overloading managers with large portfolios will create burn-out and result in high staff turnover. Investments will be needed to retain managers and to recruit new ones. This does mean that fees will need to increase to allow for the additional time and costs related to meeting all of the industry changes. It is unlikely that boards will happily be accepting of these increases. Nevertheless, it is a product of elevating the profession to a higher standard and provides assurances to boards that their corporation will receive professional management. Ultimately, these changes will result in a greater level of professional service to all condominium communities.

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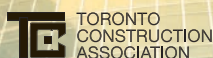
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Conflict between management and boards of directors is inevitable despite the best intentions. Confusion and disagreement typically arise because of miscommunication, misaligned priorities and expectations or unexpected change. Even with the most diligent onboarding designed to clarify responsibilities, processes and goals, you can't expect to remove every possible hurdle. The difference between a happy or unhappy client often comes down to how you handle conflict. Unsuccessful strategies include ignoring issues in hopes they will resolve themselves, giving in to demands resulting in long-term erosion of the relationship or pursuing individual goals destined to burn bridges and ultimately end the relationship. Instead, collaboration is key to finding a solution that will work for both of you. Meeting in the middle to find a compromise can provide the perfect opportunity to strengthen the relationship.

Being more responsive to board members starts with handling conflicts quickly. Tough conversations aren't enjoyable but the faster you can tackle the issue, the better, demonstrating to the client you take them and the situation seriously. Remember, managers are licensed professionals and should conduct themselves accordingly. Listen to clients' frustrations without interruption to ensure they feel heard. Acknowledge their feelings and opinions repeating back key points so they know you understand their point of view. Ask questions if more information is required. Remember to show empathy. This doesn't mean giving in or agreeing for the sake of simplicity but demonstrating that you care about their concerns and are willing to look at it from their perspective. This will lend to your credibility that you are trying to do everything you can to reach an acceptable solution.

Up to this point, the focus has remained on the client. Board members should have been given the opportunity to express their concerns, share their needs and feel heard, acknowledged and understood. Managers should not act defensively or argue in any way. The conversation should remain professional by objectively stating facts. Communicate the who, what, when, where, why and how. Leave opinions and emotions out of the conversation. By eliminating

a defensive position and relying strictly on fact, the client should now be ready to listen to a proposed solution with more of an open mind or if not prepared, at least be agreeable to what will happen next in the process. Be confident in your training and the experience of your mentors which provides you with ability to offer guidance to the client to make wise decisions. Once the solution is set, stick to it without wavering. Remain firm, fair and friendly and remember you are the professional.

Licensed managers must always act with professionalism. Positive conflict resolution builds trust and respect. While conflict is sometimes unavoidable, being prepared to manage it in a professional manner quickly and with empathy, effectively presenting positive solutions, will go a long way to ensure everyone can get along. ■

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