

The Six Types of Condo Directors



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Over the past 27 years I have had the pleasure of working with over 100 different Boards of Directors and well in excess of 1,000 individual board members. I have been very fortunate as many have enriched my life and my career in condominium management. At the same time a few board members have frustrated me, and putting a positive spin on the experience, have caused me to grow as a person. In retrospect I thank them for giving me the opportunity to grow.

I have always been amused by the fact that in stipulating what a Director can be—the act actually stipulates what a Director cannot be. It is a process of disqualification, not qualification. No person shall be a Director if:

- (a) The person is under eighteen years of age;
- (b) The person is an undischarged bankrupt; or
- (c) The person is a mentally incompetent person.

Now there is the old argument of what mentally competent person would want

to be a Director but we will save that for another time. There is no requirement that the person own or reside in the community or building, in fact there is no requirement that they even live in the country.

Why should anyone want to be a condominium Director? Well this is very easy to understand as the investment you have made in your home will more than likely be the largest financial investment of your life. However, your investment is not only in your unit, it is also in the common elements of the corporation. By putting yourself in a position on the Board of Directors, you can use your best efforts to ensure that the common property will be maintained to the fullest extent. This will enable you to protect your investments, and give you some direct control over the quality of lifestyle you and your family will enjoy.

Condominium Boards can be a diverse group of 3, 5, 7, 9 even 11 people. Each Board is charged with the responsibility of ensuring compliance with the Condominium Act and the corpora-

tion's declaration and documents. These duties have been abridged and amended by the current and former Condominium Act and are somewhat black and white, although some have grayed over time and interpretations often debated fueling the need for legal opinions and even litigation.

Healthy Boards debate at length, where debate is warranted, the merits and costs of each alternative before making a decision. They have come to appreciate that a good decision has weighed the options and this allows confidence and a degree of fortitude in going forward with the determination made.

Now what is interesting is how the debates are wrapped. There is a term in economics called opportunity cost. In the simplest of terms, opportunity cost is when the equation is not calculated in dollars and cents as it is the option that is sacrificed in the decision. For example: a corporation is experiencing premature failure of their roof and simultaneously the walls in the underground garage are leaking. There is not enough money to do both and the Board has

determined that a special assessment or loan is not desired at this time. They know that if they choose the roof, the underground will not be repaired to the extent desired and they also know that if they choose the underground, the roof may have to have a band aid repair just to get by for now. The cost of one repair is often that the other repair does not get done as properly or fully as it should.



It is debates such as these where repair priorities are established – however, debates that are centered on the enforcement of the rules require a consistent approach. A nameless, faceless every-time-this-happens-do-X approach. Such standing orders need not be debated again, but rather stand as a precast procedure going forward. Each and every time, consistency is key.

In my tenure in property management I have found that there are primarily six distinct types of Directors and I ask that you indulge me as I elaborate on my observations – hopefully you can relate to some of these:

1. The Good Samaritan Director

These people are *golden* and fortunately they are the majority of Directors as they become involved in the Board out of a sense of community duty and responsibility. They are commonly of the opinion that everyone should take a turn to do what they can to help. Their sense of community is admirable. Often they volunteer for a number of different interests and they bring to the table a genuine desire to serve and an open mind to listen and evaluate. We should all be thankful that such individuals step forward and hope that they will stand for re-election. They attend seminars and know that knowledge is personal empowerment. Even though they are the vast majority, there are not

enough Good Samaritan Directors out there.

2. The Self-Serving, Private Agenda Director

This Director often arrives with a personal mandate, a predisposition that will provide a personal benefit of sorts or provide an opportunity to right what they perceived to be a wrong done to them. They are often close minded and fortunately don't usually stay too long on the Board once they realize their agenda is not conducive with condominium living.

3. The Indispensable Director

These directors truly believe the place would fall apart without them. Let me rephrase, in their mind they *know* the place would fall apart without them. The level of self importance is so high that they truly believe the condominium would fail if not for them. They are the buildings' Atlas. Extreme individuals believe that their careers have been thwarted because of the demands placed upon them by the corporation.

