

Welcome to
**Webinar: Annual Budgets,
Strata Fees & Managing Cash**
June 16, 2020

Elaine McCormack, Lawyer, Wilson McCormack

elaine@wmlg.ca

Host: Tony Gioventu, Executive Director CHOA

tony@choa.bc.ca



This session is being recorded and will be hosted on the CHOA web site. If you have questions during the session please use the Q&A function.



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Elaine T. McCormack



Wilson McCormack
Law Group

Phone: 604-545-0095

Email: elaine@wmlg.ca

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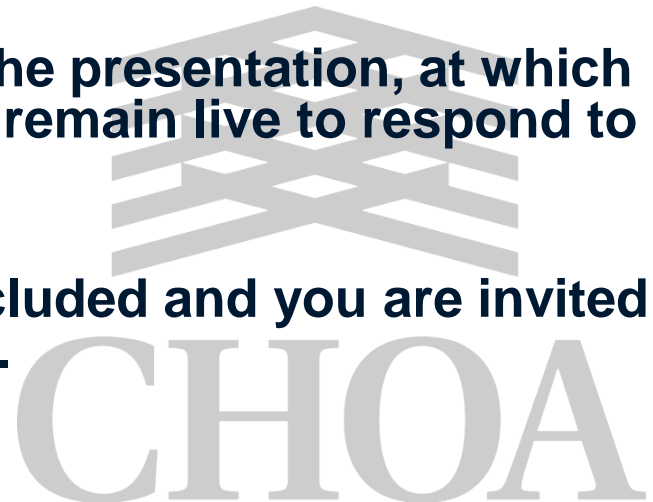
This Webinar will be recorded.

If you submit a question through Q&A, we will group and respond to questions at the end of the presentation.

For your protection, do not identify your strata plan, business or any personal information during the Webinar.

Questions will be held until the end of the presentation, at which time the facilitator and speakers will remain live to respond to questions.

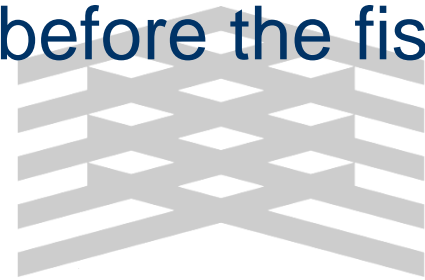
Speaker email addresses have been included and you are invited to email them directly for assistance.



The Annual Budget: AGM

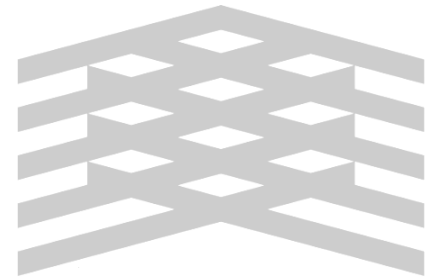
The Annual General Meeting must be held no later than 2 months after the fiscal year end

- effective May 29, 2020 there is an additional 2 months to hold a general meeting during a provincial or local state of emergency
- you may convene your AGM before the fiscal year end



The Annual Budget: AGM

- If you fail to approve an annual budget, at the AGM, council must prepare and place a new budget before an SGM, within 30 days, for approval by a resolution passed by a majority vote, unless a longer period of time is approved by a $\frac{3}{4}$ vote

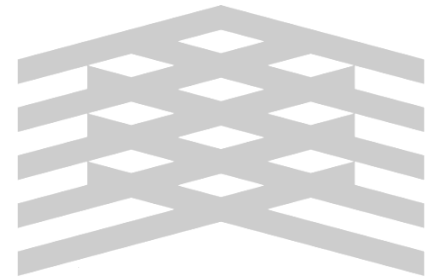


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The Annual Budget

Approved at the AGM by majority vote

- at the AGM the budget may be amended by majority vote before being put to a vote



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The Annual Budget

If you have convened a meeting permitting owners to submit restricted proxies:

- the proxy may or may not permit amendments
- you must convene a general meeting that meets the conditions of registration, certification of proxies, quorum, and permits owners to attend in person or electronically as permitted by emergency orders

Payment of Strata Fees

Strata fee payment is due and collected based on the bylaws of the strata corporation

- generally monthly but resort communities often amend bylaws for payment on a different schedule: annually or on a specific date
- bylaw enforcement is based on the frequency and cycle of the bylaws and payment of strata fees
- monthly, annually or some other schedule

Increasing the Strata Fees

Annual budget approved before fiscal year end:

- the new fees will apply on the 1st of the month for the new fiscal year or depending on the bylaws

Annual budget approved after your fiscal year end:

- the new fees will apply on the 1st of the month, or as set out in your bylaws, for the balance of the fiscal year for the remaining balance of the annual budget

Can we amend our Annual Budget?

