



April 4, 2020

Attention:

Lee Chantal, J.D. Crookshanks

c/o condoreview@gov.ab.ca, ConsumerProtectionAlberta@gov.ab.ca

Honourable Minister Nate Glubish

c/o ministersa@gov.ab.ca

During these difficult times everyone is challenged with critical decisions that will help pave the future to help us resolve the ever-changing requirements and needs of the people. The Association of Condominium Managers of Alberta (ACMA) have acknowledged these changes and are calling on the Alberta Government to assist in the preservation and to also help protect the homes and livelihoods of thousands of Albertans who live in Condominiums.

On Tuesday, March 31st 2020, ACMA prepared and invited many individuals within the Condominium Industry to participate in an online Zoom discussion. This event was called "COVID-19 Crisis: You're not in this alone: Let's Chat!" ACMA had many participants register for this event within the first couple hours, which was a clear indication that this pandemic is strongly affecting this industry as it is many others.

There were many concerns brought forth at this meeting which is why we are asking the Alberta Government to help address some of the conflicts, challenges and possibly assist our Industry to resolve the unknowns that we are faced with as this pandemic evolves. We know and pray that this virus will eventually resolve itself, but the wave of impairment that will be brought on our society and economy will hinder for months as well as years to come and AMCA and its members feel it's time to act now.

The strongest concern that was raised was the obligation to hold and maintain the requirements of an Annual General Meeting (AGM) as well the requirement to hold a Special General Meeting (SGM) when called for by an Owner.

As you may be aware, an AGM is to be held once a calendar year and within fifteen months of the preceding AGM. This is clarified in the Condominium Property ACT section 30(2). There is also the requirement that a Board of Directors can call an SGM as required, but there is also an alternative that an Owner can petition fellow Owners to hold an SGM with 15% of Owner approval. This is also clarified under the Condominium Property ACT Section 30.1(2).

The issue with a Corporation being required to hold an AGM during this pandemic, is that even though it may fall under the parameters of the "mass gathering restrictions" put in place by AHS, it can also restrict Owners from participating in these meetings fairly and eliminate eligible Owners from their voting rights if they are under quarantine, vulnerable, high risk, or do not feel comfortable attending places where social distancing cannot be adequately maintained. This affects the rights and safety of many condominium owners. During our conference, there was mention that a senior's group still planned to hold their AGM even though this crisis is ongoing.

The issue with the requirements of an SGM is that an Owner may call an SGM at any point and put the Corporation in a position to respond adequately to this petition. Section 30.1.4 advises that if a Board of Directors does not call an SGM within 30 days of the request, then the Owners may convene the meeting.

There is a huge risk by allowing these provisions to remain as they are without government involvement as an Owner may seek opportunity to remove a current Board of Directors or implement other items that would not benefit the Corporation during these difficult times. There is also the same concern with the voting requirement as stated above in which Owners could not properly entertain their individual voting rights and attendance at the meetings due to the pandemic circumstances.

ACMA and its members are asking the Minister of Service Alberta to address the concerns in relation to AGM and SGM's and help direct Condominium Corporations, Management Companies and Volunteers regarding the meetings. ACMA and its members are wishing that these requirements, as written in the Condominium Property Act, are relaxed until a time when public gatherings, quarantine and isolation are safe to do so and that everyone's safety and rights to vote at these meetings can be obtained.

The second major concern was in relation to the revenues that Condominiums rely on through their Owners. With so many layoffs, reduced working hours and delays on Employment Insurance and emergency funds around the province, it is only a matter of time before Condominium Corporations are not able to subsidize the defaulting payments towards monthly Condominium Contributions and payments for utilities, vendors, essential necessities and maintenance become more difficult for a Condominium to pay.

During the Zoom meeting, there was many ideas which included focusing on "the needs" of Condominiums and not "the wants" and to also stop the current Reserve Fund Contributions if a Condominium is contributing on a monthly basis. These ideas would help to ensure that the current bills are paid if there is a loss of revenues when Condominium Contributions came due on the first of every month.

The method mentioned above would help several Corporations, but there are also circumstances in which many Condominiums would encounter a larger decrease in monthly fees, which would ultimately cause bills to go un paid, cause defaults on insurance premium payments, and possibly affect lifesaving equipment in certain circumstances. There is also increased cleaning costs and other exertions that are currently in place to control the spread of COVID-19 in common areas which also causes financial burden of a Condominium. When a Condominium Corporation can continue to pay its bills, this not only sustains employment through many service providers, it ensures that certain sectors have a reduced financial strain and a continued revenue stream. This will help preserve the economic needs for many people in our province.

