



CAO Best Practices Guide: Overseeing Condominium Managers

Advanced Director Training



www.condoauthorityontario.ca

Table of Contents

- CAO Contact Information3**
- Document Purpose 3**
- Introduction..... 4**
- Defining Condominium Management Services..... 4**
- Part 1 – Planning for Effective Condominium Management 11**
- Part 2 – Working with the Condominium Manager 32**
- Part 3 – Developing and Improving Performance..... 39**
- Part 4 – Termination..... 44**
- Concluding Remarks 51**
- Appendix A: Director’s Checklist – Obtaining Condominium Management Services 52**
- Appendix B: Hiring and Onboarding of a New Condominium Manager (Employee)..... 54**

Have a Question?

If you have a question about any of the information in this Guide, please contact us. We have a team available to answer any questions you may have.

This guide may be updated from time to time. You can access the most up-to-date version on the CAO website.

Last updated: February 22, 2022

CAO Contact Information

Please submit any inquiries via the [Contact Us](#) portal on our website.

Monday to Friday:

9:00 a.m. - 5:00 p.m.

CAO Local number – 416-901-9356

CAO Toll Free number – 844-880-5341

TTY (telephone device for the hearing impaired)

[Bell Relay Service](#)

Document Purpose

This Advanced Director Training Guide supplements CAO's Advanced Director Training Modules and serves to deepen participants' knowledge of issues affecting condominium living. This guide will help directors understand the role of the condominium manager, how to effectively obtain condominium management services, and how to oversee, develop, or terminate the services of a condominium manager.

This guide will be updated from time to time. To obtain the most up-to-date version, please visit CAO's website at condoauthorityontario.ca.

Introduction

In most condominium communities, the role of condominium manager satisfies several important functions:

- As a central liaison between condominium residents, and the condominium board;
- As the individual or team that runs the day-to-day affairs of the condominium corporation, and assists the condominium board in executing its legal responsibilities; and
- As an important source of expertise and information to assist the condominium board and owners in navigating complex condominium requirements and managing issues as they arise.

In many ways, condominium managers are considered the ‘glue’ of an effective condominium community. They provide professional condominium management services to the condominium corporation, that ensures the day-to-day, week-to-week, month-to-month, and year-to-year requirements of a condominium corporation and its community of residents are fulfilled.

An effective condominium manager can be the difference between a well-run, financially viable, cohesive, and happy community, and one that is plagued by unexpected financial pressures, conflict and re-occurring issues. They also assist the condominium board in achieving its strategic goals related to property value, quality of life, and other core values.

Defining Condominium Management Services

Condominium management services are a regulated business in Ontario. As defined in Section 1 of the *Condominium Management Services Act, 2015* (“the CMSA”), a condominium management provider is an individual or company that:

- Collects or holds contributions to the common expenses or other amounts levied by, or payable to the condominium corporation; and / or
- Exercises delegated powers and duties of the condominium corporation or its board of directors, including:
 - Making payments to third parties
 - Negotiating or entering into contracts
 - Supervising employees or contractors hired or engaged by the corporation; and
- Is not one of the professions that are specifically excluded from the regulations (e.g., the condominium corporation’s auditor).

With very few exceptions, *anyone providing condominium management services as*

described above must hold a licence issued by the Condominium Management Regulatory Authority of Ontario (“the CMRAO”). The CMRAO is the regulatory body that has primary responsibility for strengthening the condominium management profession and helping to protect consumers in Ontario’s complex and rapidly growing condominium sector.

There are different licences required for individuals that are directly employed by condominium corporations, and for companies that provide condominium management services. These are further described in the relevant sections of this guide.

For general information on licensing requirements for condominium management services, please see the CMRAO’s website, click [here](#).

General Role and Responsibilities of a Condominium Manager

Depending on its unique size, complexity, and other factors, running a condominium corporation often requires the assistance from one or more dedicated condominium managers.

Each condominium corporation will make its own decisions about the role of the condominium manager and its specific duties. Condominium managers are often responsible for the day-to-day operations of the condominium, with responsibilities such as:

- Managing owner contributions to common expenses;
- Attending and / or participating in condominium board meetings;
- Managing documents and records for the condominium corporation;
- Managing banking and financial affairs, including preparing the condominium corporation’s annual budget
- Implementing an emergency management plan and responding to emergencies;
- Issuing meeting notices and reporting on the business of the condominium corporation;
- Monitoring the status of the condominium corporation’s insurance;
- Responding to owner or resident complaints; and
- Overseeing the work of any third-party service providers or contractors.

This document outlines in more detail other duties that may be negotiated with a condominium manager, however the activities listed above are generally considered typical condominium manager responsibilities.

Types of Condominium Management

Selecting the Right Approach to Condominium Management

When deciding which approach is best for the condominium corporation, the condominium board might ask itself a few questions and reflect on its operating realities. For example:

- How complex are the condominium's operations?
- How active are our directors on the condominium board, and what skills do they bring?
- What skills does the condominium board lack and might find beneficial?



- If considering an employment arrangement:
- What will happen if the person is sick, or on vacation?
- What happens if that person is no longer performing to our expectations?
- What capacity and skillset(s) does the board have to step in, in the event of emergency or unplanned departure?
- What is our past experience with employing individuals?
- Have we chosen well in the past, and effectively managed employee performance?
- Have we had to terminate employees? What did we learn?

Condominium corporations in Ontario vary significantly in size and complexity, which drive communities to choose different approaches to managing the condominium on a day-to-day basis.

Condominium corporations typically use one of two common approaches to obtain professional condominium management services, as defined in the CMSA:

1. Contracting a third-party supplier to provide condominium management services;
or
2. Directly employing a condominium manager(s) to provide these services.

The following sections describe each of these common approaches to condominium management.

Approach #1: Contracting a Third-Party Supplier

In Ontario, many condominium corporations choose to engage a third-party supplier (an

independent contractor or company) that provides condominium management services through a contractual arrangement.

These are referred in the CMSA as “condominium management providers.”

Obtaining services through a third-party condominium services provider may be seen as a good choice for some condominium corporations for reasons such as:

- Providing the condominium corporation with greater operating flexibility, including the potential to:
 - Negotiate a change of condominium manager with the head office, if the assigned individual is not the right fit for the condominium corporation; and/or
 - Proactively plan for emergency situations, succession and replacement, to avoid situations in which the condominium corporation is without a condominium manager for long periods of time.
- Supporting the corporation with specialized skills or experience that directors on the condominium board may not necessarily have; and / or
- Potentially shielding the condominium corporation from certain liabilities that may be involved in hiring an employee.

As previously described, the CMSA requires that **any companies or individuals that provide condominium management services must be licensed by the CMRAO.**

Approach #2: Direct Employment of a Condominium Manager

A second option for obtaining condominium management services is for the condominium corporation to *hire an employee directly*.

While employing an individual as a condominium manager is a good choice for many condominium corporations, there are factors that should be considered such as:

- Hiring an employee means that the condominium corporation enters into an *employer / employee relationship* with one individual, rather than having a contract for services with a condominium management provider;
- As an employee, the individual must have the terms of their employment set out in a formal employment agreement, and will have certain rights under the *Employment Standards Act, 2000* (the “ESA”);
- The employment relationship creates obligations on the part of the condominium corporation with respect to:
 - Payment of wages or overtime
 - Sick leave

- Public holidays
- Vacation
- Other legislated requirements

A single individual may or may not bring all of the skills and experience that a licensed company has to offer. Condominium managers that are hired as employees of the condominium corporation must still be professionals licensed by the CMRAO. For more information on licensing of condominium managers, please click [here](#).

Additional Considerations

When making the decision to hire a condominium manager (versus contracting a third-party or self-managing the condominium corporation), condominium boards may also wish to consider the human resource (HR) implications that might arise in the event that an employment arrangement is not successful.

In the event that an employee does not perform to expectations:

- The condominium corporation may be faced with additional costs related to termination(s) and / or severance(s);
- The condominium corporation may have difficulty in finding immediate replacement(s) on an “effective-immediately” termination, which will leave the condominium corporation without on-site management for an indefinite period;
- The condominium corporation does not have the opportunity to draw resources from other sites, as may be the case with a contracted condominium management provider; and
- If only one condominium manager is employed, the condominium corporation may be without back-up support in the event of illness, vacation periods, retirement, as well as in the event of unplanned departure.

Before beginning a search for a new employee, or entering into a contract with a third-party, the condominium board may wish to consider its operating needs and the skillset and capacity of the board to perform operational duties if necessary, in addition to the potential impact of the factors described above when making its decision about the best approach to obtaining condominium management services.

Legal Advice on Options

Condominium boards often rely on legal advisors to provide assistance and / or advice before and after making significant decisions.

If there is interest in employing a condominium manager, lawyers can:

- Review the condominium corporation's by-laws and assist the condominium board in clarifying any questions about delegating its authority to an employee;
- Advise on the condominium corporation's obligations and responsibilities as an employer;
- Advise on fair hiring practices;
- Assist in designing an appropriate role description; and / or
- Draft an employment agreement once the right candidate has been identified.

Alternatively, if there is interest in contracting a condominium management provider, lawyers can:

- Review the condominium corporation's by-laws and assist the condominium board in clarifying any questions about contracting a condominium management service;
- Advise on fair procurement practices;
- Advise on designing a competitive bidding process to obtain a third-party supplier;
- Assist in negotiating the contractual terms and conditions with potential third-party suppliers of condominium management services; and/or
- Prepare or review draft contracts or service agreement with a condominium management provider.

No matter which approach is selected, obtaining legal advice early in the process is a good practice that will help the condominium board ensure that they are in full compliance with the law, as well as the governing documents of the condominium corporation.

The Condominium Board's Role in Condominium Management

Directors on condominium boards are often residents of the condominium community, and sometimes struggle to balance competing needs. While they take their roles seriously and want to act in the best interest of the community, it can be difficult to make tough or potentially unpopular decisions.

