

Condo Smarts June 8, 2020

New Regulations

Dear Tony: Our strata council have informed the owners that they have decided to defer our Annual Meeting to the fall. Our fiscal year end is April 30th, and we have a significant budget over run and our insurance is due for renewal, and likely a significant increase, in July. The council informed us they have no way of holding a meeting and are hoping by fall they will be able to permit a meeting where owners can attend in person or by proxy. While we appreciate the council trying to accommodate everyone, we are also aware of the serious financial issues facing our community. With a deficit of over \$100,000 in a 94-unit strata the owners do not want to delay this meeting as we are concerned our reserve funds will be totally depleted and we will be left with massive increases. Owners are asking for an electronic meeting. If a strata corporation cannot meet in person, are they required to have an electronic meeting to convene general meetings? Caroline W.

Dear Caroline: In the past week the provincial government adopted two new regulations to assist strata corporations during this period of restrictions. The first enables a strata corporation to expend their contingency reserve funds for the purpose of renewing insurance policies, and the second regulation provides an extension of an additional 60 day period if there is a declaration of a state of emergency or a declaration of a state of local emergency in effect for the region your strata is located. If your fiscal year end is April 30, your strata corporation is required to hold their Annual Meeting no later than the end of June. With the extension adding 60 days, that now becomes the end of August, essentially extending the period to 120 days. While there are no specific penalties in the Strata Property Act for not holding the meeting in the 60 day period, the result is often a significant burden on strata owners with the increases in strata fees as the ability to collect the full amounts for the budget in the remaining year is compounded by the delays. If your strata corporation has a 10% increase overall in the year but the meeting is 120 days later, the increase to collect the balance of the approved budget will be closer to 17% for the remaining months. This delay also applies to a petitioned meeting by the owners. If the owners by 20% petition for a special general meeting to consider a resolution or other demand such as the removal and election of a new council, the strata must hold the meeting within 4 weeks after the demand is given. Under the regulation and emergency orders that would be extended to 12 weeks. If your strata council is not prepared to convene an electronic meeting, the owners may petition for an electronic meeting for the AGM to approve the budget, receive the report on insurance and elect a new council. Once your petition is submitted, and the emergency orders are in effect, the council would have 12 weeks to hold the meeting. Because gathering of more than 10 persons within a properly distanced space are restricted, and gatherings of 50 or more are prohibited, it is unlikely your strata corporation will be able to hold an assembled meeting. The only option they have is an electronic meeting. The notice is still issued the same, and the address of the meeting is the electronic site that was established in the notice. Meetings using zoom and other platforms work very well provided you can identify each eligible voter whether in person or by proxy. If an owner cannot attend an electronic meeting, they have the option of submitting a proxy. This is no different than being unable to attend an assembled meeting where they submit a proxy. The benefit of electronic meetings has been the significant increase in participants. The down side is reduced conversation, debate, and social community functions. An electronic information meeting the week before the AGM is a perfect platform for discussion and debate, and permits owners the opportunity to consider their decisions before they attend the electronic meeting or submit a restricted or general proxy. Want more information? CHOA is hosting public Webinars on Tuesday's at noon covering a wide range of strata topics during the Covid 19 restrictions. To register or view archived webinars and resources go to: www.choa.bc.ca Registration opens Wednesday noon for the following week.

Tony Gioventu, Executive Director CHOA

Covid-19 Notice: As a precautionary measure to prevent the spread of COVID-19 CHOA staff are working remotely and our offices are temporarily closed. We understand these are challenging times for strata corporations and we are here to help. Even though CHOA advisors are working remotely we are only a phone call or email away and able to assist you with hosting meetings and notice preparation.

Tuesday Lunch & Learn Live with CHOA: CHOA is hosting a series of webinars once a week, for the next few months. Join us each Tuesday as we bring together industry experts to discuss the many issues affecting BC's strata community. For more information visit our website at: <https://www.choa.bc.ca/seminars/>