

NEW TO COUNCIL?

An Overview of the Responsibilities of Strata Councils

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DISCLAIMER

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An overview of the Responsibilities of Strata Councils

I. INTRODUCTION

You've been persuaded by duty or by interest to join your strata's elected Council. What's ahead? What are your responsibilities? A succinct summary can be found in an article by Sandy Wagner in the February 2010 VISOA Bulletin, entitled "So you're on strata council. Now what?":

"First, congratulations! You will learn a great deal during your term in office. You probably have many questions – the answers are not "one size fits all" because there are so many variables, but here are some of the basic things you need to know:

At the first meeting, the elected council members will choose among themselves a President, a Vice-President, a Secretary, and a Treasurer. If your council is small you might have a combined Secretary/Treasurer, or some other combination. The only two offices that cannot be combined are President and Vice-President. The President conducts the meetings, the Secretary records the minutes and prepares letters of response to owners, the Treasurer records the financial matters including collecting fees and paying bills, and the Vice-President fills in for any of the others as needed. But all council members have equal responsibility to the owners.

All the council members should obtain a copy of the strata's bylaws and rules, and the Strata Property Act if they don't already have them. Section 26 of the Act spells out the duties of council members – you are to "...exercise the powers and perform the duties of the strata corporation, including the enforcement of bylaws and rules" – in other words, conduct the business of the strata corporation. How much that entails depends on the size of your strata and whether you have hired a strata management agent to assist the council. Just remember this: the strata agent works for you, not the other way around. You work on behalf of the rest of the owners, and the strata agent is there to assist you.

Your council should decide when and how often to meet. Most strata councils meet monthly but this is not mandated by the Strata Property Act. The reason for monthly meetings is that requests by owners must be answered within a month.

At your monthly meetings, you will review correspondence and requests and decide how to respond. The SPA will be your primary reference guide, along with your strata's bylaws and rules. Other references are the www.gov.bc.ca/strata/finditfast website, the VISOA Helpline if your strata is a corporate member, and VISOA's many publications. Some of your council members have likely served before and they are, of course, a great resource for you as a new member. Correspondence should be circulated to all council members well in advance of the meetings, so that everyone is prepared at the meeting. Decisions

must be made by the entire council as a group. All decisions should be noted in the minutes, along with the results of any votes, and the minutes must be made available to owners within two weeks.

The strata council is responsible for ensuring the strata corporation's assets are managed and maintained, and for enforcing bylaws. That doesn't mean you are "in charge". You are simply the elected representatives of all the owners. You must follow the budget which was voted on at your Annual General Meeting – but if an emergency comes up you must deal with it. Saving life and property is most important – if a tree branch is cracking and is in danger of falling onto someone's head, you must get it fixed even if it is not in the budget. You must report this to the owners as soon as feasible.

Depending on the size of your strata corporation, you might have committees to assist the council with some of the daily functions – for example if you have a common laundry room you might have volunteers to clean the room, collect the coins from the machines, and turn in the money to the Treasurer to be deposited into the strata's bank account. Or if you have exterior gardens you might have a committee to maintain them. Or if you don't have volunteers for these you might have budgeted to hire contractors to perform these functions. You might have a gardener, a bookkeeper, a cleaner, or other contractors.

Often, the most unpleasant parts of serving on strata council are dealing with complaints and bylaw infractions. It doesn't have to be that way – remember you are required by the Strata Property Act to enforce the Act, Bylaws, and Rules. The common culture of your strata will determine how many complaints or problems you have – if you are lucky your owners have a "we can deal with this" attitude instead of "you better get this solved". Put yourselves into the other's shoes, as it were, and just remember to treat all owners fairly and equally while following the SPA and your own Bylaws and Rules.

Near the end of the fiscal year the strata must prepare a budget for the next year. All the council members should work on this together; it is not a job for the Treasurer alone. It will be presented to the owners at your Annual General Meeting and it will become the financial guidepost for the next council. And if you have enjoyed your term on council, I hope you will serve again if asked. You are now the experienced council member who can guide and help the next newcomers.

II. WHAT ARE THE RESPONSIBILITIES OF A STRATA CORPORATION?

A strata corporation, or “strata”, is a legal entity which is created under the *Strata Property Act* (SPA) by means of a deposit of a Strata Plan in the Land Title Office. It is identified as “The Owners, Strata Plan (registration number)”. Although it is called a “corporation”, it is not the same as a corporation formed under the *Business Corporation Act* and, unlike a business corporation, does not have “shareholders”, who benefit from limited liability, or “directors”. Instead, it has owners and elected members of its strata council. The strata corporation is responsible for managing and maintaining the common property and assets of the development for the benefit of all of its owners. In order to do this, it must carry out the following activities:

- 1) Agree on a set of bylaws and update them as appropriate;
- 2) Recruit and elect a strata council to manage the strata;
- 3) Call and conduct General Meetings of owners;
- 4) Maintain and repair common property and common assets, except for limited common property that individual owners must maintain under the strata’s bylaws;
- 5) Prepare a budget which estimates the strata’s operating costs during the coming year and sets out the strata fees required to meet these expenses;
- 6) Set up an operating fund to pay annual expenses, and to receive strata fees;
- 7) Maintain an accurate accounting system to record expenses and fees, and prepare financial statements;
- 8) Identify major future expenditures required to maintain and renew the common property and set out a practical plan to finance them;
- 9) Set up and invest a contingency reserve fund (CRF) to provide these future expenditures as well as other expenses defined by the SPA;
- 10) Obtain adequate insurance coverage for the common property as required by the SPA;
- 11) Prepare, maintain, and make accessible, various specified records;
- 12) Prepare certain Forms and Certificates required by the SPA.

Each of these responsibilities is discussed in the following sections. This publication, in a few pages, can only provide a brief overview of the principal matters which a strata council must deal with in order to manage the strata’s affairs. For more detailed information relating to specific questions, readers should consult the references and readings provided in Appendix 2, particularly the various sections which can be found through the www.gov.bc.ca/strata/finditfast website.

III. WHO DOES WHAT?

The decisions of the strata are made either by the owners at a general meeting, or by a council which is elected by the owners to act on their behalf. As discussed in the Introduction, the council usually consists of a President, a Vice-President, a Treasurer,

and a Secretary. In small councils, some of these positions, other than President and Vice-President, may be combined; in large councils, there will also be some other council members (sometimes referred to as “members-at-large”).

The President has overall responsibility for calling council meetings and general meetings, subject to the provisions of the bylaws and the SPA governing such meetings, and for chairing them to ensure that they are conducted in a democratic, legal, and effective manner. Although the President’s powers and responsibilities are not detailed in the SPA or in the Standard Bylaws, he or she should not be perceived as having sole authority in decision making; in practice he or she generally acts as the overall coordinator of the activities of the other members in carrying out the decisions made by council. The Vice-President’s principal role is to assist the President and act for him or her when necessary.

The Treasurer usually has prime responsibility for the financial affairs of the strata. These usually include (5) through to (10) in the list of responsibilities above, although decisions on these matters are made by majority decision of the council unless the Treasurer has been granted specific authority by way of a council resolution. These responsibilities are discussed in detail in Sections IX through XV below.