Managing a condominium corporation is a complex activity that requires time, energy, and skill.

Directors have a duty to ensure the long-term health of the condominium corporation,

as well as a duty to all owners of the condominium corporation. As difficult as it can be sometimes, the condominium board's role is always to do the right thing and make decisions that it believes are in the best interest of the condominium corporation and owners.

One of the ways the condominium board can fulfill this important duty is by carefully evaluating the community's needs, weighing the options available, and establish processes to make good, informed choices.

Decisions related to condominium management services are often some of the most important decisions that boards will make.

Duties of the Condominium Board

Under the *Condominium Act, 1998* ("the Condo Act"), the condominium board has an obligation to manage the affairs of the condominium corporation.

Using its power, the condominium board may delegate significant portions of their duties to a *licensed* condominium manager. This is an important consideration, as section 17.0.1 of the Condo Act prohibits condominium corporations from entering into an agreement (including an employment agreement) with a condominium manager that is not licensed under the CMSA.

The duty of the condominium board to oversee the work of the condominium manager cannot be delegated.

A condominium corporation's by-laws will contain more specific requirements about the administration and obligations of the condominium corporation. These are often found in By-Law No. 1 and listed as *duties of the corporation* and typically include:

- Controlling, managing, and administering the common elements and the assets of the condominium corporation;
- Operating and maintaining the common elements and assets of the condominium corporation in a fit and proper condition;
- Collecting the common expenses assessed against the owners;
- Arranging for the supply of heat, hydro (electricity) and water services to the common elements and the units, if required;
- Obtaining and maintaining such insurance as may be required by the Condo Act, the declaration, or the by-laws;
- Repairs after damage and restoring the units and the common elements in accordance with the provisions of the Condo Act, the declaration and the by-laws;
- Ensure that financial audits take place after every year-end and making financial

statements available to the owners and mortgagees in accordance with the Condo Act;

- Effecting compliance by the owners with the Condo Act, the declaration, the by-laws, and the rules;
- Providing a status certificate in the prescribed form;
- Establishing and maintaining one or more reserve funds to pay for major repair and/or replacement of the common elements and assets of the condominium corporation; and
- Conducting periodic studies to determine whether the amount of money in the reserve fund, and the amount of the contributions collected from the owners, are sufficient to fund its future repair and replacement expenses.



Whether a third-party provider or employee provides condominium management services, the duty of the condominium board to oversee the work of the condominium manager cannot be delegated.

The condominium board has ultimate accountability for controlling and managing the affairs of the condominium corporation.

Whether or not the condominium corporation engages a third-party condominium management services provider, or employs a licensed condominium manager, the condominium board always has ultimate accountability for controlling and managing the affairs of the condominium corporation. This means that directors should ask good questions, use their own knowledge, experience, and skills to understand the practices and recommendations of the condominium manager, and obtain external advice when needed.

Part 1 – Planning for Effective Condominium Management

In any major decision, it is ideal for condominium boards to spend plenty of time upfront in the planning stage to ensure that they have adequately thought through the situation, identified the community's unique needs as well as the appropriate options for consideration, and weighed any potential consequences.

How to approach condominium management is one of the most important decisions that the condominium board will make. The more time spent planning, the better the

outcome will be.

What do the Governing Documents Say?

The first question that the condominium board should ask on any topic, including how the condominium's affairs should be managed, is "*What do our governing documents say?*" Each of these should be consulted before making major decisions about the duties of the condominium manager.

The Condo Act, declaration, and the condominium corporation's by-laws may all contain requirements relating to condominium management. The governing documents are organized into a hierarchy:

1. Condo Act;
2. Declaration;
3. By-laws; and
4. Rules.

If there is ever a conflict between these documents, they should be interpreted in the order above, with the Condo Act being considered supreme.

For example, if something is permissible by the rules, but it contradicts what is written in the by-laws, the condominium board must always follow the by-laws. The rules should then be adjusted to align with the by-laws.

Avoiding Governance Challenges

Governance challenges can be avoided by engaging in good governance practices.

In addition to completion of the CAO's mandatory Director Training Program training within six (6) months of being elected or appointed to the board (ideally as soon as possible if major decisions such as condominium management services are anticipated), it is generally recommended that the condominium board undertake:

- Periodic review of the condominium corporation's governing documents listed above to ensure directors are familiar with them;
- Periodic discussions of individual directors' obligations to the condominium corporation; and
- Periodic discussions of the condominium community, its physical and mechanical complexities, its operating needs, particularly if changes arise over time, including a "what is, and what is not working" discussion about the way the condominium corporation is being run.



The condominium board should have open and frank discussion about the options for condominium management, addressing any needed changes to the by-laws of the condominium corporation, before engaging with condominium management providers.

Commonly Observed Scope of Services

Regardless of which approach the condominium will take to managing its affairs, or who will fulfill the role of condominium manager, it is important for condominium boards to consider and align their expectations of this important role.

Condominium service providers will differ in their specific terms and conditions, and how their agreements are worded. However, most condominium service agreements define the scope of duties and authority of the condominium manager in a similar way.

Financial Matters and Bookkeeping

Whether the condominium corporation employs a condominium manager or has contracted a condominium management provider to obtain services, the condominium manager is required to comply with all the obligations as outlined in the Condo Act, the CMSA, as well as the obligations of their licence.

As part of their services to the condominium corporation and condominium board, **a key accountability of condominium managers is to provide the condominium board with monthly and year-to-date itemized unaudited financial statements.**

In addition to all the other responsibilities that they may have, ensuring the condominium board has accurate and timely financial information on which to base their decisions is an essential aspect of the condominium manager's role. They are also commonly responsible for the following Financial Management duties:

- Collect and receive all owner contributions to common expenses (often referred to as 'maintenance fees' or 'condominium fees'), chargebacks, and / or other funds payable by the owners or others to the condominium corporation in trust for the condominium corporation;
- Deposit funds collected directly into an account in the name of the condominium corporation;
- Ensure that the amount deposited to the reserve fund is the amount allocated in the budget of the condominium corporation's Reserve Fund Study;
- Ensure that funds in the condominium corporation's Reserve Fund are only used in accordance with section 95 the Condo Act,

- Ensure that investments made using the condominium corporation’s reserve fund are limited to eligible securities under section 115 (7) and (8) of the Condo Act¹*Condominium Administration*

As previously described, a condominium manager is typically responsible for the day-to-day administration activities of the condominium corporation, which often includes:

- Prompt communication with all residents and service providers to the condominium corporation. A standard response time is typically 24 hours for all communication.
- Proper record keeping, in accordance with Section 55 of the Condo Act.
- Compliance with the Condo Act, declaration, by-laws, rules, and any established and approved policies that the condominium corporation may have.
- Monthly management reports, which typically includes:
 - Status of all items and projects in progress
 - Items requiring condominium board approval
 - Correspondence from owners
 - Building inspection report
 - Risk register² and / or issue logs³
 - Any proposals and / or quotes received
 - Other items described in later sections of this guide, such as monthly budget / variance reports and financial statements.
- Preparation of a board meeting package, which typically includes a copy of the Meeting Agenda that may have been prepared with the input of the condominium board.
- Timely preparation and delivery of the appropriate documentation for Owners’

¹ More information on eligible securities and financial matters can be found in the CAO Best Practices Guide for Finance.

² A *risk register* is a risk management tool used by some condominium boards to assess and monitor known risks or hazards facing the condominium corporation. Updating the risk register may be in the condominium manager’s scope of services, if it is a tool used by the condominium corporation. More information on risk registers can be found in the CAO Best Practices Guide for Emergency Planning and Preparedness.

³ Similar to a risk register, an *issue log* is a type of risk management tool used by some condominium boards to capture, analyze and track progress to resolve issues as they arise in the condominium corporation, such as ongoing noise complaints, maintenance issues, unhappy communities, or potential legal issues. Issues can be considered risks that have already occurred or are in progress. Updating the issue log may be in the condominium manager’s scope of services, if it is a tool used by the condominium corporation. More information on issues management can be found in the CAO Best Practices Guide for Issues Management.

Meetings (e.g., Annual General Meetings, owner-requisitioned meetings, or other types of owners' meetings).

- Procuring appropriate insurance appraisals and coverage as required by the Condo Act while ensuring that the policies of insurance are properly placed and without a lapse in coverage.
- Preparation and maintenance of any employment agreements, job descriptions and any other related employment correspondence (discipline, evaluation, and review), if applicable.
- Input and advice to the condominium board, based on the condominium manager's knowledge and experience (e.g., items that are legal, physical, or administrative in nature, with the understanding that these opinions are informal and legal advice may be a good next step).

Purchasing Support

Purchasing support is often an area of expertise for condominium managers, as they are frequently involved in obtaining goods and services on behalf of the condominium corporations they serve.

A condominium manager typically takes on purchasing support roles that might include:

- Preparation and review of condominium corporation's specifications for services that are either being provided currently, or services that the condominium corporation is considering as a future purchase. This activity often includes:
 - Preparation and / or assembly of bid documents;
 - Coordination of the bidding process;
 - Receiving bid documents;
 - Recording the date / time bids are received;
 - Compiling basic information on the proposals and bidders to be presented to the condominium board; and
 - Presenting eligible bids to the condominium board in a format that allows the condominium board to compare the received tender documents.
- Preparation and review of the condominium corporation's procedural guidelines for the engagement of third-party suppliers; and
- Preparation, review, and maintenance of the condominium corporation's standard and preventive maintenance contracts.

Maintenance Management and Coordination

Another important aspect of the condominium manager's role is to provide appropriate *physical management services*, which typically means they will:

- Arrange for the supply of natural gas, electricity, water, cable services and other public utilities services, as required;
- Arrange for the repair and maintenance of all lawns, landscaped areas, and roads;
- Arrange for pest control, removal of litter and garbage, recycling, and other green initiatives;
- Maintain all electrical and mechanical components in the common elements;
- Supervise all recreation areas (such as swimming pools, hot tubs, gym facilities and / or other common elements), where they exist while ensuring that all local health legislation and regulations are adhered to;
- Maintain an up-to-date list of all inventories, equipment, and furnishings of the condominium corporation, as part of the condominium corporation's records;
- Establish and maintain a preventative maintenance program for all major technical and electrical equipment and plumbing systems, in accordance with the recommendations of the manufacturers and / or suppliers; and
- Maintain logbooks and identification labels clearly numbering all mechanical and electrical equipment and plumbing systems and indicating the nature and frequency of maintenance services performed.

