



The Relationship Between the Condominium Board and Management

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October, 2018

(Author's note: I've been preaching the contents of the info below for decades. Based upon what I've been encountering in my travels, and my various processes working with condominium Boards of Directors all over the GTA, I believe the time has come to reiterate the message.)

My Management/Board Formula:

- the management company gives the Board advice
- the Board makes decisions based on that advice, and other appropriate criteria
- the management company carries out the decisions made by the Board
- the Board, *as the executive body responsible to the condominium corporation*, monitors the management company's execution of the Board's decisions

The above sequence describes the absolute basic minimum requirement as far as the relationships between the Board and management, management and the corporation, and the Board and the corporation. **Board Members:** Does it describe *your* condominium environment? **Managers:** Does it describe *your* clientele?

Management's Responsibility

First, the good news. Today's management industry has established a suitable routine of preventive maintenance. And there is an appropriate understanding of the legislation and the lifestyle. Also, most management companies have a fairly solid grasp of the accounting and financial basics necessary to maintain the accounts and report thereon. Indeed, the industry has come a long way since I first got involved in December, 1973. (I was about two years old, as I recall.)

But I've travelled many a mile in the world of condo over a forty-plus year career. And I have to reluctantly report that, as often as not, there is a lack of what I'd consider an appropriate response, in general terms, to concerns and inquiries made at the Board level. Be assured, I don't mind hearing "Leave us alone and let us manage" because, having been actively involved in the industry for the first twenty years of my condo livelihood, I understand where that comes from.

Instead, what I'm referring to is the outright hostility that seems to occur with some folks in the management environment, when they or their methods (or their company's performance) are questioned by a client Board member. (*Believe me: been there, seen it.*) And I'm allowing for the fact that some Boards tend to micro-manage, which, if taken to extremes, is usually a big mistake. (See below, under "The Board's Responsibility.")

Many years ago, I coined the phrase (for which I'll take either credit or blame – your choice) **"Condo Board members face the world's toughest shareholders – their neighbours."** I haven't altered my belief in this, because it reflects the most basic principle, in my opinion, of the entire condominium environment. It doesn't matter whether a Board member's term is a walk in the park or a tortuous journey fraught with aggravation and peril. One thing is clear: there is no pressure like the pressure that comes from messing with somebody's home, when you're living across the hall from that somebody.

For the past several years, I've been assisting Board members to better understand their roles and responsibilities, and helping them to assess management, in both the short-term and long-term sense. Part of my job is conducting interviews of management companies, in the presence of the Boards, based on questionnaires specifically designed for the occasion (so as to compare apples to apples). During one such session, one of the management candidates, a former associate of mine, answered one of the questions by referring to the above quotation as if it were his own. While imitation is indeed the sincerest form of flattery, both the Board and I would have been more impressed had these words indeed reflected a set of principles, instead of a rather lame attempt at "spin," meant to impress a potential client. (Further, the Board had already seen this phrase in my informational material, long before the interview sessions took place, so it rang pretty false when it occurred.)

It's far more productive, if you're in the condo management industry, to at least try and understand what it's like to be a Board member. If management companies keep the above "shareholders" quotation in mind, they'll have taken a giant step toward solidifying their relationships with their clientele.

The Board's Responsibility

I suggest there are seven important facets of the condominium management routine:

- accountability
- communication
- cost-savings
- financial and administrative
- operations
- resources/expertise
- safety

I nag my clients *ad nauseam* about this. The most valid application of due diligence is for the Board members to be constantly assessing management according to these seven facets. They will vary in importance from one condominium community to another, but each facet will be of at least some relevance, and that's how you best assess your management service.

This does *not* mean micro-management. The phrase "leave us alone and let us manage" is mostly valid, when credibly and appropriately applied. That said, management has to earn their stripes before being left alone to manage. So the Board has to be in a position to assess whether the stripes have been earned. Therefore the Board has to have chosen management wisely, to begin with. Then the Board has to assess initial performance intelligently.

Then the Board, now familiar with the above-noted seven facets, has to back off a bit, and let management manage. (Notice I didn't say "*leave them alone* and let them manage.")

There's a further responsibility: the "intra-Board" dynamic – as in, *how well the Board members work with one another*. This isn't just a cosmetic exercise in good relationships – it's a vital technique in the administration of the assets and common elements of the condominium corporation – a duty with which the Board is charged, by the way, under the *Condominium Act*.

Please keep the following in mind:

- You're representing the whole community, not just one point of view.
- Differences of opinion between Board members are common, sometimes even healthy – they don't necessarily mean there are "conspiracies" afloat.
- If there *are* conspiracies afloat, discontinue them.

- Make every effort to keep informed (CCI courses, inter-acting with Board members from other condominiums, etc.). Share that knowledge with the other members of your Board.
- Make sure every Board member feels as though he or she is being allowed to contribute. If there is a perceived “weak link,” help that person, where possible, to contribute by accessing his/her strengths.

I speak from a fairly unique position, having served in the management industry for some twenty years, and providing a condominium consulting and advisory service for a further twenty-plus, during which time I also served on condo Boards. That’s a lot of night work. There’s a Latin phrase that applies to someone like me: *Trans Umbra, Lux Ducit* – meaning, roughly, He Who Needs His Head Examined.