

Condo Smarts March 17, 2020 Managing Through a Crisis

Dear Tony: Our strata corporation is 125 units and we have an upcoming Annual General Meeting that is going to be critical as we need to approve a significant increase in our budget to cover our insurance. We do have a common room where we only get 50-60 people attend, but in consideration of the health risks we want to cancel our meeting. Are there penalties if we don't cancel the meeting and just pay for the insurance increase from our contingency fund? Marco R.

Dear Marco: This is the same topic of question on everyone's mind. Can we delay our meeting? What do we do when the Act requires us to have a meeting no later than 60 days after our fiscal year end? Large gatherings are prohibited, how do we make decisions? Can we do meetings electronically? Can people simply mail in a paper ballot? The Strata Property Act does not make contingency plans in the event of an emergency; however, I doubt anyone was thinking about COVID-19 or such a health crisis when the Act was being adopted. Electronic communication is only permitted if you have a bylaw that permits general meetings being held electronically and addresses the issues of voter registration identity, proxies, and counting votes. Within the Standard Bylaws, strata councils may meet electronically, a conference call or by email conference is the easiest answer, and minutes of your decisions are recorded in the same manner. Strata corporations will need to be creative and innovative. Is there a penalty if your strata corporation does not hold its meeting within the time frame? No, the strata fees continue at the same rate; however, with the exception of an insurance deductible imposed as a special levy by council, you do not have the authority to collect higher amounts as strata fees or special levies until the budget or a 3/4 vote resolution has been approved. The consequence if you extend this too long is an owner may apply to the Civil Resolution tribunal ordering a meeting be held. If your strata corporation does delay, as we hopefully pass the next few months of crisis, operate as a normal routine. No unusual expenses or decisions other than emergencies, and if something unusual arises talk to your property manager, an advisor or your lawyer. There are alternatives. You could convene meetings by a restricted proxy or a waiver of notice of meeting. Under a restricted proxy, a small meeting of 1 or 2 people is convened and owners submit a proxy restricted only to their voting instructions, all proxies are retained for the record, and all votes are recorded in the minutes as instructed. This ensures a meeting is held, a new budget may be approved, special levies or resolutions may be approved, and the business continues normally. The proxies may be mailed in, dropped in a central ballot box or scanned/photographed and emailed. This is already a method we apply at resort properties where owners are located worldwide and often out of a 250-unit strata corporation only 3 people are sitting at the table. A waiver of notice requires every eligible voter to agree in writing to waive notice and agree to any resolutions, and if this is an annual general meeting, the approval of the budget and acclamation of council.

Over the weekend the CHOA staff prepared a detailed series of guides and forms to assist strata corporations with all of these issues. They are available to the public at choa.bc.ca and any CHOA advisor is available to assist strata corporations. 1.877.353.2462 or email info@choa.bc.ca

Tony Gioventu, Executive Director CHOA

Sign up now for CHOA's Spring 2020 seminars in your area. Course highlights include: 1) Risk Management & Maintenance 2) Insurance – How to Manage Increased Costs & Deductibles and 3) The BC Human Rights Code - Accommodating Occupants for Alterations and Bylaw Exemptions. Go to: <http://www.choa.bc.ca/seminars/>