Communication

The condominium manager is also typically responsible for ongoing communication activities within the condominium corporation. They should ensure that condominium board members are informed about the status of the condominium corporation's business.

Additionally, the importance of good communication with owners and residents can never be underestimated. Condominium managers often prepare and deliver communication, in all available formats and on a range of topics, to owners of the condominium corporation.

Some examples of communications to the broader community might include:

- Any pending increases in owners' monthly common expenses fees, which could be communicated by sending out newsletters, posting in the condominium corporation's owner portal, or more appropriately, hosting an informal event;
- Preparing and delivering regular newsletters to the condominium community, including content such as upcoming events, messages of appreciation and acknowledgement, helpful tips and hints, and governance reminders; and
- Forwarding of important public health and safety messages or instructions, for example, related to owner preparedness for emergencies.

Project Management

A core area of responsibility for condominium managers is frequently to oversee the work of third parties that provide goods or services to the condominium corporation. A condominium manager may be asked to also take on special projects for the well-being of the building, from time to time.

The condominium board may wish to spend time planning on how the condominium manager will undertake project management roles. Large projects will inevitably come up, and it is important to decide in advance what the expectation of the condominium manager will be.

The condominium board should discuss and answer questions such as:

- How many projects do we want the condominium manager to oversee at one time? Is this a realistic expectation?
- How often do we (the condominium board) expect status updates on each project? Are all status updates to be provided in writing? If not, which ones can be provided verbally? What is the right frequency of updates (e.g., weekly, biweekly, monthly, etc.)?
- What information should the written status report contain? Ideally, the condominium board will look to understand:
 - Overall project summary (e.g., what has taken place since the last update, and overall, where does the project stand?);
 - Original project budget versus spending to date;
 - Progress to date and milestones achieved;
 - Decisions needed from the condominium board;
 - Major issues, problems, or concerns that have arisen, and the condominium manager's recommended course of action for each one; and
 - Next steps.
- What project-based issues should the condominium board become involved in? When should the condominium manager deal with issues independently?
- What criteria will the condominium board use to decide when to follow-up with the condominium manager about the quality of a project?

Attendance at condominium board meetings

Condominium boards should spend time considering what degree of involvement in its meetings the condominium manager should have.

Most condominium boards expect that the condominium manager will be present at each condominium board meeting (or a portion of the meeting) to deliver their

“Condominium Manager’s Report,” and often to participate in other parts of the meeting as well.

Even when the condominium manager is contributing well to the meetings, it is important to provide the condominium board with time and an opportunity to discuss any concerns or performance issues privately and freely without the condominium manager being present.

In addition to the *in camera* portion of the meeting in which confidential owner-related topics are discussed, some condominium boards also ask condominium managers to step out of the meeting and hold a subsequent *in camera* session in which directors can freely discuss the performance of the condominium manager and decide how feedback should be provided to them.

Coordinating meeting minutes

It is critical to keep a written record of all official board meetings, which are called meeting minutes. Meeting minutes reflect the decisions of the board in the form of resolutions and are a primary record used in understanding the rationale for past decisions, to assist in future decision-making by the condominium board, and to assist in resolving disagreements.

In accordance with Section 36 (1) of the Condo Act, condominium boards must appoint or elect a director to the role of *secretary*. The secretary is typically the individual responsible for taking good quality minutes of each condominium board and possibly condominium board committee meeting.

However, the condominium board may find that minutes are not being done in a timely manner, or that the quality and accuracy does not meet its standards. In order to execute good governance, for practical reasons, the condominium board may choose to assign this task to another director, or engage a third-party minute-taking service who will attend all condominium board meetings to prepare the minutes for a fee.

Other services

Sometimes third-party condominium management providers will offer additional services to differentiate themselves in the marketplace. These might include:

- An **Employee Portal** containing sample communications templates, specifications, standard forms, sample governance policies, annual condominium planning guide, sample disaster management plan, sample fire safety plan, etc.; and / or
- **Director Seminars** where an industry professional (e.g., auditor, solicitor, engineer, etc.) presents new case studies, legislative changes or new incentives and initiatives that impact condominium living, which could be of interest to directors.

Once the role of condominium manager has generally been designed and there is agreement about which activities are needed to support the operations of the condominium corporation, the condominium board should consider which of the two management approaches (i.e., contracting a condominium management service provider or hiring a condominium manager directly) is best. The preferred approach may change how condominium management services are provided.

For a step-by-step checklist for obtaining condominium management services, please see [Appendix A](#) of this guide.

Designing the Role

Condominium managers often perform a core set of responsibilities as described in the previous section, whether they are a contracted service provider, or there is a direct employment relationship.

Once a condominium corporation has made the decision to directly employ a condominium manager, and prior to launching a search process or making an offer to a particular candidate for the role, the condominium board should give additional thought and make some important decisions about the job.

Several key components are listed below:

Licensing Under CMRAO

Licensing is a very important factor in designing the right job, and in the condominium board's oversight of the condominium manager.

In accordance with the Section 34 of the CMSA, *no one can provide condominium management services in Ontario and perform the role of condominium manager without a licence issued by the CMRAO*. This includes individuals directly employed by the condominium corporation, as well as third-party condominium management provider companies.

Condominium boards should be aware of multiple forms of licensing and look for the right form in their job design for the condominium manager.

- For example, individuals can only work directly for a condominium corporation if they hold a *General Licence* (essentially, a “full licence”);
- Individuals with a *Limited Licence* may be appropriate if they are working for a licensed condominium management company with appropriate supervision;
- Companies that provide condominium management services are also required to be licensed and can provide supervision to the condominium manager; and

- Some restrictions apply to each licence. Condominium boards may also wish to think about whether they require full-time or part-time focus on their condominium corporation, and how that may impact their decision-making.

Before extending a job offer or signing a contract, condominium boards must confirm that potential employees and companies hold the appropriate licence, by checking the CMRAO’s public registry. The CMRAO public registry can be accessed [here](#).

Job Title(s)

In keeping with CMRAO requirements for licensing of the condominium manager, in most cases, condominium corporations should expect to use the job title, “Condominium Manager.”

If more than one condominium manager is part of a team that serves the same condominium corporation, one of the individuals may be assigned the title of “Senior Condominium Manager,” whereas one or more individuals can be assigned the title, “Condominium Manager.”

Role Description and / or Scope of Service

In an employment relationship, as the employer, the condominium corporation should prepare a written *role description* for the condominium manager.

This is an important document that is one of the foundational elements of an effective working relationship between the condominium corporation and the condominium manager. It provides the condominium manager with a list of basic responsibilities and the necessary parameters within which they may operate (such as the flexibility to work off-site from time to time, as outlined in the *Working Conditions* section below).

A role description should be considered the *minimum guide* for the position. It should not be so limiting, as to restrict the condominium manager’s ability to perform their responsibilities effectively.

If the condominium corporation wishes to engage a third-party condominium management provider, it is similarly helpful to work through the condominium board’s expectations on working conditions and other items and draft a *scope of service* to discuss with the condominium management provider. Recognizing that these items will be the responsibility of the third-party provider as the employer, it is always helpful to align on expectations related to working conditions, whether remote working is permitted, years of experience, and similar items.

Scope of Authority

A key element of job design is to decide how much authority the condominium manager will have once they have surpassed a probation period if applicable.

This scope of authority generally grants the condominium manager with specific authority in two areas:

1. To act as an agent of the condominium corporation; and
2. Assigned spending authority or spending limits, as established by the condominium board.

As a rule, spending limits should be viewed by the condominium board as an opportunity to provide a degree of flexibility and autonomy to the condominium manager, but should not be so high as to provide a risk to the condominium corporation. Limiting the condominium manager's spending to low-risk amounts may be appropriate, particularly for new hires.

Scope of authority is generally outlined in the employment agreement signed with the condominium manager when in a direct employment relationship. Similarly, scope of authority and spending limits are often included in the condominium service agreement signed with a third-party provider. *Working Conditions*

Key factors in an effective working relationship between condominium manager and the condominium board is the ability for all parties to understand expectations, clearly document them, and then maintain open communications over time. Condominium boards should make sure they are aligned on expectations in areas such as:

- Factors related to health, safety, and well-being of the employee;
- Work life balance and expectations related to response time (e.g., whether emails are checked after hours);
- Attendance at board meetings and other community-related meetings including those after-hours and on weekends;
- Working hours and type of work activities, including whether 24/7 availability is expected⁴, and/or if occasional remote / off-site working is an option;
- Training to be provided, and / or skills to be developed;
- Whether the condominium corporation is willing and able to make a financial contribution towards training and skill development goals; and
- Specific requirements and / or working conditions (e.g., language proficiency; expectation of being able to lift at least 50 pounds).

Another area related to working conditions and the importance of documenting the board's expectations in advance, is whether the board expects the condominium manager to keep

⁴ It should be noted that in the condominium sector, a licensed condominium manager is generally expected to make themselves available after hours and on weekends in the event of emergency, whether they are employed directly with a condominium corporation or through a third-party provider. The condominium manager's office may be open within specified times of day, however in emergencies, the condominium manager must be contactable by phone or email.

regular office hours. This may vary by the needs of the community.

Similarly, the condominium board should consider whether they expect the condominium manager to have the authority and operating flexibility to make operational decisions independently of the board, for example, to close the condominium office to perform inspections. It may be helpful to permit the condominium manager to have a time limit (e.g. 2 or 3 hours maximum) within which they can close the office as they deem necessary, however beyond this timeframe, they must consult the condominium board president.