The Secretary has prime responsibility for sending out notices of meetings, recording and distributing minutes, for correspondence, and for items (11) and (12) in the list of responsibilities. The latter responsibilities are discussed in detail in Sections XVI and XVII below.

Item (4), maintenance and repair of common property and common assets is the responsibility of all members of the council. The identification of potential problems and the monitoring of repairs is often delegated to specific members, or to subcommittees which may include volunteers as well as council members.

Standard Bylaws 20 and 21 permit delegation of some of the council’s powers and duties to these subcommittees or individuals, subject to specified limits. It is common, for example, for the councils of larger stratas to set up committees to deal with gardening, or maintenance, or social events, and to give them a degree of spending authority to carry out their duties.

In many stratas, many of the activities listed in Section II may be carried out by a licensed strata manager. However, as discussed further in Section XVIII, delegation of some of the tasks does not relieve a strata council from its responsibilities. Managers can only act under the direction of councils.

IV. THE STRATA PROPERTY ACT

The affairs of a strata corporation, and the decisions of its council, are constrained by several statutes and a set of strata bylaws that are designed to help a diverse group of

owners to live together harmoniously and to preserve the quality of their shared home. New members of a council should ensure that they have copies of these readily available and that they can find their way around them when they need to. Don't be afraid to ask your colleagues on council "where does it say that?", and then look it up.

The responsibilities of the owners of a strata, and of the council which they elect to manage the strata's affairs, are set out in the *Strata Property Act* (SPA) and its attendant *Strata Property Regulation*. One section of the SPA is entitled "Schedule of Standard Bylaws". Although strata owners cannot amend any sections of the SPA or the Regulation, they can, within limits, draw up their own bylaws in place of, or in addition to, the Standard Bylaws.

The most recent editions of the SPA and the Regulation are available on VISOA's website, www.visoa.bc.ca, under "Resources". They will be referred to frequently in this publication as, for example, S95(2), meaning Section 95(2) of the SPA, or R6.7, meaning Section 6.7 of the Regulation. References to the Standard Bylaws will be indicated as, for example, B7.2.

A good place to start is to read the sections of the SPA that set out the duties of the strata council and the standard of care expected of council members. Section 26 sets out the duties of the council: "Subject to this Act, the regulations and the bylaws, the council must exercise the powers and perform the duties of the strata corporation, including the enforcement of bylaws and rules." Section 31 goes on to state that "In exercising the powers and performing the duties of the strata corporation, each council member must: (a) act honestly and in good faith with a view to the best interest of the strata corporation, and (b) exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances." Section 32 further requires council members to disclose any conflicts of interest when matters or transactions are being considered by council.

V. BYLAWS AND RULES

In addition to the general provisions of the SPA, every strata is required to have a set of bylaws which specify the actions of the council and the behaviour of owners and the occupants of their strata lots, including tenants if they are rented or leased. These may be either the *Standard Bylaws* which are set out at the end of the SPA, or they may be a set which has been amended by the Owner-Developer when the strata plan was filed, or has been amended subsequently by the owners and registered at the Land Title Office. Usually amendments to the Standard Bylaws reflect issues which are specific to the strata property such as rental restrictions, parking, pet laws, and the use of common facilities such as recreation areas.

The topics covered by the Standard bylaws, and usually mirrored by amendments to them made by owners, are:

- 1) Duties of Owners, Tenants, Occupants and Visitors
 - Pay fees on time
 - Repair and maintain what they are responsible for
 - Use their property responsibly
 - Get approval before altering a strata lot or Common Property
- 2) Powers and Duties of Strata Corporation
 - Repair and maintenance of common property and assets
- 3) Council
 - Size, meetings, voting, minutes, powers, liability
- 4) Enforcement of Bylaws and Rules
- 5) Annual and Special General Meetings
 - Participation, voting, order of business
- 6) Dispute Resolution

The bylaws of your strata likely follow the same general outline but differ from the Standard Bylaws in some important respects. As an owner, you are probably fairly familiar with them, but the first thing you should do as a new member of the council is to read them more closely and make sure that you understand them; you will be referring to them often.

The SPA describes the nature and management of the strata's bylaws in Part 7. It is good practice to review the bylaws periodically to ensure that they reflect the desires of owners. If they are workable and acceptable, owners should keep them as they are, and the council must enforce them. If they are poorly drafted, leading to disputes, or are unreasonable, or if new circumstances arise, owners should change them. It is important to seek the advice of a lawyer who specializes in strata property law when changes are made to ensure that the bylaws are unambiguously worded, are enforceable, and do not conflict with other statutes or Supreme Court decisions (or those of quasi-judicial bodies such as the Human Rights Tribunal or the Civil Resolution Tribunal) which may affect the interpretation of the SPA. The procedure for creating or amending bylaws is set out in Part 7, Div. 2 of the SPA.

One of the main concerns of strata councils is enforcement of the bylaws. In smaller, self-managed stratas, where most owners are on a first-name basis, bylaws can often be enforced by means of "a quiet word" without resorting to legalities. In larger stratas, more formal means of communications may be required. Nine times out of ten, infringement of bylaws is solely due to ignorance of them, or failure to realize that they really are **by-laws**. If just drawing attention to the infraction doesn't suffice, although it may be embarrassing and distressing for councils to act as the "strata police", it is essential that further action be taken. When it becomes necessary to do so, legal procedures for enforcing bylaws are set out in Div. 3 of Part 7.

Enforcement options include imposition of a fine, subject to maximum amounts set out

in S132 and R7.1, or carrying out work to remedy the contravention, and then charging the reasonable costs of doing so to the owner. However, as required by S135, no action can be taken against an owner or tenant for contravention of a bylaw unless the owner or tenant has been given the particulars of the infraction in writing. The owner or tenant must then be given a reasonable opportunity to answer the complaint, including a hearing if they request it.

In addition to bylaws – which must be approved by a $\frac{3}{4}$ vote, and registered with the Land Title Office to be in effect – S125 sets out how to make “Rules” which can govern only the use, safety, and condition of the common property. Rules which are intended to apply to owners’ actions within their individual lots are not valid. Rules can be made by the council, who must publicize them right away, but they cease to have effect at the first AGM held after they are made unless they are ratified by a majority vote of the owners. Rules do not have to be registered at the Land Title Office. However, once they have been ratified, they remain in effect until repealed, replaced, or altered. If they are supported by at least $\frac{3}{4}$ of the owners, consideration should be given to incorporating them into the bylaws.

VI. THE STRATA COUNCIL

A. Membership, Meetings, and Minutes

The decisions of a strata corporation are made either by eligible voters at an annual general meeting or special general meeting, or by an elected strata council. If a matter is not required by the SPA or the Regulation to be resolved by a vote of the owners of the strata corporation, then it can be decided by the strata council whose authority is established under S26: “Subject to this Act, the regulations and the bylaws, the council must exercise the powers and perform the duties of the strata corporation, including the enforcement of bylaws and rules.” These decisions generally relate to the routine day-to-day management of the corporation.