When asked what they do career-wise they speak of their commitment to the Board — "I am a Director of the condominium", followed by whatever their career may be. To them being on the board is not so much a volunteer position but it is a job that is resumé worthy

and they are there for the power of the position. They fight and campaign for the position and one has to wonder what motivates such conviction for a volunteer role. There can only ever be one such Director on any Board; Boards just aren't large enough for two. Actually, the meeting room isn't large enough for two.

Such Directors can at times be dangerous. They are yet to learn that

everyone is replaceable and their forceful personalities often cost us many good Directors as their abrasive nature wears down the commitment or the interest of many others. Thus by default, they often become recruiters, which incidentally brings us to our next Director profile.

4. The Echo Director

The Echo Director is usually recruited. Let me just pause for a moment and say that some of the best Directors I have ever had the pleasure of working with were recruited, but Echo Directors are not amongst the best. Chances are they would never stand for election but they are usually recruited by the indispensable Director and amazingly they share a common view. Well, common after the indispensable Director's view is known.

They share opinions and they echo their leader, I mean fellow Director. Seldom is there an original thought but when things come to vote, it is somewhat easy to predict where they stand and who they stand with. On their own they are somewhat innocuous but when combined with another or in a smaller Board they empower those they echo and create a degree of autonomy and control for that individual. Truthfully, this Director is of little value to the community but is extremely important to those they echo. Seldom do we see

this type of Director at seminars, unless of course they are in the company of their leader

5. *The Penny Wise and Pound Foolish Director*

They arrive because fees are too high and we must find a way to get more for less in every aspect of the building. Even after participating in a zero based budgeting exercise where they have acknowledged each allocation to be soundly determined, they argue the aggregate, voicing that we must magically hold or reduce the total regardless of the justification provided for each category. Oh, sacrifice the Reserve Fund, fees just have to be held! These Directors are sincere, they have conviction but in the end if we are able to pry open their closed mind they can be converted and become Good Samaritan Directors.

6. *The Alpha Director*

The individual who, in addition to the Good Samaritan qualities, possesses leadership skills and life wisdom of a higher tier. They offer a level of professionalism and appreciation for everyone involved. They are a *gift* to any Board and to any community. They provide strong leadership and will lead regardless of the office they hold; they do not need to be president. They maintain the course, keep the meeting on track and look to always making decisions for the good of the community and its owners, long term.

The Alpha Director comes with polish, reason and quite often understands the financials. They fully comprehend the bigger picture and their role in it. It is our hope that whatever the mix of Director types, your Board is comprised of individuals that share the common mandate: to serve with the best interest of the community as a whole. Boards do not need to be harmonious as much as they need to be professional, effective, decisive as well as respectful of one another.

The experience should be pleasant and insightful for all the participants — for if it isn't interest will wane, other priorities will rise and good people are lost. Both new blood and continuity are good things for Boards to experience. However a delicate balance and proper mix is in everyone's best interest.

No matter how diverse a group, no matter what the mix of individuals that comprise the Board, the Directors may be anything but dysfunctional. They need to be decisive, proactive and informed. The Board of Directors and Management must forge a teamwork approach in their combined effort to meet the needs of the community.

It is incumbent upon Management to adapt and read the Board and shape and reshape itself to fit as the Board composition changes. The intangible fit factor is such an important component — and all of us, Directors and Managers alike, feel its presence.

During awkward times, Management must try to foster an ongoing spirit of appreciation and cooperation for all. Property managers manage much more than property, they manage these relationships and the communities they represent.

At times Management may need to assist the Board in recognizing that they have reached an impasse on a specific matter then help determine when council should be called in. A good Manager also knows that a good litigation Lawyer is the one who strives to resolve matters before they get to court, as this is almost always in everyone's best interest.

Directors must always remember that they are dealing with people's homes, their community, their lives, families and their money — it is personal. The responsibility to remain cognizant of, and meet the duties of which they are charged, is paramount. Their position is one of honour, and they should feel complimented to be charged with the responsibilities at hand.

Directors are by far the most underappreciated group of volunteers I have had the pleasure of meeting. They step forward when many others don't. They contribute their time, energy and at times emotions for the betterment of their community. They are a very special group and we all should thank them at every turn for their contribution. ■