Misalignment between the expectations of a new condominium manager and the condominium board could lead to frustration, disengagement, or misunderstanding -- even early departure or termination.

The Condominium Manager as an Employee

Hiring a condominium manager – or team of managers, depending on the size and complexity of the condominium – can be a good decision for some condominium boards. However, hiring of employees is an important task that can be challenging to get right.

This section outlines several considerations that condominium boards may wish to reflect on, and a step-by-step process that may be helpful to condominium directors that may not have experience with the hiring process.

Condominium Board and Direct Employment Relationship

As previously noted, condominium boards cannot fully relinquish or delegate their role to the condominium manager.

Condominium boards are elected by its owners and entrusted with the responsibility to manage the affairs of the condominium corporation. They may choose to delegate some of the day-to-day activities of running the condominium corporation, however directors are still responsible to ensure that the condominium manager fulfils their duties.

While directors will often accept the recommendations of the condominium manager, and it is good practice to consult the condominium manager on most decisions, directors have a responsibility to also review those recommendations carefully and perform their own due diligence to ensure that the right decision will be taken.

In practical terms, this often means directors asking the necessary questions to

understand fully what steps the condominium manager has taken to analyze a particular issue or situation, understand the options available, and why they are making their proposed recommendation.

If a condominium board is satisfied that the recommendation or steps proposed by the condominium manager are reasonable, then they should provide authorization to proceed.

As an employee, the condominium manager is mandated to manage the condominium corporation in a practical, reasonable, faithful, and diligent manner, and to perform in accordance with the terms of their signed Employment Agreement.

The condominium board should be familiar with applicable employment laws and their obligations as an employer, as well as the signed Employment Agreement. It is important for directors to refresh their memories from time to time of the responsibilities of the condominium manager as well as the limitations of their duties and / or responsibilities.

The most important factor for a condominium board to remember is that for the relationship to be successful, like any relationship, there must be very clear and concise communication between employee and the condominium board. The condominium manager's success is reliant in part on the condominium board providing them with any available historical knowledge.

Single Point of Contact

When hiring a condominium manager as an employee of the condominium corporation, it is important to establish a *single point of contact* for that individual.

The condominium can guard against the perception of micromanaging the condominium manager by ensuring that there is a direct line of reporting to one individual – often the condominium board president, but it could also be another condominium director.

This individual can take the lead in building a strong (but not too close) relationship with the condominium manager, gathering feedback from other directors on their performance, communicating the condominium board's expectations, and agreeing on performance goals and objectives.

It is important to note that the entire condominium board should have access to the condominium manager and be invited to provide feedback on their performance. However, it is usually not helpful to have employees report to, and / or receive feedback from multiple directors. It can be confusing, overwhelming, or frustrating to the employee. It may also lead to disengagement or premature departure by otherwise contented condominium managers.

Employment Recordkeeping

Recordkeeping is a critical task for all employers, including condominium corporations that wish to directly employ their condominium manager.

The key components of an employee file typically include:

- A copy of the signed employment agreement;
- The employee's initial application and references;
- The original job posting and any final versions of the role description;
- Human resource information such as emergency contacts, benefits packages, compensation records; and
- Other records and supporting documents relating to the condominium manager's employment.

The task of assembling an employee file and keeping it up to date may be assigned to a condominium director, the accounting firm that has been retained to perform the annual year-end financial duties, or an external human resources consultant, for as long as is required by applicable law or regulation.



For more information on designing a fair hiring process, interviewing, and/or selecting a qualified candidate, please see [Appendix B](#) of this guide.

Insurance Coverage

In accordance with sections 39, 99 and 102 of the Condo Act, all condominium corporations are required to purchase and maintain specific insurance coverages for itself as a condominium corporation, and for the condominium board.

Condominium boards should note that that these insurance policies usually do not contain *Fidelity Theft*, which protects them against theft by an employee.

It is recommended that condominium corporations with employees should obtain this extra coverage to protect against potential theft by an employee.

Tip: Insurance Coverage



While condominium corporations are not required by the Condo Act to obtain Fidelity Theft insurance, it is advisable for condominium corporations to obtain this coverage, as it protects against theft by an employee, Insurance required by the Condo Act does not typically contain this coverage

Compensation

Employee turnover is a key driver of cost and frustration in condominium communities. While there are many factors that influence turnover, a key component of employee satisfaction and retention is compensation. However, setting the right compensation can be very tricky for a condominium corporation.

A condominium corporation that wishes to employ a condominium manager should look realistically at the market value of condominium managers employed by similar condominium corporations in their community, and:

- Consult local job advertisements to confirm salary expectations are in range of competitive pay rates;
- Consider the condominium board's expectations in terms of years of experience; and
- Confirm whether the salary and benefit package offered by the condominium corporation are sufficient to attract desirable candidates (e.g., base compensation, prescribed increases, benefits package, training allowances, other benefits).

A condominium manager's employment agreement should outline all forms of compensation, which might include:

- **Probationary period.** Most employment agreements outline a probationary period, typically of 90 days or more, after which the condominium manager's employment is considered permanent. Within the probationary period, generally both parties may terminate the arrangement without notice;
- **Gross annual salary,** including when and how the payments will be made;
- **Future salary increases** (if desired by the condominium board). While not common, some employers use the promise of future salary increases as a technique to retain employees for longer periods of time. Increases can be aligned with a set or designed to keep pace with the cost of living (e.g., Consumer Price Index for Ontario). Advice is recommended;

- **Benefits and Eligibility Period.** Based on the requirements of most health benefits providers, a condominium manager should be eligible to enrol into a medical / dental / prescription drug benefit program after the probation period ends;
- **Vacation Entitlement.** How much vacation is the condominium manager entitled to, and how are those days accrued;
- **Training Allowances and / or Paid Study Time.** If the condominium corporation wishes the condominium manager to perform certain activities, such as manage large and complex projects, should the condominium corporation require them to take certain courses or certifications, and if so, will the condominium corporation provide funding for those courses or certifications? Similarly, will the condominium corporation provide paid time off for the condominium manager to attend training or study for exams;
- **Reimbursement for Licensing Fees.** Will the condominium corporation reimburse the condominium manager for the cost of their licence issued by CMRAO; and
- **Ancillary Benefits.** Will the condominium corporation supply the condominium manager with a cell phone, or reimburse them for monthly costs if they use their personal phone? If they are not reimbursed, how will the condominium corporation communicate with them during off-hours? Will the condominium manager receive other benefits, such as use of the condominium gym or parking facilities?

Oversight of Employees

Subject to the authority provided within the employment agreement with the condominium manager, and subject to the final approval of the condominium board, the condominium manager may also be able to performing hiring activities, negotiate employment agreements with other employees of the condominium corporation, and manage their performance.

This is an important distinction between a directly employed condominium manager, and one which is contracted through a third-party provider.

The Condominium Manager as a Third-Party Condominium Management Provider

The other common approach is for a condominium corporation to enter into a contractual agreement with a third-party condominium management provider, which will then assign a licensed condominium manager to the condominium corporation. For a list of licensed management providers in your area, please see the CMRAO directory by clicking [here](#).

Procuring Condominium Management Services

Engaging a third-party to obtain management services for the condominium corporation is a common practice and can be very successful when managed carefully.

It must be noted that this contract may be one of the most important purchasing decisions that a condominium board will make. Purchasing of any significant service and entering into a service provider relationship that typically endures over several years, can be a complicated process. The condominium board must take steps to appropriately plan, procure, validate the qualifications of, and negotiate with the condominium management provider.

This section provides guidance and considerations for condominium boards that may wish obtain services through a contractual arrangement.

Defining a Scope of Work

One of the first steps that a condominium board should take after the decision to procure a third-party has been established, is *to finalize a clear and specific scope of work*. As described in the previous section, while it is a foundational component of an employment relationship, it is also an important instrument when engaging a third-party.

In general, if a clear scope of work has been defined and provided to potential condominium management providers, they can more easily identify which of their condominium managers is best suited to the role and decide how best to bid their services. One of their key decisions when developing their proposal is to assign a condominium manager with the right level of experience and competencies needed to be effective. Their level of experience and salary may impact the pricing of the proposal.

The scope of work provided to potential condominium management providers should take into consideration:

- The condominium board’s expectations for the condominium manager, including seniority or years of experience, working hours and / or response times;
- Its size and complexity, including expectations for 24/7 on-call service, weekend coverage, and / or other factors; and
- Its need for additional, discretionary services (e.g., owner portal, support for special projects, etc.).

In general, it is recommended that condominium boards engage in a competitive, transparent bidding process in which they distribute the scope of work and information about the condominium corporation, invite proposals from qualified bidders, and then evaluate them on a fair basis on factors such as:

- Ability to support the condominium’s long-term objectives;
- Scope of services to be provided by the condominium management provider;
- Experience and qualifications of the company;
- Value for money; and
- Ability to provide 24-hour on-call coverage or other factors that are important to the condominium corporation.

For more information on designing a competitive bidding process, and selecting the right bidder, please refer to [CAO’s Best Practices Guide for Procurement](#).

The Condominium Service Agreement

The entire agreement between the condominium corporation and its third-party condominium management provider will be contained in the condominium service agreement, or what is commonly referred to as the “management agreement.”

Each condominium management provider will have their own version of a management agreement. Given the nature and complexity of contract law, condominium boards are strongly recommended to seek legal advice and obtain a detailed review of the draft agreement – *prior to signing the contract*. It is incumbent on the condominium board to ensure that the scope of services, exceptions, terms, and conditions are laid out clearly and reflect what is expected.

At a high-level, most management agreements will contain several common components with which directors should familiarize themselves. These are outlined below.

Commonly Observed Clauses

Goods and services to be provided

When a condominium management provider enters into a contract with a condominium corporation, it is accepting an appointment as the corporation's *agent*.

This means that the condominium management provider fully accepts its function is to act for, and behalf of, the condominium corporation as well as to assist the condominium board by providing any financial and physical management services as is necessary to operate the condominium corporation.