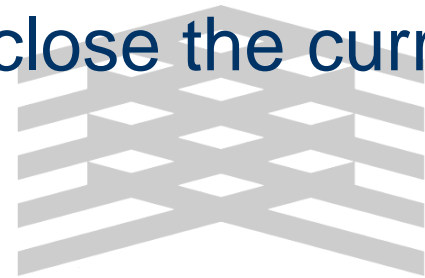
The Strata Property Act permits a strata corporation to amend the proposed annual budget at the AGM by majority vote:

- amendments by majority vote may result in an increase or decrease
- if there is a change in fees from what was proposed on the Notice of AGM the strata corporation must issue a new schedule of fees to the owners if the amended budget is approved

Can we amend the annual budget during the year?

There is no provision in the *Strata Property Act* to amend the annual budget during the fiscal year

- payment of strata fees is a bylaw
- the strata corporation must enforce bylaws
- on request for a Form B Information Certificate, the strata corporation must disclose the current payment of strata fees



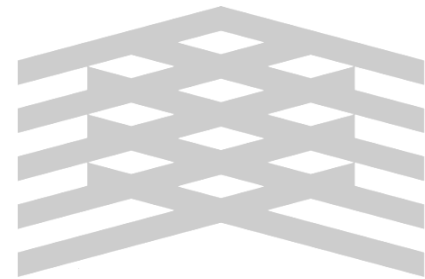
The Annual Budget

Is there a voting threshold we could consider to amend or delay the annual budget?

- majority vote
- $\frac{3}{4}$ vote
- unanimous vote
- if you reduce or amend the annual budget, how will you pay your common expenses ?

Budget: Insurance Payment

- Our annual insurance is due May 1
- AGM is not until July
- There is a 100% increase in the fee



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Budget: Insurance Payment

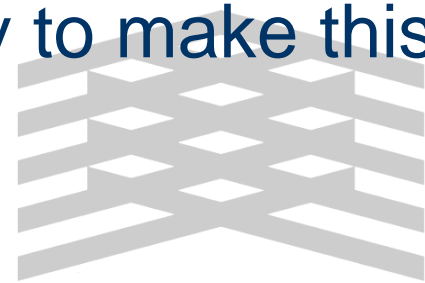
Options to pay the amount

- Sufficient cash in operating
- Loan from contingency: council approval and must be repaid within the fiscal year
- Council approval to expense from contingency new regulation effective May 29, 2020
- Financing: requires $\frac{3}{4}$ vote at general meeting
- Special levy of owners approved by $\frac{3}{4}$ vote

Amending the Annual Budget

If we have reduced operating expenses sufficiently, can we amend the budget or reduce the collection of strata fees for a month or more?

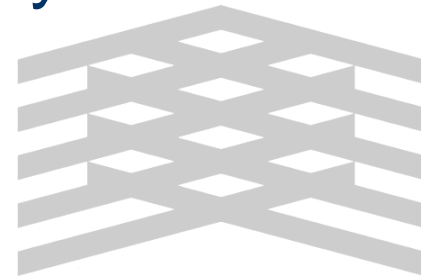
- do we have to call a Special General Meeting of the owners for the approval?
- does council have the authority to make this decision?



Amending the Annual Budget

Can surplus from the operating fund from the previous year be used in the following manner?

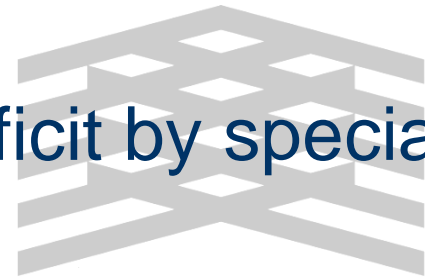
- transferred into the contingency reserve fund
- carried forward as part of the operating fund;
- for another purpose approved by $\frac{3}{4}$ vote



Amending the Annual Budget

An operating fund deficit from the previous year must be eliminated during the next fiscal year:

- repay the deficit through the annual operating budget
- $\frac{3}{4}$ vote to pay the operating deficit from the contingency reserve
- $\frac{3}{4}$ vote to pay the operating deficit by special levy



Questions

- Please submit your questions through the Q&A portal
- This webinar will be posted to the CHOA web site and accessible through our You tube channel
- Please feel free to share this video and the resources with your council and fellow owners
- Additional questions: please email info@choa.bc.ca

Next week's Webinar: Rentals, Air BnB and managing transient accommodations during COVID-19

Thank you



Condominium Home Owners' Association
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200 – 65 Richmond St.
New Westminster, B.C.
V3L 5P5
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