The provisions of the SPA Part 4, Div. 1 set out the terms regarding the membership, role, and responsibilities of a strata council. Section 3 of the Standard Bylaws also deals with council membership and procedures. Councils may have anywhere between 3 and 7 members, but most stratas have 3 or 4, and a quorum may be as little as 2. With such small numbers, there is a temptation to be very informal. There can also be a tendency to act as a “clique”. However, it is important to remember that council members are making decisions that must reflect the interests and concerns of *all* owners, that council meetings are legal proceedings, and that council minutes are legal documents.

In practice, when there are only a small number of council members, decisions are often made by consensus without a formal voting procedure. However, in accordance with B18, it should generally be a requirement, and especially when an issue is contentious,

that all decisions must be made by means of a majority vote of those members present. In the event of a tie vote, B18(2), a bylaw which should not be deleted without cause, permits the President to cast a second deciding vote. Even in a small group, it is important to agree on an agenda, to follow it, and to sum up decisions made and actions to be taken as you proceed. It is also a useful practice to circulate the agenda, and all reports, quotations received, and all correspondence received from owners, to all members a few days in advance of scheduled meetings.

Although any council member may call a council meeting on 7 days' notice, it is generally good practice to hold them regularly. The frequency of scheduled meetings is at the discretion of the council. Some councils meet monthly, others less often. However, unforeseen events or urgent requests from owners may necessitate more frequent unscheduled meetings. The Standard Bylaws permit meetings to be held by electronic means, such as teleconferencing, providing that all participants can communicate with each other simultaneously. While a consensus, especially in an emergency, may be reached by email between council meetings, any decisions must be formally ratified at the next meeting and recorded in the minutes.

If a new council member is fortunate, they will be joining a team of knowledgeable, dedicated colleagues who are respectful of each other and who work hard in the interests of all owners. However, sometimes the motivation for joining the council is because it is dysfunctional, or because it represents only a minority of owners. In the latter situations it is important that council members insist on application of democratic procedures which encourage all points of view to be heard, that decisions conform to the SPA and to the bylaws, and that there is effective follow-up when decisions are made.

Even if the procedures of a council meeting are informal, minutes of every meeting, including any held by electronic means, must be carefully recorded, and B19 requires that they be made available to owners within two weeks. The minutes are legal documents that must be given to new buyers of strata lots and which may be called upon in possible legal proceedings. They are also the principal means of communicating with the owners who are not members of the council. There is no prescribed format for the minutes, but they must set out clearly each decision made by the council and should, if applicable, set out who is responsible for implementing the decision. In the case of matters which are held over to another meeting, they should state what further information, if any, is required, and who is responsible for obtaining it. In most cases, it is sufficient to state that "It was decided unanimously..." but if a formal vote is called then the split of the vote should be recorded. It is not necessary to record in any detail

what was said; there should be just enough narrative to communicate to owners why the decision was taken, or to summarize briefly the issues discussed. If the decision was guided by some provision of the SPA or of a bylaw, it is useful to refer to the relevant section. To protect personal privacy, the names of individual owners, other than council members, or information which would easily identify individuals, should not be included in the minutes of council meetings. These privacy concerns are discussed further in Section XVI below.

One of the council's most important activities is the fostering of good two-way communications with owners. This can be facilitated by well-written meeting minutes and also by informal information meetings with owners concerning more complex or contentious issues. A useful means of ensuring that owners are well informed about their shared home is to provide them with a Strata Residents Manual similar to the example published by VISOA and available on its website.

B. Addressing Owners' Requests

The bulk of a council's work, such as conducting regular meetings, coordinating repair and maintenance, budgets and planning, banking, and records management, is carried out under its own initiative. However, quite often it must react to requests initiated by owners. These may take many forms but generally fall under the following headings:

- 1) Requests to alter a strata lot.
- 2) Requests to rent a strata lot.
- 3) Disputes between owners concerning noise, or other annoyances.
- 4) Complaints concerning alleged bylaw violations by other owners.
- 5) Requests for a council hearing on specific matters of concern.

A strata lot is defined by the Strata Plan and its boundaries are usually the centre of its walls, ceilings, and floors. Broadly speaking, an owner's "home is his castle" and owners may make any alterations they wish *within* the boundaries of their lot, providing that the alterations comply with building codes and do not affect the exterior of the building or its structure, or alter doors, windows, etc. that front on common property. Section 5 of the Standard Bylaws stipulates that "the strata corporation must not unreasonably withhold its approval...but may require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration." Acceptance of this responsibility usually takes the form of a written indemnity agreement. Section 70 also permits removal of common boundaries *between* strata lots subject to specified conditions.

There are a variety of options for renting out residential strata lots ranging from very narrow restrictions to none at all, depending on the owners' choices specified in the bylaws. Part 8 of the SPA governs how such bylaws must be administered. If there are no bylaws restricting rentals then, in the absence of any local government zoning

restrictions, owners are free to rent as they wish. However, many stratas do have bylaws which either prohibit the rental of lots or which limit the number or percentage of lots that may be rented and/or the period of time for which they may be rented. These bylaws must be unambiguous and very specific when setting out the procedures to be followed in administering the limit. It is important to note that strata corporations may not screen tenants, or establish screening criteria. In addition, even if there are rental restriction bylaws, rentals may still occur under certain conditions which are set out in S142 through S144, and these sections should be carefully considered before a rental request is denied since the exceptions, generally speaking, are not counted when determining the number of rentals restricted otherwise by the bylaw.

Perhaps the most difficult issue facing members of strata councils is having to act as a referee or mediator when disputes arise between owners. Section 3 of the Standard Bylaws, governing the Use of Property, provides general specifications defining disagreeable behaviour, but still leaves open the question of what is “a nuisance”, or “unreasonable noise”, or “unreasonable interference”. Often, such situations are due to simple ignorance of the effects that rambunctious grand-children are causing, or the unpleasantness of tobacco (or marijuana) smoke for non-smokers on the next-door balcony, and can be settled easily through discussion and education about the bylaws. However, in other cases, they cannot be easily resolved by the council. In these situations, the Standard Bylaws, in Division 6, set out a voluntary dispute resolution process that councils may wish to encourage.

Owners often have grievances, or creative ideas, that they wish to put forward to the council. Sometimes, these are first broached informally in the hallway, or over coffee. To be considered by the council, they must be put in writing so that they can be discussed under Correspondence at the next meeting. Owners may further ask to have a hearing at a meeting and, if they do, S34.1 requires that the council meet to hear the applicant within 4 weeks after a written request is received and give a written decision within one week after the meeting.

VII. ANNUAL AND SPECIAL GENERAL MEETINGS

As a new member of the council, you were elected at an Annual General meeting, so you have some familiarity with the how they are conducted. The procedures for holding Annual General Meetings (AGMs) and Special General Meetings (SGMs) are much more formal than those for holding council meetings. They are set out in Part 4, Division 4 of the SPA, and in Div. 5 of the Standard Bylaws. In stratas that have a strata manager, the meetings are usually prepared for, and sometimes conducted by the manager, but in self-managed stratas, it is important for the President and the Secretary to read these provisions and to follow them carefully. They set out how to call and prepare for the meeting, how to conduct it, which matters require either a majority or a $\frac{3}{4}$ vote, and

how such votes are to be calculated. Although the many questions that often arise cannot be covered in this summary, they are discussed in detail in www.gov.bc.ca/strata/finditfast (Meetings & Voting).