Additionally, the condominium management provider is required to advise and consult with the condominium board on a range of governance matters, such as possible amendments to the declaration or by-laws, the addition of new by-laws, establishment of rules, which in the opinion of the condominium management provider will be beneficial to continue the effective and efficient operation of the condominium corporation, and the common benefit of all owners.

Contract term

A key component of all management agreements will be the term of the contract. In some cases, condominium management providers will offer shorter or longer contract terms, however most contracts are offered for a three (3) year term. Generally, contracts can be terminated at any time with appropriate notice being given, as outlined in a later section.

Sometimes a condominium board can use the contract term as a point of negotiation with a condominium management provider for more favourable pricing. For example, the condominium board might consider a longer contract term [e.g., five (5) years] in exchange for a reduced fee, or reduced fee increase, over the contract term.

There may also be circumstances when the management agreement expires and for some reason a new agreement has not been put in place yet. Although some management agreements may include a clause allowing the expiring agreement to be extended on a month-to-month basis until such time as it is either terminated or renewed, this is not a good practice and should be avoided if possible.

It is incumbent on the condominium board to explore options and make decisions about contract extension, renewal or termination well in advance of the expiry date in order to avoid disruption.

Fees and Fee Increases

The management agreement will certainly include clauses related to fees and payment. In most cases, condominium boards should expect that the condominium management

provider's fee will include all of personnel salaries, benefits, and all other expenses related to the provision of condominium management services.

Management agreements also typically include a schedule of *fee increases* which the condominium board will need to anticipate. While it is common for condominium management providers to increase management fees over the contract term, condominium boards should look carefully at how the management fees are structured, and how they will increase as fee increases (%) can be as much as 10% per year. Occasionally, increases can be a point of negotiation for the condominium board.

Typically, fee increases are calculated in the following way:

- Increases are applied on a compounding basis;
- For example, a five-year contract may specify that the management fee for Year 1 will be \$5,000 per month, increasing by an additional 1.0% in Year 2, another 1.0% in Year 3, and a further 1.0% for Year 4 and Year 5.
- This means that the original management fee of \$5,000 per month will increase to \$5,050 per month in Year 2, to \$5100.50 per month in Year 3, and to \$5151.51 thereafter.

The management fee typically does not include any expenses directly related to the condominium management office (if applicable), which are incurred solely by the condominium corporation.

Payment Terms and Billing

It is common practice that the contracted management fees are withdrawn by pre-authorized payment at the beginning of each month.

The condominium management provider, unless stated otherwise in the management agreement, is entitled to reimbursement for postage and mailing costs of notices or for reproduction and / or distribution costs incurred.

It is a good business practice that these fees be paid by cheque and upon the presentation of detailed disbursement supporting documentation.

Termination of contract and notice requirements

It is typical that the condominium management provider's management agreement can be terminated at any time, without cause, by either the condominium management provider or the condominium board, giving to the other party, at least 60 days written notice specifying the termination date.

It is also standard practice, that the condominium corporation is permitted to make payment in lieu of all or part of the notice period.

Key Considerations when Contracting a Condominium Management Provider

While engaging a third-party condominium management provider is often seen as the most straightforward and simple approach to managing the condominium, a few special considerations remain. The condominium board should carefully consider the following:

Oversight and Supervision of the Condominium Corporation's Employees

Some condominium boards assume that a contracted condominium manager will be able to oversee the existing employees of the condominium corporation (e.g. building superintendents, security staff, cleaners, or other staff) as part of their role.

However, this can create a somewhat awkward or complicated relationship between the contracted condominium manager and the condominium corporation's employees. As a contracted service provider, it is not appropriate for the condominium manager to provide performance feedback, or to negotiate the terms of employment for the condominium corporation's employees. This level of oversight is usually only appropriate when the condominium manager is also an employee of the condominium corporation.

Supervision of corporation employees by a contracted condominium manager should be only provided to the extent that the condominium manager is able to ensure employees:

- Ensure the proper operation and maintenance of any equipment;
- Maintain and repair of the common elements as required; and
- Provide access to unit(s) and / or exclusive use common elements for the purpose of maintaining elements that the condominium corporation is obligated to repair.

This is one point of difference between a direct employment and contractual relationship, and an important area to align expectations.

Performance Management

Another important aspect of good working relationships with third-party providers is managing expectations.

As the needs of a condominium corporation change depending on what stage of its life cycle it is at, so may its staffing needs.

The condominium board need to determine if the condominium manager that has been proposed to be assigned to their condominium corporation is the right manager for

them, given the condominium corporation's circumstances at the time.

The condominium board should feel comfortable addressing any concerns about the condominium manager with the condominium management provider.

Part 2 – Working with the Condominium Manager

Regardless of which approach is used to provide condominium management services, there are several important practices that will assist condominium boards in providing ongoing oversight and getting the most out of their condominium manager relationship.

The following sections outline reasonable goals, accountabilities, expectations and tasks that are often expected of condominium managers, but which should be subject to the needs of the community and negotiated agreement with the condominium manager or third-party provider.

Each condominium director has a significant role to play in engaging positively with the condominium manager, providing encouragement, support and demonstrating they are valued for their contributions.

The strength of the working relationship between condominium board, and the condominium manager they select, is improved with time, care and attention. A positive working relationship is often the key ingredient in a successful condominium community and return on investment for owners. If something is not working well, it can often be resolved with an open discussion in which both parties avoid blame and instead look for positive resolutions.

Setting Goals and Objectives for Condominium Managers

Tip: Goals and Objectives

It can be very helpful when establishing a productive working relationship to establish clear goals and objectives for the condominium manager.



This can be done informally with a simple list, or a more formal performance management approach can be used, such as SMART goals:

Smart, Measurable, Actionable, Realistic, and Timely.

It is also important to check in with the condominium manager from time to time to ensure they are comfortable and content with the working relationships and whether their expectations are being met by the role.

Identifying mutually agreeable goals and objectives with the condominium manager is a key strategy that will set up both the community and manager for success. For example, it is helpful for the condominium board to have a discussion *in advance* about time management and the timeliness of condominium board packages, or about the relative priority of answering routine emails in a timely manner, versus providing oversight to a critical project and ensuring project communications are not delayed.

Setting goals and objectives can be done in a formal or informal manner. A simple list of goals can be drafted in discussion with the condominium manager.

Alternatively, the condominium board may wish to use a more formal approach to performance management, such as the setting of “SMART” goals in which Specific, Measurable, Actionable, Realistic and Timely goals are established. Then performance management discussions can be focused more specifically on the condominium manager’s progress toward those goals.

What is important is that the condominium board makes choices about what it values most, communicates those expectations effectively, and assists the condominium manager in understanding how they can be successful.

Managing Priorities

As the old saying goes, “*when everything is a priority, nothing is a priority.*” Helping the condominium manager understand and manage their priorities – in collaboration with

the condominium board – will go a long way to establishing a good working relationship. Once the condominium board has come up with a list of goals and objectives for the condominium manager, it should take the time to assign priorities to the goals. Without a clearly defined sense of priority, the condominium manager may spend time and money working on tasks or activities, or to accomplish a goal that is not the right one, at the right time.

This can become a source of intense frustration for condominium boards, for example, if directors have a different list of priorities than the condominium manager.

Prioritizing day to day activities, goals and objectives can be simple. The condominium board may wish to assist the condominium manager in ranking their priorities in an ordered list.

Most importantly, the relative priority of goals and objectives must be clearly and meaningfully communicated to the condominium manager so there is no misunderstanding or confusion, and the condominium manager can easily plan their work to ensure alignment with the condominium board's expectations.

The Effective Condominium Manager

The role of condominium manager is not one that can be taken on by anyone. Condominium management can be demanding, both physically and mentally.

It requires a specific set of *personal qualities* that allow the condominium manager to get along well with condominium board and community members. It also benefits from a *working style and habits* that complement the condominium manager's highly variable workday and allows them to perform a daily 'juggling act' that keeps a range of daily activities, special projects, board support tasks, financial management, report-writing, and other items, in constant motion.

Personal Qualities

A key factor in the long-term success of a condominium manager is whether they have compatibility working styles and personality characteristics to the condominium directors and members of the community that they will be working with. Successful condominium managers tend to exhibit any or all of the following qualities:

- Proactivity;
- Organizational skills;
- Attention to detail;

- A calm demeanor;
- Ability to multi-task;
- Ability to work independently;
- Leadership skills;
- Communication skills;
- Problem solving skills; and
- Ability to manage stressful situations.

Some qualities can be developed over time, but others align more closely with some people's core personality traits.

When evaluating potential condominium managers, it is advisable to spend time getting to know them and assess if they have some or all the qualities above. Condominium directors should be reminded that no one individual will have every desirable quality or skill. A degree of flexibility and patience can be helpful when fostering a positive working relationship between the condominium board and the condominium manager.

Work Habits and Normal Activities

Most condominium managers work an eight (8) hour shift, during weekdays. The specific hours that they work, and whether there is flexibility for remote working, will depend on the needs of the community and the relationship they have with the condominium board of directors.

An effective condominium manager will be able to use his or her work hours to manage the condominium corporation's business, setting daily task lists and priorities. The condominium manager should also be prepared for occasional shifts in working hours to accommodate board meetings, special projects, high priority issues, or emergencies, including in the evening and on weekends.

Most importantly, the condominium manager must be able to work independently without supervision, while still maintaining a reasonable pace of work.

