

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

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Condo Smarts

Headline: When stratas push things too far

Topic: Over spending strata council and calling an SGM

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What happens when the members of your strata council, whom you actually trusted to be reasonable human beings, suddenly behave like a pack of crazy orangutans?

This actually can happen, and does. For example, before, they could say "Where are the bananas", a Victoria strata corporation suddenly were served notice by the council that they were going to run out of money and that everyone would have to send in a cheque for \$500 to make it to the end of the year.

It turned out the council had over-spent the landscaping budget by almost \$15,000 on automating the irrigation system, which was newly installed two years ago.

The owners requested copies of the invoices, contracts and expenses but the council refused. Their letter to the owners stated: "As long as we're on council, we'll do what we want." Although they were still responsible for paying the \$500 shortfall, the owners researched their options, and had the council removed, and a new council elected.

Strata Law: The Act grants a provision for the owners to demand a special general meeting by

petition of 25 per cent of the owners. The demand must be in writing, be signed by each of the person, and specify the resolutions or matters to be discussed. The special general meeting must be held within four weeks of the receipt of the demand, and the resolutions on the demand notice must be dealt with before consideration of any other matter council wishes to include. If the meeting is not held within that time period, the petitioners may themselves hold the meeting by complying with the notice requirements of the Act.

Tips: Council does not have the normal authority to impose levies for shortfalls of the budget and if it finds itself in this position it may be required to call an SGM. The decisions of council in the Victoria matter had not been included in the minutes of the pertinent meetings, so the owners didn't know what was going on until it was too late. When the strata relationships deteriorate to this point, legal advice should be immediately considered.

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