Annual General Meetings must be held within two months of the fiscal year end. Often the only items requiring a formal vote are approval of the minutes of the previous AGM, the annual budget, proposed expenditures from the Contingency Reserve Fund, and election of the council members. These items are generally approved by a majority vote. Occasionally, the AGM may also consider other matters, such as changes to the by-laws, or a special levy, requiring a $\frac{3}{4}$ vote. Majority and $\frac{3}{4}$ votes are calculated as fractions (rounded upwards) of all eligible voters who are present at the meeting in person or by proxy and who have not abstained from voting. It is important that minutes of the meeting be carefully written in a manner which communicates effectively to the owners as well as meeting legal requirements. AGM minutes are often required by financial institutions and other bodies as evidence that members of the strata council are authorized to act on behalf of the strata corporation.

Special General Meetings can be called by the council at any time providing that proper notice is given to owners. Such meetings can also be called by owners if 20% or more of the strata corporation's voters demand that one be held to consider a specific matter or resolution.

VIII. MAINTENANCE AND CARE OF COMMON PROPERTY

For many stratas which do not have a property manager, maintenance and repair of common property is the most challenging of the council's duties. Discussion of issues arising from repair requirements typically takes up a significant portion of a council's time and new council members need to make themselves familiar with the relevant bylaws and with past decisions that have been made in similar circumstances.

These responsibilities, which are defined by the strata's bylaws, generally fall into one of three areas:

- 1) Arranging for routine, continuing services such as utilities, janitorial and landscaping services, and garbage disposal;
- 2) Carrying out minor, and generally unanticipated, repairs as they occur;
- 3) Identifying major future repair problems, and rectifying them over time in an optimal manner.

The first two can usually be dealt with easily by council members, either by themselves, or by hiring a qualified, insured, contractor. Planning for these expenses is done as part of the annual budget. Planning for the third category is done by means of a long-term maintenance plan and/or a depreciation report. Few, if any, councils have the expertise to identify and cost major expenditure requirements. While obtaining professional help

may be expensive, properly planned maintenance and repair saves money in the long run.

A common question is “Who is responsible: the strata, or an owner?” Generally, S72 states that the strata must maintain and repair common property, including limited common property (LCP), and common assets. However, the strata’s bylaws may make owners responsible for LCP that they have the right to use; they may also make the strata responsible for portions of an owner’s lot. The relevant bylaws are set out in sections titled “Repair and maintenance of property by owner” (B2) and “Repair and maintenance of property by strata corporation” (B8). What constitutes common property or LCP in each instance is determined by the registered Strata Plan and by the Definitions contained in Part 1 of the SPA. Nevertheless, council members must pay special attention to interfaces between the common property and the strata lot. Responsibility for the maintenance and repair (including replacement) of items such as windows, patio and garage doors, dryer ducts, chimneys and plumbing often lead to court disputes, so the better defined those responsibilities are, the easier the task for councils to make decisions about them.

They also must be very aware of the difference between the “responsibility to repair” (B8) and the “responsibility to insure” (S149 & R9.1) .

It is important to be proactive and not wait for accidents to happen. Certain council members, or interested volunteers, should be specifically tasked with responsibility to inspect the property regularly and report potential problems. The experience and knowledge of longer-term residents is potentially valuable, but to be useful such knowledge should be well documented for reference by those who take over maintenance responsibilities. New council members who have expertise in building maintenance can be an invaluable resource. The council should draw up a routine maintenance schedule and keep a running record of maintenance activities including date done, by whom, cost, and when follow up inspection is required. It is also useful to update the list of the contractors supplied by the Owner-Developer under the provisions of R3.2, and to maintain a record of other contractors who have provided satisfactory service.

IX. THE ANNUAL BUDGET

In addition to the strata’s bylaws, another document that new council members need to look at carefully is the annual budget which was approved by owners at the last AGM. The budget is the strata’s operating plan for the coming fiscal year. Although its preparation is usually the function of the Treasurer or the strata manager, its contents require input from all council members. The SPA

requirements for the annual budget are set out in Part 3, where S103 states that “The strata corporation must prepare a budget for the coming fiscal year for approval by a resolution to be passed by a majority vote at each annual general meeting.” The form of the budget is set out in R6.6. For the Operating Fund (OF), the following information is required for the fiscal year:

- 1) The opening balance;
- 2) The estimated income from all operating sources other than strata fees;
- 3) Estimated operating expenditures during the year;
- 4) The proposed contribution to the Contingency Reserve Fund (CRF);
- 5) The owners’ total contributions to the Operating Fund and the CRF through strata fees;
- 6) The estimated balance in the Operating Fund at the end of the fiscal year. This is equal to the balance at the beginning of the year plus any planned surplus which is to be carried forward.

Regulation 6.6 states that the expenditures should be “itemized by category” but does not specify what those categories should be. It is up to the council to decide what is useful for planning, monitoring, and communicating.

The planned contribution to the CRF, which is a fund established to provide for future major repair and asset replacement expenditures, is an important element in the budget. The annual contribution is subject to a minimum amount which is specified in R6.1(a). However, there is no maximum, and the only requirement is that the amount should be determined “after consideration of the depreciation report, if any, obtained under S94.” The management of the CRF, and the strata’s depreciation report, are discussed in later sections.

As part of the budget, R6.6 (1) requires a schedule of the contributions to the OF and to the CRF, allocated by individual strata lot according to unit entitlement. Section 106 requires that the strata must inform owners of any change in their fees, resulting from approval of the new budget, within two weeks following the AGM.

Regulation 6.6(1) requires the budget to include the total contributions to the CRF set out in 4) above, estimated interest earned on CRF investments, expenditures from the CRF which have been authorized at an AGM or SGM, and the anticipated final balance. For clarity, it is recommended that the strata prepare a CRF budget, separate from the Operating budget, which contains this information.

One confusing issue is the treatment of repairs to the common property. Section 92 specifies that the Operating Fund is to be used for “for common expenses that usually occur either once a year or more often than once a year”. Other expenses should be paid from the CRF. However, there may be several relatively small repairs that technically occur “less often than once a year”, which are unexpected, and cannot wait until a General Meeting, and others expected as a possibility. These can be anticipated by

including a realistic amount in the approved operating budget for unspecified “Repairs and Maintenance”.

While S98 also permits unapproved expenditures from the OF (but not the CRF) for any purpose, it limits such spending to an annual accumulated limit defined either in the Section or as amended by bylaw. Nevertheless, if funds are “immediately required to ensure safety or prevent significant loss or damage, whether physical or otherwise”, they may be taken from either the Operating or Contingency Reserve Funds provided the expenditure is limited to the minimum amount required to meet the needs of the emergency. Council may approve justifiable expenditures under S98 without the requirement of an SGM, but they must inform the owners of these expenditures as soon as feasible.

The preparation of the draft budget is primarily the responsibility of the Treasurer, but all council members can and should contribute to the estimates of the various line items, and to the decision as to whether or not a planned surplus would be prudent.