The following practices outline the key components of the effective condominium manager:

Day to Day Running of Condominium Business and Administrative Activities

- Store, maintain, and manage records of the condominium corporation as required by section 55 of the Condo Act and provide owner access in accordance with legislative requirements;
- Review and recommend revisions to the building manual⁵ as required;
- Regular communication with residents on relevant activities and events within and around the condominium corporation;
- 24-hour/7 day/week availability to respond to emergencies;
- Maintain strong relationships with neighbouring / partner condominium corporations, and ensure terms of any agreements (e.g., shared facility agreements) are maintained;
- Attend meetings of the condominium board as required;
- Engage in proactive communication with the condominium board on possible future issues pertaining to the condominium corporation;
- Assist the condominium board in identifying and dealing with all condominium corporation related matters and issues, and be proactive in suggesting / recommending professional consultants where necessary;
- Update the condominium board on all new condominium trends, standards, and legal requirements from all sources (e.g., Ministry of Labour, Training and Skills Development, municipal by-laws, etc.); and
- Inform new condominium board members of established policies, procedures, processes, and controls.

⁵ Condominium corporations generally have some version of a building manual, condo managers should have some version of a building manual (might be called something else) but it is usually a binder or file that contains everything the condominium manager needs on a day to day basis. Examples of the building manuals contents will vary by the needs of the condominium corporation, however they typically include: a list of bank accounts and account numbers; bank branch location and manager's name; corporation staff contact info and weekly schedules; insurance info; board contact info; owner next of kin and emergency contact information; key supplier and advisor information; other records.

Day to Day Financial Practices

Depending on the approach to obtaining condominium management services that the condominium board selects, there may be some variation in the level of involvement required from the condominium manager.

It is within the normal duties of a condominium manager to collect common expense fees, make payments on behalf of the condominium corporation, and other duties as set out in the role description or scope of services, an effective condominium manager has strong financial management practices, and ideally will use thoughtful and modern analytical techniques to analyze the condominium corporation's operating needs and spending, with a view to continuous improvement of budgeting.

More information on financial matters can be found in the [CAO's Best Practice Guide on Finance](#).

Day to Day Building Maintenance

Condominium managers must be very familiar with the physical aspects of the condominium property and should be able to detect changes that could impact quality of life or signal changes in how its machinery is operating.

While superintendents, security officers and even owners may frequently point out issues or problems in the building, condominium managers should not rely on others to report deficiencies.

Part of their activities should include the completion of an inspection report, which is a useful tool for communicating issues related to building maintenance. This report is typically provided to the condominium board as part of their package submitted in advance of each board meeting.

Day to Day Community Relations

As part of the condominium manager's duties, it is their ultimate responsibility to ensure resident satisfaction and serve all residents to the best of their ability.

This includes handling of any resident complaints quickly and professionally, in both writing and / or verbally. They must also ensure that the condominium board is advised of owner concerns.

The condominium manager typically issues communications and posts notices to the appropriate communications channels that will inform the community of service testing

or interruptions, such as elevator repair, fire alarm testing, pool closure, and other similar routine communications.

Reporting to the Condominium Board

All condominium managers must report to the condominium board, regardless of whether they are contracted or directly employed by the condominium corporation.

A standard item on every condominium board meeting agenda is the condominium manager's report to the condominium board. This report can be formatted and organized in a few different ways; however, it is good practice for condominium managers to report to the condominium board on a number of 'standing items' at every meeting:

- Activities of the condominium manager since the last condominium board report;
- Financial statements, including variance reports;
- Condominium fee collections and arrears;
- Other owner-related collections and arrears (e.g., chargebacks);
- Status of major projects and procurements;
- Updates on previous owner complaints / new complaints;
- Updates to issues log / new issues;
- Upcoming activities of the condominium manager anticipated for the upcoming period; and
- Other items as deemed important by the condominium board.

Recommended Interactions

In general, the condominium board will not interact with the condominium manager on a daily, or even weekly basis.

However, it is a good governance practice for the condominium board president to meet with the condominium manager before every meeting to catch up on important details, coordinate reports, and discuss how major issues could be managed.

If there are major activities underway or a significant issue arising, the condominium board president and condominium manager may need to meet more frequently to coordinate a response.

Part 3 – Developing and Improving Performance

Most individuals want to perform well in their roles and look for signs that they are performing to expectations. Even when strong performance is observed, it is always helpful and supportive of to provide individuals with clear and constructive feedback on their performance, and when necessary, help them identify ways to meet expectations and be successful.

Managing Performance in Third-Party Arrangements

There are some differences in how condominium boards should address the performance of directly employed condominium managers, versus contracted condominium management providers.

Of most significance, is that when a condominium corporation is the employer, the condominium board plays the most important role in managing the performance of the condominium manager. They should take the lead in working with the condominium manager to establish career goals, identify opportunities to improve, and establish a process for conducting performance reviews.

When a condominium corporation is in a third-party relationship, performance management is slightly less clear. While the condominium board must establish and communicate priorities with the condominium manager to align expectations and day to day activities, in most cases, formal performance management (e.g., providing feedback and agreeing on areas to improve) often comes from the third-party condominium management provider which is the actual employer in this arrangement.

In some cases, the third-party condominium management provider will establish a process to invite feedback from the condominium board, as an input to decisions on the condominium manager's compensation, promotion and to support them in achieving long-term career goals. This may occur on a quarterly, semi-annual, or annual basis.

Some third-party providers do not have a performance review process. However, it is in the condominium corporation's best interests to proactively and periodically communicate with the supervisor or head office staff of the third-party provider to share performance feedback (positive and negative), discuss any specific concerns, and identify opportunities to support the condominium manager in making necessary improvements.

Managing Performance of Directly Employed Condominium Managers

Although this section is organized primarily to assist condominium boards that employ the condominium manager directly, directors may wish to adopt some of the following practices to align mutually agreeable performance objectives, or discuss a potential feedback process, even when it uses a third-party provider.

Establishing a Fair and Transparent Process

A performance management process need not be a cumbersome administrative activity that is dreaded by both the giver of feedback and the recipient. For relatively small organizations like condominium corporations, it may be more practical to outline a high-level process in which one condominium director takes a lead role in performing a small number of key activities:

- Gathering feedback from the condominium board president and other condominium directors (including those which may have completed their terms since the last time feedback was obtained);
- Documenting any known issues or concerns raised by the condominium corporation's staff, owners or others (e.g., external consultants or suppliers);
- Reviewing the condominium manager's previous performance feedback;
- Drafting a short report to the condominium board summarizing all the above; and
- Leading an *in-camera* discussion with the condominium board with a goal to identifying areas to improve and opportunities to support the condominium manager in being successful.

It may be useful for the same condominium director to share the performance feedback with the condominium manager, if they can provide feedback in a clear, sensitive, and constructive manner.

Frequency of Discussions

As a best practice, a condominium manager that is performing as expected should have a performance review no less than every 12 months. Informal discussions and check-ins may occur at any time, ideally on a quarterly basis.

For a condominium manager whose performance is less than expected, it may be

necessary to increase the frequency of check-ins, and formal performance discussions in which progress toward specific goals is tracked.

Meeting weekly or biweekly with a low performing condominium manager may be appropriate. This allows for feedback to be given while issues are still fresh. It also allows for an increased amount of discussion, which can help with determining the root causes of some performance issues.

Giving Effective Performance Feedback

Performance management discussions can be tough and awkward. It is important for everyone's benefit that the condominium board minimizes feelings of conflict and focuses on assisting the condominium manager to improve productivity and be successful in their role. The following are steps to take that can help create a successful performance management process:

- **Organize a meeting in person where possible.** Delivering a performance review in written form or on the telephone, especially a negative one, may make the condominium manager feel undervalued. It also denies both parties the opportunity to clarify misunderstandings, connect in a meaningful way, and deepen the relationship which is often a key to improving performance.
- **Set up the performance discussion for the end of the workday.** Hosting a performance review, especially a negative one, can leave a condominium manager feeling vulnerable, stressed, or frustrated. Hosting it towards the end of the workday allows the condominium manager the opportunity to process the information without having to work the remainder of the day.
- **Deliver a copy of the performance feedback in advance.** If the performance feedback is delivered in advance, it allows the condominium manager to react to it privately before attending a meeting. This time can be used to process emotions and organize thoughts, which creates a more productive performance discussion.
- **Be specific when giving the feedback.** Vague negative feedback can be frustrating and is rarely useful. Ensure that feedback provides specific examples to support any claims made. For example, saying the condominium manager is often late submitting their report to the condominium board may be too vague. Instead, say the condominium manager submitted their report to the condominium board at least two (2) days late, four (4) times this year. More importantly, provide a reminder of the performance expectation (e.g., board packages must go out no later than five (5) days in advance of a meeting).
- **Be collaborative and work together to set goals.** When the performance discussion is concluding, make clear what specific actions the condominium

manager can take to improve until the next performance review. Ask the condominium manager what they think they could improve upon and incorporate their thoughts into the set of goals.

- **Be honest.** There is little value in “sugar-coating” weak performance. It will give a false impression to the condominium manager about their performance and leave directors dissatisfied with little hope the performance will improve.

Recognizing and Rewarding Good Performance

Acknowledging and rewarding good performance are important tools to retain great staff. Condominium boards may wish to incentivize strong condominium managers by recognizing and rewarding them for good performance, such as:

- Giving praise at condominium board meetings;
- Publishing acknowledgements of their achievements in the community newsletter or on the portal;
- Offering performance-based compensation, such as a raise, bonus or gift card;
- Offering non-cash rewards such as a health spending account, extra vacation days, flexible working hours; and/or
- Providing time in-lieu arrangements.

Managing Underperformance or Undesirable Behaviours

Before making conclusions as a condominium board and passing judgement about performance, the condominium board may wish to ask itself *“Is this a performance issue, or a matter of working style?”*

Condominium managers are people, too. They come from a wide array of backgrounds and lifestyles. Previous positions in other condominium communities may have had different expectations of them.

It is important to remember that while the current condominium board may identify a certain behaviour as a performance issue, it may have been encouraged in their last position. It may also reflect a difference in working style, which they are unaware is problematic in their current role.

For example, a condominium manager who leaves early to beat traffic but often catches up on emails after dinner and late into the evening. The condominium board should consider whether the early departure is really a performance issue.