A suggestion by several industry members was to temporarily amend the restrictions on Reserve Funds to allow a Condominium Corporation to utilize Reserve Fund dollars to help subsidize the shortfalls and depletion of monthly revenues for the day to day expenses of that Corporation.

Currently section 38.2(a) of the Condominium Property Act states that notwithstanding subsection (1), funds shall not be taken from a reserve fund for the purpose of making capital improvements unless the removal of funds for that purpose is authorized by a special resolution or is necessary to maintain property referred to in subsection (1) to comply with health, building and maintenance and occupancy standards as required by law. This section of the Act hinders the Board of Directors ability to take the required monies from a Reserve Fund to help compensate for any type of shortfall that may occur for the day to day and operating expenses.

ACMA and its members are asking the Minister of Service Alberta to address the concern in relation to the restrictions on Reserve Funds and to allow Corporations that are feeling the harsh reality and the negative financial effects of COVID-19 to transfer funds from a Condominiums Reserve Fund to help pay for Operating expenses that are considered necessities and essential services. This will, in essence, protect the wellbeing of all Owners and residents of these Condominiums during these financial pinches. This measure would be a temporary relaxation on the restrictions referred to in the ACT with a deadline date and also with the condition that the Corporation must ensure that the funding requirements are met by future contributions.

It is ACMA's strong opinion that this will help preserve day to day living in these multi-family communities and lighten the stress load of having to worry about the payments of utilities, cleaning or necessities that are required to run the Corporation and let individuals focus on their personal lives. This will also create a future plan and progressive measures for when the next wave of COVID-19 is introduced.

Another key concern was how to handle or deal with an emergency situation where a person or persons are held in isolation or self-quarantine and are required to be removed from their Unit due to an emergency or disaster.

An example of this would be if an apartment style Condominium Unit had a major sewer back up and the Occupants of that Unit had just returned from an out of Country trip. There is a strong risk of contamination, spread of COVID-19 if the Occupants are infected, and the risk to others in the building.

These are the realities that a Condominium Manager, Board Member or Condominium Corporation must deal with on a day to day basis and without risk, how would our industry members respond to ensure that the Occupants are safely contained and not put in contact with others and to also ensure that the safety of the public is maintained.

ACMA is reaching out to Service Alberta and possibly Alberta Health Services to help compile an emergency plan and an emergency dispatch task force to help move individuals in isolation to a safe environment when emergencies arise. There is a large concern for senior care or age restricted Condominiums where older adults and people with medical conditions like high blood pressure, diabetes, heart disease, and lung disease appear to be at higher risk of becoming very sick. People are encouraged to stay home and, in these circumstances, home is not an option.

The fourth concern raised was the clarification around essential services and what would be accepted and if Condominium and Property Management would fall under this category in a complete and total isolated environment.

We understand that other provinces in Canada have declared stricter public guidelines and these provinces have recognized Condominium and Property Management as essential services. This would extend to many of the trades and industry members that the Condominium industry utilizes on a day to day basis to ensure that the properties we work for and with are well protected. ACMA would like Service Alberta to acknowledge these efforts by our Industry and should the time come; we are all allowed to help protect the safety of all residents in the buildings we manage.

The fifth issue that was discussed is the need for available products for Condominium Corporations. We understand that the Federal and Provincial Governments are working hard to increase the supply of highly

demanded products and we applaud all efforts to also reduce hoarding and overcharging for items in the marketplace.

Our concern at ACMA is there is a large demand in Condominiums for hand sanitizer stations as well as the supply of liquids to these appliances. There is a requirement for onsite staffing and the need for gloves as well as masks for employees that are hired by Condominium Corporations. These essential needs are problematic to obtain during difficult times and they are even harder to come by as the number of COVID-19 cases increases in our province.

ACMA and its members are looking for Service Alberta to help obtain supplies for adult living Condominiums, Condominiums that are attached to assisted living, apartment style Condominiums and other Condominiums that have larger populations that would benefit in the acquisition of these products.

ACMA, and its members thanks you for taking the time and hearing our concerns and hope that we can all be prepared for what is yet to come and use this pandemic to help in future planning, adjusting to our surrounding and developing crucial emergency protocol when faced with new challenges. We feel that our suggestions, as mentioned in our letter, will preserve the hardships and help prevent the continuous spread of COVID-19.

Respectfully,
Association of Condominium Managers of Alberta (ACMA)



Curtis Siracky
Chair