The operating budget, approved by the owners at the AGM, determines the amount of strata fees that must be paid during the upcoming fiscal year. If actual expenses relative to these fees result in a surplus, S105 specifies that the surplus can be dealt with by transferring it to the CRF, by using it to reduce next year’s fees, or by carrying it forward without reducing fees. If actual expenses are higher than anticipated so that the fees collected result in a deficit for the year, the shortfall must be eliminated during the following fiscal year by raising fees, by applying accumulated surplus in the OF from previous years, or by a special levy. Funds in the CRF cannot be used for this purpose.

X. SETTING UP BANK ACCOUNTS

Section 95 of the SPA specifies that the OF and the CRF must be “accounted for” separately. It also specifies that income earned on the CRF remains part of the fund. In practice this means that a strata must open a chequing account for the operating fund and a separate account, or sub-account, for the CRF. The CRF may be deposited in several bank or investment accounts, and in more than one financial institution, as discussed below under Section XIV. At a minimum it will require a high-interest business savings account. It may also require a chequing account to facilitate direct payments to contractors.

If the strata delegates the setting up and maintenance of bank accounts to a licensed strata manager, it is the responsibility of the council to ensure that the manager abides by Real Estate Council Rules, Section 7.9. Subsection 2 of those Rules requires the manager to maintain at least one separate trust account for

each strata corporation, and separate trust accounts for each of the Operating Fund, the Contingency Reserve Fund, and each Special Levy Fund, if any exist.

XI. COLLECTING REVENUES AND PAYING EXPENSES

The bulk of revenues comes from strata fees. Most strata bylaws require them to be paid on the first of each month, in advance. It is essential to monitor the payment of fees, particularly the payment of special levies, and to identify owners who are in arrears so that Council can initiate appropriate and timely action using the remedies set out in S107, and in Part 6, Div. 6 of the SPA, particularly S116 – S118.

Generally, payment of expenses can only be made if they have been approved as part of the Budget, or otherwise, by owners at a general meeting. However, as noted earlier, unapproved expenditures may be made in the circumstances described in S98.

Occasionally, a strata may be faced with approved expenditure demands which exceed the amount of cash held in its OF. In such circumstances, S95(4) and R6.3 permit the CRF to lend funds to the OF providing that they are “for the purpose of covering temporary shortages” and are repaid before the end of the fiscal year. Owners must be informed of the amount and purpose of the loan as soon as feasible. A common situation where this need occurs is the payment of the annual insurance premium when it occurs early in the fiscal year.

XII. MAINTAINING ACCOUNTS FOR THE OPERATING FUND

The purpose of the Operating Fund financial statements is to:

- 1) periodically monitor the strata’s receipts and expenditures, compared to its budget;
- 2) summarize the strata’s year-end financial position;
- 3) communicate that information to the owners accurately and simply;
- 4) create a record of the strata’s receipts and expenditures, to be kept in accordance with S35, as discussed in Section XVI below.

Usually, the accounting for revenues and expenses, and the preparation of financial statements are the responsibility of the Treasurer or of a strata manager. A detailed discussion of these functions can be found in VISOA’s publication, *Best Practices for BC Strata Treasurers*.

The council should review the most recent statements at each of its meetings. Things to look for are:

- 1) Have all expenditures been approved and properly recorded? All council members should understand what is in the statements and should ask

questions if they don't. This is particularly important if the statements have been prepared by an outside bookkeeper or a strata manager.

2) Is the proportion of the budget which has been spent in line with time passed during the year? For example, at the end of the 6th month, roughly half should have been spent. If not, why?

3) Have there been any major expenditures incurred which were not anticipated in the budget? Will it be necessary to offset these by reducing future expenditures in order to avoid a negative bank balance or an annual deficit?

4) Are there any very large expenditures upcoming, such as insurance premiums, that will require a loan from the CRF under S95(4)? Do any past loans need to be repaid before the end of the fiscal year?

5) Are there any strata fees or fines which are in arrears? If so, what action, if any is required? Will the delayed payments cause potential cash shortages?

Regulation 6.7 requires the strata to present financial statements for the OF and for the CRF to owners at the AGM. It also sets out the information that is required. They must be as of a day within 2 months of the AGM, and must be updated to the end of the fiscal year within 8 weeks after the end of the fiscal year.

XIII. THE DEPRECIATION REPORT

A depreciation report (DR) identifies major future expenditures required to maintain the common property over the next 30 years and sets out a practical plan to finance them. S94 requires that all stratas with five or more units must obtain a DR which meets the requirements set out in R6.2, unless they opt out annually with a $\frac{3}{4}$ vote. It must be updated every three years.

The report consists of two parts. The first, the physical analysis, is a component inventory of all the common property, limited common property, and items which the strata is responsible for maintaining under its bylaws. For each component, it is necessary to estimate its remaining life before it needs to be repaired or replaced, the estimated life of the replacement, and the current cost of replacement. The analysis also requires an estimate of future inflation in order to translate current costs into future costs. The end result is a projection of the total future expenditures required to maintain the property, year by year, for 30 years.

The financial analysis estimates how big the CRF needs to be, now and in the future, to meet these expenditures, and explores practical and acceptable means to fund them through either strata fees to build up the CRF, special levies, borrowings, or a combination. R6.2(3) requires a DR provider to set out at least three practical funding scenarios for consideration by owners.

The physical analysis requires expertise which is beyond the ability of most strata councils and it is necessary to use the services of a "qualified person" in order to obtain

a DR that meets the criteria set out in S94 and R6.2. Although there are minimum specifications in R6.2 with respect to the information required on the DR about the provider, most “qualified persons” are engineers, appraisers and others with appropriate certification and experience. Sometimes, members of the council or owners with relevant experience volunteer to carry out and certify a “homemade” DR in order to save money, but there can be a very significant liability issue for those volunteers and the council in such a situation and it is worth the cost to obtain a proper Report from an independent qualified provider.

Obtaining a good quality DR can be expensive, and some stratas may decide to waive the requirement by means of a $\frac{3}{4}$ vote using the procedure set out in S94(3). Although owners are permitted by the SPA to opt out, they need to be made aware that failure to obtain a professionally-prepared DR that meets the requirements of S94 may make the sale of their units difficult and may also make it difficult to obtain insurance or a mortgage on their unit.

The main purpose of the DR is to communicate to owners, and to potential owners, the reality of the expenditures which will be necessary over the years to maintain the quality of their collective home, and to help them to choose a prudent financial plan to meet them. Although the level of contributions to the CRF in each annual budget should be chosen after consideration of the DR, the Report itself does not need to be “approved” by owners; it is merely accepted, preferably after a review of the draft where the owners can discuss with the provider the information which will be presented in the final report.

Once the DR has been accepted by the council, it cannot be amended, but R6.2(1) (f) does permit the strata to add any other information or analysis that it considers appropriate. S59(4) requires that the DR (and any additional information) be attached to the Form B information certificate which is provided to potential buyers of a strata lot, and to other interested parties such as banks and insurance companies.

The broad-brush 30-year projections in the DR are also the starting point for creating a detailed 3-5 year funding and maintenance plan which reflects more refined estimates of costs in the near term and explores a variety of maintenance/replacement trade-offs.