In many cases, communication is key to determining if a behaviour is a performance issue or working style difference. Asking the condominium manager about why they do something a particular way is an easy introduction to discussing the behaviour. The condominium board may discover that there is a good rationale for that behaviour, for example, that a previous employer requested that it be done that way, or because of the condominium manager's personal preference or working style.

Either way, a simple discussion can provide an opportunity to negotiate a better approach that will satisfy all parties.

Red Flags for Serious Performance Issues

No condominium manager will be perfect, and condominium boards should keep in mind that individuals can and will grow into their role over time. The condominium board should refrain from jumping to conclusions and address red flags by communicating directly with the condominium manager. A condominium manager might be experiencing a stressful life event or family matter. Often, performance issues can be resolved with a simple conversation.

However, the condominium board should also be aware that some behaviours cannot be ignored and are indicative of serious performance issues. Some of the symptoms of significant performance issues include:

- Behaviours that do not improve or worsen after discussion with the condominium manager;
- Failure to meet important deadlines or milestone tasks;
- Repeated absenteeism or tardiness;
- Refusal to participate or provide assistance in resolving issues;
- Excessively slow communications with condominium board or community;
- Increased complaints from owners about service quality, responsiveness, or attitude;
- Illicit activities and / or substances consumed on the condominium's property or during working hours;
- Physical threats, or verbal abuse of condominium corporation employees; and
- Workplace harassment complaints.

Some of these performance issues may be considered 'red flags' and the condominium board should consider termination of the individual. The condominium board should seek advice and deal with the matter carefully to avoid perceived or actual discrimination on the basis of human rights, and or moving too quickly before sufficient

cause has been confirmed.

While it is important to proactively address most performance issues with open and transparent discussion, and if necessary development of a performance improvement plan for the individual (see section below), dealing with red flag issues can be very complicated and may require the services of an employment lawyer. It is recommended that condominium boards proceed carefully.

Creating a Performance Improvement Plan

If performance has not improved despite clear feedback being given, the condominium board may wish to develop a *performance improvement plan* for the condominium manager.

A performance improvement plan is a tool that assists a condominium board in documenting identified performance issues. The plan clearly communicates the expected level of performance, sets reasonable goals, and outlines specific changes that the condominium manager must implement. The plan also must outline a timeframe in which performance improvements must be observed.

A performance improvement plan should be created by a condominium director in coordination with the condominium manager.

Both parties should sign and date the performance improvement plan, and a copy provided to the condominium manager. A copy should also be maintained by the condominium board in the condominium manager's employee file.

Part 4 – Termination

The relationship with the condominium manager is a key one that has a strong influence on owner investments and quality of life.

Irrespective of whether the individual is an employee, or contracted through a third-party condominium management provider, if the relationship has become difficult and improvements have not been observed in a reasonable timeframe, the right decision may be to terminate the relationship and seek alternatives.

The following section outlines termination considerations and best practices for each of the three approaches to condominium management.

Terminating an Employee

Justifying a termination is not always straightforward, although employers can terminate an employment relationship *without cause*, or *with cause* for employees who are terminated for a serious act of misconduct.

The condominium board should be careful to follow the termination protocols outlined in the signed employment agreement. It should also pay special attention to the requirement to give notice to the employee.

Depending on how long the individual has been in the role, and the reasons for their termination, they may be entitled to severance as required by the ESA.

For more information on the ESA, please visit the Ministry of Labour, Training and Skills Development website by clicking [here](#).



In any employee termination, the condominium corporation may wish to seek legal advice.

Terminating a Condominium Management Provider

Condominium boards should work with the third-party provider to discuss situations in which the assigned condominium manager is not performing to expectations, despite efforts by the condominium board to help them improve. In these circumstances, the condominium board should contact the head office of the third-party provider and discuss options to assign a new condominium manager.

In other situations, the condominium board has decided that the relationship with the condominium management provider *as a company* may need to come to an end. This will require termination of the management agreement.

Even when condominium management agreements include a strong termination clause, terminating the relationship may not be simple.

Changing condominium management providers can create significant disruption in the community, and cause disagreement or hard feelings for those owners that liked the condominium management provider or assigned condominium manager.

It is prudent for the condominium board to consider all other options and avenues to resolve difficulties, before terminating the relationship.

Making the Decision to Terminate

It is human nature to 'make the best of things' from time to time to avoid conflict or disruption. It is common for a condominium corporation to have been dissatisfied for some time with the quality of service from a third-party provider, and finally conclude that the relationship should come to an end.

In those cases, the symptoms of the declining relationship may include:

- The existing condominium management provider has become complacent, perhaps after having been with the condominium corporation for several years;
- Communication with the condominium board and owners requires significant improvement;
- Unacceptably slow or unhelpful responses to inquiries, requests, or issues;
- Minimal engagement of the condominium management provider and assigned condominium manager, unless issues are directly brought to their attention by the condominium board;
- The condominium board, out of necessity has had to provide considerable oversight and has been forced to micro-manage the condominium management provider or the assigned condominium manager; and
- Failure to provide sufficient oversight and / or supervision of the condominium corporation's employees and / or other service providers.

Considerations Before Terminating

There are several factors that should be considered when deciding whether to keep trying to fix a difficult relationship or pursue a termination.

Notice Period

Most management agreements include a clause that allows a condominium corporation to terminate the contract with sixty (60) days written notice. This is a very short period of time to plan for such a significant change.

The condominium board should ensure that it has sufficient time to obtain an alternative condominium manager before giving notice. Unfortunately, not all outgoing condominium management providers are helpful in assisting with the transition to the new provider.

Contract Expiry Date

Is the contract approaching its end date? If the contract term is due to expire, it may be

easier for the condominium board to decline to renew the contract.

Written notice is still required within the number of days specified by the management agreement (usually 60 days) however the outgoing third-party provider may be more cooperative with a non-renewal than if the contract was terminated.

Alternative Services

Prior to making a final decision on termination and giving notice to the existing third-party provider, it is important that the condominium board think through a plan for replacing that service well in advance of the expiry date of the current agreement.

The condominium board may wish to hire an employee, or may wish to launch a procurement process to find an alternative provider. Both take considerable time and effort.

The condominium board should have a plan in place, appropriate documents prepared, and be ready to launch a search process or procurement prior to giving notice.

Payment in Lieu of Notice

The condominium board may wish to make payment in lieu of notice for all or part of the notice period. This is a common practice in severing employment relationships and can also be leveraged for terminating management agreements.

Finding a Replacement Third-Party Provider

Prior to making the decision to terminate the existing third-party condominium management provider, condominium boards typically undergo a process of obtaining proposals from other condominium management providers. Obtaining proposals can be done independently by the condominium board, with the assistance of a consultant, or with the condominium corporation's lawyer.

If the condominium board has not fully decided to terminate but wishes to send a strong message that better performance or pricing is required for future, the condominium board may wish to invite the incumbent condominium management provider to submit a proposal. However, if there is no realistic or fair opportunity for the incumbent to be successful, the condominium board should avoid this step and simply give notice in accordance with the current management agreement.

It may be wise for the condominium board to keep the process discreet and confidential. It is also wise for the condominium board to make back-up plans for its most important information and activities, in the event that they are not managed effectively by the outgoing condominium management provider:

- Although there is a professional and ethical expectation for all CMRAO licensees that the incumbent company and condominium manager will continue to provide

services even after termination notice has been given, this is sometimes not the case.

The condominium board should continue to apply diligence and perhaps increase its oversight in the remaining days of the outgoing provider's contract to ensure that all obligations, issues and communications are handled effectively.

- While the outgoing condominium management service provider has a duty to hand over the condominium corporation's records under section 54 of the CMSA, keeping good records is a significant obligation of the condominium corporation that must be protected. The condominium board should not assume that such a transfer of records will be done appropriately. To ensure a smooth transition, the board should work with the incoming management provider to make sure that they have a process (e.g., checklists) to receive records from the outgoing management provider.

Giving Notice

As previously described, the third-party provider's management agreement is governed by a formal notice period and set outs termination notice provisions.

This creates three implications for transition:

- There will be a defined date on which where one provider will need to officially 'handover' the condominium corporation to the other condominium management provider;
- The transition period may be the preceding 30- or 60-days prior to the termination date of the outgoing provider's management agreement; and

Depending on the circumstances and cooperation of the outgoing provider, the condominium board may wish to pay out the outgoing provider's termination period instead of allowing them to work during the period.



For practical reasons and potential legal implications, condominium corporations should not have two condominium management providers acting as their managing agents at the same time.

Termination Timeline

There is no perfect time for transition. However, once a decision to end the relationship has been made, the condominium board should at least try to find a "better time" to make the change.

Key considerations can be given to the timing of:

- The condominium corporation's year end (as it relates to which provider will prepare the budget for the next fiscal year);
- When the Annual General Meeting will be held (as it relates to preparation and delivery of the meeting package);
- Expected start or end of special projects; and
- Other pending and upcoming events.

Preparing for Transition

A condominium corporation cannot have two condominium management providers acting as their managing agents at the same time.

Before giving notice, the condominium board should:



- Check the management agreement to understand the required termination notice period, and process of giving notice. Sign a new management agreement, noting the effective date;
- Discuss with the incoming condominium management provider how best to support the transition; and
- Decide whether the outgoing condominium management provider should work during the notice period or pay them in lieu of notice.

Once notice has been given:

- As a courtesy, the condominium board should discuss the transition plan with the outgoing condominium management provider; and
- Ask for their support in managing the transition smoothly.

Where possible, the condominium board should consider delaying the start date of any special projects, to allow them to be managed by the new condominium management provider.

The general transition timeline should be part of the discussion with the new condominium management provider, with the expectation that the new provider will offer the necessary support to ensure that all pending and upcoming events are addressed.

Communication with Owners

Usually, the change of condominium management providers is not communicated to owners until after written notice has been given to the existing provider, and a contract has been signed with the new provider. However, the condominium board may wish to communicate to owners that a search has been launched for a new provider and explain the reasons why such a change is anticipated.