All stratas need to have a maintenance and renewal plan, even if it is not “official”, and *all* stratas need to set up an adequate CRF to pay for inevitable future repairs and renewals. In the absence of a professionally prepared DR, this can often be done by simply asking the original builders for their “back of the envelope” estimates of when the roof, etc., will typically need replacement and what it will likely cost. Advice should also be sought regarding the best maintenance plan to preserve the roof, etc., from deterioration. Devising such a plan can be carried out using a simple Excel spreadsheet such as VISOA’s DEPRECIATION REPORT ANALYZER 2014 which is included on a CD in VISOA’s publication, *Management of the Contingency Reserve Fund*. This workbook also allows councils to explore a wide range of economic scenarios, funding plans, and

expenditure options. Another useful planning tool is the *Monthly Expenditure Plan* Excel workbook which is included on a CD in VISOA's publication *Best Practices for BC Strata Treasurers*.

XIV. THE CONTINGENCY RESERVE FUND (CRF)

Section 92 of the SPA stipulates that a strata corporation must establish a CRF “for common expenses that usually occur less often than once a year or that do not usually occur.” Owners contribute to the CRF through strata fees which are approved in the annual budget. As noted earlier in Section X, S95 stipulates that the corporation must account for the CRF separately from the OF and that interest earned on the fund becomes part of the fund.

Expenditures from the CRF can only be made for the common expenses referred to in S92 and must be approved by a vote at an AGM or SGM. If an expenditure is “necessary to obtain a depreciation report” or “related to the repair, maintenance or replacement, as recommended in the most current depreciation report”, only a majority vote is required. Other expenditures require a $\frac{3}{4}$ vote.

As discussed earlier, in addition to expenditures approved by owners, there is also provision for council to authorize “unapproved” expenditures from the CRF “to ensure safety or prevent significant loss or damage” in accordance with S98. Council may also approve expenditures under S158(3) to cover insurance deductibles and under R6.3 to loan money to the OF to cover immediate shortfalls without convening a general meeting.

Once the CRF account has been set up, Council needs to consider two questions:

- 1) How big should the annual contributions be?
- 2) What should CRF moneys be invested in?

The first question is answered by the financial analysis of the depreciation report discussed above. Owners need to look at various means of funding future expenditures, select the most practical, and include the current projected contribution into their annual budget.

The second question requires the council to balance potential investment returns against risk. Generous returns can have a significantly beneficial effect on the contributions required to fund anticipated expenditures, but are generally not achievable without exposing the CRF to unacceptable risks of loss of capital. Section 95 and R6.11 list a range of permissible investments. The first step in drawing up an investment plan is a statement of objectives, agreed to by the council. A feasible and prudent set of objectives is:

1. Realize average returns at least equal to anticipated rates of inflation so as

- to preserve the purchasing power of the fund;
- 2. Ensure that an appropriate portion of the fund can be quickly and reliably converted into cash to meet planned and unplanned expenditures;
- 3. Ensure sufficient flexibility to react to changes in economic conditions, interest rates, and inflation;
- 4. Minimize risk of capital loss by diversification and security choice;
- 5. Keep it simple and transparent to facilitate management.

The most basic investment plan is to just open a business savings account for the CRF with the same bank that manages the operating account. While this strategy minimizes risk and ensures ready cash, it is very unlikely to achieve the first objective of protecting the fund against inflation. Supplementary investments in term deposits, GICs, and Government of Canada bonds can raise realized returns significantly without an appreciable increase in risk. Discussion of methods to do this are beyond the scope of this publication but are discussed in detail in VISOA's companion publication, *Management of the Contingency Reserve Fund*.

XV. INSURANCE COVERAGE

Insurance of the strata corporation's property is a complex area that requires the advice of a broker with knowledge of strata needs. The requirements for adequate insurance of the strata property are covered in Part 9 of the SPA. S149(1) itemizes the property that must be insured. S149(4) specifies that the property insurance must be for "full replacement value"; it also, together with R9.1(2), specifies the "major perils" which must be insured against.

Section 150 of the SPA requires that the strata corporation must also carry insurance against liability for property damage and bodily injury, and R9.2 sets \$2 million as the minimum coverage. Finally, S151 specifies that the strata corporation *may* obtain errors and omissions insurance for council members. Although the operative word is "may", all stratas should carry this coverage.

The most important considerations are the amount of coverage, the perils to be covered, and the amounts deductible. It is essential that coverage conform to the requirement for full replacement value and this is best accomplished by requesting an appraisal from a qualified firm, and keeping it current. The perils to be insured against should include earthquake coverage, especially in coastal areas of the Province, in addition to those specified in R9.1(2). Finally, although it may raise the premiums, the deductibles should be kept as small as possible in consultation with the strata's insurance broker. Section 154 specifies that the strata must review annually the adequacy of its insurance coverage and report on the coverage at each AGM.

It is important that all owners understand what is covered by the strata corporation's

insurance policy and what is not, so they can arrange for their own personal coverage accordingly. They must arrange for coverage of their personal property themselves. In addition, they should arrange for coverage against (i) perils not covered by the strata's insurance, (ii) fixtures that were not built or installed by the original owner developer as part of the original construction, and (iii) damages which are in excess of the amounts that the insurer will pay to the strata corporation.

The last is particularly important. When a strata corporation incurs an insured loss, there is typically a deductible amount which is not paid out by the insurer, and this becomes a common expense. Although under S155 all owners and tenants are "named insureds" of the strata's policy, and cannot therefore be held responsible for an entire claim, S158(2) permits the corporation to sue an owner in order to recover the deductible portion of a claim if the owner is responsible for the loss or damage that gave rise to the claim. The courts have interpreted the word "responsible" broadly, so that it is essential that owners check their policies to ensure that their coverage matches the strata's deductibles. Moreover, stratas are advised to seek legal advice to put in place a bylaw which permits the strata to require an owner or tenant who could be held "responsible" for the deductible to also be held responsible if such costs are less than the deductible where a claim may not be possible under the strata's insurance. Stratas should also require indemnity agreements with respect to both repairs and insurance coverage from owners who make any alterations to their strata lots including anything from a simple toilet replacement to a complete kitchen renovation.

XVI. MAINTAINING RECORDS

All strata corporations must maintain certain records for specified minimum periods, as set out in S35 and in R4.1. Councils must keep in mind that these are legal documents which the strata corporation must retain and produce when legitimately requested. Of special importance are the minutes of all meetings and the financial records.

Although not specifically required, a careful log of all maintenance and repair expenses, specifying what was done, when, by whom, and how much, is an invaluable tool for strata management.

One of the biggest problems facing strata corporations is maintaining "institutional memory". Owners and strata council members change continually and it is easy for important information necessary for the proper administration of the corporation to be lost or forgotten. It is essential to set up a systematic filing system in a secure place, with reliable backup, where all of the documents referred to in the SPA can be easily accessed by those who are authorized to do so. This is one of the primary jobs of the council Secretary. If a member of the council has the requisite expertise, or can work effectively with an external expert, it is well worthwhile to set up an electronic data storage and

retrieval system for these records. The task of record maintenance can be delegated to a strata manager if the strata employs one, but it is essential to ensure that specified records are in fact being maintained and that they are handed back intact in the event that the service contract with the manager is terminated. The files should be periodically reviewed to ensure that they are complete; at the same time, older, unnecessary files can be purged.