It is important that the condominium board's communication reach owners first, so that they hear it directly and not 'through the grapevine'.

At a minimum, the condominium corporation would be required to distribute an Information Certificate Update under section 26 (3) of the Condo Act. They also typically send out a formal communication to owners on behalf of the condominium board advising of the change.

It is important to acknowledge that this represents a significant disruption to the condominium corporation's business and could be distressing for some owners. For that reason, the condominium board might also consider adding other communications events such as informal introductions or hosting an informal 'meet and greet' with the new condominium manager.

Ideally, the new condominium management provider will be invited to attend all these informal events. This will allow owners the opportunity to ask any questions they may have of the condominium board, and the incoming condominium management provider.

Transition Period and Transition Obligations

Inevitably, there will be a point in time at which the condominium corporation must transfer its business affairs from the outgoing provider to the incoming provider.

The outgoing provider has contractual obligations to continue providing services up to the transition date and *should* provide reasonable assistance to the incoming condominium management provider. However, this is not always the reality. To manage the affairs of the condominium corporation, the condominium board should be prepared to be a little more actively involved to ensure that nothing gets omitted.

The condominium board should also have a reasonable expectation for the *incoming* condominium management provider for the transition period that certain activities will take place, including:

- That the incoming provider will create a written action plan, outlining what different members of their team will be responsible for;
- How the incoming provider will work with the outgoing provider;

- Key transition activities such as:
 - Input of all owners and condominium corporation information into their database;
 - Review of payables and receivables;
 - Uploading of the condominium corporation's documents onto their servers;
 - Preparation of status certificates;
 - Review and testing of the condominium corporation's financial statements;
 - Updating the CAO's Public Registry by filing a [Notice of Change](#) with the new condominium management provider's information;
 - Arrangements to pick up documents / boxes from the current condominium management provider's office as required; and
 - Setting up new banking protocols if necessary.

Concluding Remarks

Overseeing the condominium service provider and/or manager is a key area of accountability for the condominium board. A strong condominium manager can be invaluable to the community and to support the condominium board.

Regardless of which approach the condominium board selects, there are always opportunities and potential pitfalls that should be carefully considered.

It is important to acknowledge that condominium communities can be successful with either approach – there is no right answer.

It may also be important to note that regardless of which approach has been taken in the past, the condominium board can decide to make a change if that approach no longer achieves the objectives of the community.

Appendix A: Director’s Checklist – Obtaining Condominium Management Services

The following checklist corresponds with Part 1 of this guide and outlines the major activities or tasks that a condominium board should complete when hiring or contracting for condominium management services.

Steps	Actions
A – Planning for Condominium Management Services	<ul style="list-style-type: none"> □ Perform a high-level assessment of condominium corporation needs, in terms of: <ul style="list-style-type: none"> □ Building complexity and size □ Owner composition □ Operating needs □ Condominium corporation / board strategic objectives and capacity □ Past experience with employment relationships, and third-party contractual relationships □ Draft an initial scope for the role of condominium manager (e.g., basic requirements plus any additional duties)
B – Selecting the Right Approach	<ul style="list-style-type: none"> □ Conduct a board-level discussion on the initial scope, and gather input on two key options: <ul style="list-style-type: none"> □ Hiring a condominium manager as an employee □ Contracting a third-party condominium management provider □ Create a list of pros and cons for each of the options, carefully considering: <ul style="list-style-type: none"> □ Capacity and expertise of the board □ Degree of operating flexibility required, including ability to manage succession and/or gaps in service □ Expected years of experience for the role □ Condominium corporation’s budget □ Special expertise or requirements of the role

	<ul style="list-style-type: none"> ❑ Make a final selection whether to directly employ, or contract, for condominium management services
<p>C – Finalizing the hiring or appointment</p>	<p>If hiring a condominium manager as an employee:</p> <ul style="list-style-type: none"> ❑ Finalize job design (e.g., compensation package, working conditions, probationary period, etc.). ❑ Create and post a role description ❑ Evaluate applications from potential candidates ❑ Shortlist and conduct candidate interviews ❑ Check references ❑ Confirm licensing with CMRAO Public Registry ❑ Select and extend formal offer to successful candidate <p>If contracting a third-party supplier:</p> <ul style="list-style-type: none"> ❑ Finalize a scope of work and specific requirements ❑ Design competitive bidding process (e.g., request for proposals, establish selection criteria) ❑ Prepare bid documents ❑ Solicit bids from condominium management providers ❑ Evaluate bids from condominium management providers ❑ Shortlist and conduct bidder interviews ❑ Confirm licensing with CMRAO Public Registry; check references ❑ Select a successful bidder <p>Negotiate and enter into a condominium service agreement with the successful bidder</p>

Appendix B: Hiring and Onboarding of a New Condominium Manager (Employee)

Some condominium corporations may not be experienced employers or are not familiar with good hiring practices.

The following section provides general advice on hiring and onboard when a condominium corporation has decided to directly employ a condominium manager.

Designing an Effective Hiring Process

The importance of designing a fair, transparent recruiting and hiring process cannot be underestimated. To avoid difficulties and confusion, the condominium board must be able to explain the hiring process to prospective candidates, and to the owners of the condominium corporation. It must be free of bias, and ideally will result in selection of the right candidate for the role.

In general, the hiring process could feature a few key components, such as:

- **Job Posting.** A job posting should be created to publish on job boards, employment websites, or distributed privately. The posting should be very clear with a brief outline of both the condominium corporation and expectations of the condominium manager;
- **Leadership of the Process.** The condominium board should decide whether it will lead the hiring process and interview all candidates, or whether it will establish a Hiring Committee, which might include other owners.

A related decision may be whether candidate interviews should be conducted by the entire condominium board, some members of the condominium board, or perhaps by a Hiring Committee if one exists; and

- **Record-Keeping and Notes.** The condominium board will never know when it might be asked to provide feedback to a candidate, or if it may need to defend the hiring process.

As a standard practice, the condominium board should retain detailed notes on each candidate, as well as on the discussion that followed in which candidates were evaluated.

Holding Candidate Interviews

Candidate interviews will form a critical step in the hiring process. Shortlisted candidates can be invited for an interview, which typically last between 30 to 60 minutes. A minimum duration of 30 minutes per interview is suggested, to ensure that the process has been completed appropriately and to ensure adequate dialogue.

Scoring / Selection Criteria

The condominium board may wish to develop selection criteria to help narrow down potential candidates for the condominium manager role, recognizing that there will likely not be a perfect candidate. Criteria can help the condominium board objectively evaluate multiple candidates on a level playing field in addition to the requirement that only a general licensee can be hired directly as a condominium manager for the condominium corporation.

For example, the condominium board may choose to score each candidate on four (4) to five (5) discrete items such as:

- *Years of experience;*
- *Interview performance;*
- *Strength of references;*
- *Specific skills or areas of interest* that the community may need, for example, a significant project is anticipated, and the condominium board wishes to engage someone who has supported a similar process in the past;
- *Whether the candidate self-identifies as being a member of a diverse population;* and
- *Other criteria* that is important to the community.

Each candidate can be scored on a basic scale of one (1) to five (5) for each item, then the totals added up. A final decision can be made at this time.

Or, if the condominium board wishes to further shortlist candidates, the top scoring three (3) candidates can be invited for a second interview.

Condominium boards are encouraged to stick with their recruiting plan and scoring criteria, and not revert to their subjective “gut instinct” if they are surprised by the candidate who performed best on the scoring.

Interviewing Candidates

Condominium boards typically prepare a set of "core" questions to be used with all candidates. As a matter of consistency, the same questions should be asked of each candidate.

Good interview questions typically focus on the candidate's behavioural traits and past experiences that demonstrate their competence and experience in relevant situations. Questions may also probe technical skills, or interpersonal skills.

Condominium board members must remember that the identity of all candidates is confidential; experienced condominium managers may be currently employed elsewhere, therefore, discussion of applicants with anyone outside of the interview process should be avoided as to not affect their current employment.

Condominium boards should also be aware that owners and the broader community is increasingly concerned with ensuring people of diverse backgrounds have a fair opportunity to be considered for employment opportunities.

Condominium boards must avoid bias and should challenge any assumptions made during the process to avoid allegations of discrimination or unfair hiring practices.

Communicating the Decision

Once a decision has been made, a written communication should be distributed to the community to advise that a new condominium manager has been selected.

Without providing names or confidential information, it may be helpful for the condominium board to share its analysis of the candidate pool, such as:

- *Total number of applicants;*
- *Number of applicants that were interviewed;*
- *Number of applicants shortlisted and / or invited for second interview; and*
- *Scoring outcomes, identifying how the successful candidate performed.*

The communication can present facts and should make it clear to individuals outside of the process why the successful candidate was selected (e.g., that person scored highest overall, and/or on the criteria that matter most to the community).

Onboarding and Training

Once the condominium board has selected the right candidate, a key consideration should be how to onboard and train the person.

In many cases, the newly hired condominium manager will not have the benefit of receiving training from the outgoing condominium manager. This means that reasonable and adequate time must be allocated for the new condominium manager to make themselves familiar with the property and machinery, policies, and relevant history, as well as all items that are in progress.

The condominium board should discuss with the incoming condominium manager what level of support they may need and be prepared to spend time with the individual to assist them in their onboarding.

Over time, the condominium corporation may wish to consider developing an onboarding document (which could be used for new directors as well), to facilitate transitions, onboarding, and training of future condominium managers.

Performance Evaluations

As previously discussed, all newly hired condominium managers of the condominium corporation should be subject to a formal probationary period of a minimum of 90 days.

At, or near, the end of the probationary period, a performance review should be conducted by the condominium board, or a sub-committee created by the condominium board for this purpose.

Upon completing the probationary period, written performance reviews should be held once a year by the condominium board or a sub-committee created by the condominium board.

A written report should be produced, and it should form part of the condominium manager's employee file.

Any changes to salary that might occur following a performance review should take effect on the anniversary of the condominium manager's start date or as approved by the condominium board.