As set out in S36, the strata corporation must make the records and documents referred to in S35 available to owners, tenants who have been assigned a landlord's right, or any person authorized in writing by an owner or such a tenant. Many of the records are requested by owners in connection with pending sales, and these requests can be onerous and costly. The strata is permitted to charge in advance for providing a copy of records or documents, at the fees specified in R4.2.

When releasing information from the records, council members need to be cognizant of the provisions of the *Personal Information Protection Act* (PIPA). The core of PIPA is the requirement that the strata corporation must have a person's express or implied consent to collect, use, and disclose personal information except in certain specified circumstances. Owners are entitled to their own personal information but not to personal information about others, and this restriction may require some information to be redacted before it is provided under S36. PIPA requires that every strata must have a written "privacy policy" and must appoint a "privacy officer", usually the Secretary, to oversee the administration of the Act. This is a complex area and if, as a new member of council, you find yourself in the position of Secretary, you should familiarize yourself with the readings concerning PIPA in Appendix 2.

Because of the legal issues of what constitutes "official strata business" as opposed to personal opinion or conversation in the use of email for communications, stratas should consider establishing, at a minimum, a strata corporation email account where all such official communication is conducted. This could be strictly for council members (and the strata property manager where involved), or it could be expanded to a website where owners could access documents such as minutes, financial reports and even a Notice Board, but with "confidential" areas accessible only to council members or to individuals with concerns which require privacy considerations. This should ensure that even a council member's family will not have access to confidential information (which might be available on a personal email account) and protect the interests not only of council but of residents who are communicating with council with the expectation of privacy. This email/website would constitute part of the "official documentation" required under S35, and would save complications of having someone trying to obtain court orders to an individual council member's personal email to access what they think might constitute official council business.

However, as noted earlier, while council members can use email to come to a consensus

on any issue – especially if there needs to be quick action – email does not constitute a council meeting and decisions made *must* be ratified at the next officially constituted meeting and recorded in the minutes.

XVII. PREPARATION OF FORMS

The Regulation contains numerous Forms, and their preparation is usually the responsibility of the Secretary, unless the strata engages a manager. The main ones of interest to strata councils are Form B, the Information Certificate, and Form F, the Certificate of Payment, both of which must be provided by the council whenever a unit is put up for sale. Both forms are included in Part 18 of the Regulation. Detailed information for Form B is set out in S59, and S115 sets out the requirements for Form F. The strata may charge for provision of forms at the rates specified in R4.4.

If any of the units are rented, the council also needs to receive a Form K, signed by the landlord and the tenant, which indicates that the tenant has been given a copy of the current bylaws and rules and is aware of their responsibilities.

XVIII. WORKING WITH A STRATA MANAGER

Self-management of a strata corporation by an elected group of owners is hard work, requiring multiple skills as well as time. In many stratas, there may not be enough willing and able owners to take on these duties without outside help. One way to reduce the load, and to get some professional help, is to enter into a contract with a Real Estate Brokerage which provides strata management services. The brokerage, more commonly called a “strata property manager” or “strata manager”, is licensed by the Real Estate Council of BC under the *Real Estate Services Act*. It is important to understand that a council may be able to delegate some of its activities by doing this, but it cannot delegate its responsibilities. The strata manager can execute decisions made by the council, but it cannot act, or enter into contracts on the strata’s behalf, without clear direction from the council.

Some of the activities which a strata council may wish to delegate – or has already delegated – to a strata manager through a formal contract , are:

- 1) Collect strata fees and pay bills on behalf of the council;
- 2) Keep the strata’s books and prepare draft budgets and financial statements;
- 3) Arrange for maintenance and repair work to be carried out by qualified, insured contractors, at reasonable cost, and monitor the progress and the quality of their work, including warranties. Often strata managers can obtain volume or trade discounts that are not available to councils contracting on their own.

- 4) Act on the council's behalf to collect fees which are in arrears, to implement bylaw enforcement decisions made by the council, and arrange for legal action if required;
- 5) Maintain and safeguard the numerous records required by S35 and R4.1, and provide copies of these when requested under S36;
- 6) Prepare minutes and correspondence;
- 7) Prepare the required Forms discussed in Section XVII;
- 8) Source and arrange for adequate insurance for the strata's common property, and report on coverage to owners.

Of course, these benefits come with costs which vary with the number of units in the strata, and with the scope of the services requested. The contract with the strata manager may call only for specified administration activities such as accounting and records keeping, or only for facilities management and procurement, or it may be comprehensive covering nearly all of the activities discussed above.

If self-managed strata owners decide to retain the services of a licensed strata agent, it is essential that they have their own lawyer review the draft contract to ensure that it clearly specifies the costs and scope of the agreed services, and that these conform to the strata's wishes. There is no "standard contract". Of particular importance is agreement on the terms under which the contract can be terminated, and the strata manager's obligations with respect to records and other matters on termination.

As noted earlier, the council cannot relieve itself of its responsibilities when the strata corporation hires a strata manager, and it needs to monitor the actions of the manager, to the best of its ability, to ensure that the manager adheres to the parts of the *Real Estate Services Act* and the Real Estate Council of BC "Rules" which govern strata administration, to the signed contract, and to the provisions of the SPA and the strata's bylaws. Often, strata managers can offer guidance regarding the complexities of the SPA and other statutes which govern a council's actions, based on their experience, but it remains the council's responsibility to verify the accuracy of such advice and to ensure the legitimacy of any authority or direction they may give to the strata manager in accordance with the SPA.

XIX. COMMUNICATIONS WITH OWNERS

A well-run strata requires transparency and clear, timely two-way communications with owners. The keys to smooth functioning are:

- 1) The council must always make decisions in the interest of all owners, not a subset of close friends, or the most vocal.

- 2) The council should encourage the expression of owners' concerns and respond to them quickly. They also need to keep a close eye on the condition of the common property and be proactive in heading off future problems.
- 3) To ensure that their actions are appropriate and legal, the council needs to routinely check the SPA, the Regulation, and the strata's bylaws. They must also foster a culture where all owners understand and respect the governance provisions of the SPA and the by-laws.
- 4) Minutes of council meetings and AGM don't need to read like legal briefs, but they do need to be accurate and easy to understand so that owners always know what has been decided on their behalf, and why.
- 5) All owners, particularly new buyers, need to be provided with the basic information that they need to know in order to integrate into their shared community. This is usually best accomplished by means of a well-written Manual. An example is provided by VISOA's publication, *Sample Residents' Manual*, which includes a CD to assist stratas to develop their own versions.
- 6) When issues are complicated, it is good practice to supplement General Meetings with informal information meetings. Owners may also wish to attend council meetings as non-participating observers except when the council is discussing matters which infringe on individuals' privacy, such as bylaw contraventions or rental restriction exemptions.

Appendix 1: WHERE TO FIND ANSWERS TO COMMON QUESTIONS

There's a great amount of help out there from VISOA in the form of publications, websites, call-in helplines, workshops, and seminars. A good place to start is VISOA's website, www.visoa.bc.ca. On this site, you'll find:

- 1) Under "Resources" is a list of links to the many statutes that affect strata corporations, including the *Strata Property Act* (SPA) and the Strata Property Regulation (SPR). To access the SPA, click on "*Strata Property Act*", or "*Strata Property Regulation*", then click on the section you wish in the Table of Contents.
- 2) Under "Resources", also, are many links with information of value to strata councils and owners including "An Index to the *Strata Property Act*" and many questions may also be answered through the Resources page by clicking on the "Frequently Asked Questions – FAQs" link on the drop-down menu.
- 3) Particularly useful are links to the *Strata Property Act Instruction Guides*. Since the Guides are no longer being updated you will be redirected to the new Strata Housing Website, www.gov.bc.ca/strata, where the Guides are archived. But the new website carries a wealth of updated information so you can start at the site's "index" at www.gov.bc.ca/strata/finditfast. Here are direct links to the main sections:

Main page: www.gov.bc.ca/strata

Disputes: www.gov.bc.ca/strata/disputes

Purchasing: www.gov.bc.ca/strata/purchasing

Renting: www.gov.bc.ca/strata/renting

Operating: www.gov.bc.ca/strata/operating

- Roles: includes strata owners, strata council, strata property managers, strata corporation: www.gov.bc.ca/strata/operating/roles
- Sections including types: www.gov.bc.ca/strata/operating/sections
- Bylaws including rules: www.gov.bc.ca/strata/operating/bylaws
- Finance including insurance: www.gov.bc.ca/strata/operating/finance
- Repairs including depreciation reports: www.gov.bc.ca/strata/operating/repairs

- 4) Under "Publications" is a list of VISOA booklets that cover many aspects of strata management in a simple but comprehensive manner. All of them can be ordered on line.
- 5) Under "Bulletins" are archived copies of past VISOA Bulletins covering a wide variety of subjects, together with an index by subject.
- 6) Under "What's New?", "Seminars" and "Workshops" is up-to-date information on VISOA events and developments which are designed to help strata councils and owners navigate the waters of strata management.

Appendix 2: REFERENCES AND READINGS BY TOPIC

BYLAWS AND RULES

SPA Part 7: Bylaws and Rules

SPA Schedule of Standard Bylaws

SPA Regulation Part 7: Bylaws and Rules

www.gov.bc.ca/strata/finditfast [Bylaws and Rules][Resolving Disputes]

SPA Instruction Guide 13, “How to Create or Amend Bylaws and Rules”

SPA Instruction Guide 14, “How to Enforce Bylaws and Rules”

VISOA Bulletin articles:

“Bylaw Enforcement”, Aug. 2010

“Bylaws, Rules, and You”, Aug. 2013

THE STRATA COUNCIL

A. Membership, Meetings, and Minutes

SPA Part 4, Div. 1

www.gov.bc.ca/strata/finditfast [Roles and Responsibilities/Strata Councils]

SPA Instruction Guide 4, “The Role and Responsibilities of Strata Councils”

VISOA Publication: *Sample Strata Residents’ Manual*

VISOA Bulletin articles:

“So You’re on Strata Council. Now what?”, Feb. 2010

“Profiles of a Successful Strata Council”, May 2012

“How Does a Strata Council Deal with “Difficult Owners”?”, Aug. 2013

B. Addressing Owners’ Requests

SPA Part 5, Div 1, “General Property Matters”

Standard Bylaws Section 5, “Obtain approval before altering a strata lot”

SPA Part 8, “Rentals”

www.gov.bc.ca/strata/finditfast [Common & Limited Common Property]; [Renting in Stratas/Landlords/Tenants]; [Resolving Disputes/Arbitration/Court]

SPA Instruction Guide 6, “The Role and Responsibilities of Tenants and Landlords in Stratas”

SPA Instruction Guide 15, “Rentals Permitted within a Strata Corporation”

Standard Bylaws, Division 1, Section 3, “Use of Property”

Standard Bylaws, Division 6, “Voluntary Dispute Resolution”

SPA Instruction Guide 25, “What to Know About Resolving Complaints”

ANNUAL GENERAL MEETINGS

SPA Part 4, Divs. 4 and 5

www.gov.bc.ca/strata/finditfast [Meetings and Voting]

SPA Instruction Guides 7, 8 and 9

MAINTENANCE AND CARE OF COMMON PROPERTY

SPA 72

Standard Bylaws Sect. 2

www.gov.bc.ca/strata/finditfast [Repairs and Maintenance]

SPA Instruction Guide 11, "How to Apportion Expenses"

SPA Instruction Guide 20, "Who is Responsible for Repairs"

VISOA Bulletin articles:

"We All Need Professional Help", Nov. 2010

THE ANNUAL BUDGET

SPA Part 6, Div. 3 and SPA 98

SPA Reg. 6.6

www.gov.bc.ca/strata/finditfast [Finance and Insurance/Budgeting and Strata Fees]

SPA Instruction Guide 10, "What to Know About Budgeting and the Collection of Strata Fees"

VISOA Publications:

A Practical Guide to Budgeting and Financial Reporting

Best Practices for BC Strata Treasurers

VISOA Bulletin articles:

"Budgeting for Stratas", Feb. 2012

SETTING UP BANK ACCOUNTS

SPA 95

Real Estate Council of BC Rules, www.recbc.ca/licensee/rules.html#7-9.

COLLECTING REVENUES AND PAYING EXPENSES

SPA 107 and Part 6, Div 6

SPA 95(4)

SPA Reg.6.3

MAINTAINING ACCOUNTS FOR THE OPERATING FUND

SPA 103

SPA Reg. 6.7

www.gov.bc.ca/strata/finditfast [Finance and Insurance/Budgeting and Strata Fees]

SPA Instruction Guide 10, "What to Know About Budgeting and the Collection of Strata Fees"

VISOA Publications:

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Best Practices for BC Strata Treasurers

STRATACOUNT Excel template available to VISOA corporate members, with Instructions.

Included on CD with Best Practices for BC Strata Treasurers.

VISOA Bulletin articles:

"Financial Reporting for Stratas", Nov. 2011

"Banking and Investing for Strata Corporations", May 2012

THE DEPRECIATION REPORT

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"Depreciation Reports: One Strata's Experience", Aug. 2012

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VISOA Bulletin articles:

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VISOA Bulletin articles:

“PIPA Guidelines and Strata Corporations”, Feb. 2010

“Strata Documentation Retention Guide”, Feb. 2015

Office of Information and Privacy Commissioner, “Privacy Guidelines for Strata Corporations and Strata Agents”

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SPA Reg. 4.4 and Forms

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SPA Instruction Guide 23, “Information Certificates”

DO WE NEED PROFESSIONAL MANAGEMENT?

Real Estate Services Act and Regulations

Real Estate Council of BC Rules, Sect. 7.9. www.recbc.ca/licensee/rules.html#section7-9.

www.gov.bc.ca/strata/finditfast [Roles and Responsibilities/Strata Property Managers]
SPA Instruction Guide 24, “What to Know About Contracting with a Strata Manager”
“Working with a Strata Management Company” under Publications on www.recbc.ca
VISOA Bulletin article: “Do You Need a Strata Manager?”, Nov. 2013

COMMUNICATING WITH OWNERS

VISOA Publication: *Sample Strata Residents’ Manual*.