

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-145

Condo Smarts

Headline: Are we stuck with this?

Topic: Repairs and contracts

Publication date: September 18, 2005

Publication: The Province

Written by: Tony Gioventu

Dear Condo Smarts: Since 1999, our strata owners have been fighting over whether to proceed with major repairs to the exterior of our building or not. Partial repairs have been done and some painting has been done.

Now the owners have found out the council have signed a \$75,000 contract for a contractor to work on windows and decks, without the owners' approval.

We know we need major repairs, so why would we waste the funds on Band-aids and decorating? Do we have to wait for our AGM to elect a new council? Are we stuck with this contract?

Carol M. Surrey, B.C.

Dear Carol: Strata corporations are a form of government in many ways like local municipal governments.

We have legislation, bylaws, elections, budgets, levies, repairs and major projects. We also have disputes.

Strata councils have very specific limitations as to what they can spend, how to deal with emergencies, and what approval is required by the owners before they can proceed.

A contract would have required a time period to negotiate, which would likely have given the

council plenty of time to convene a general meeting and get the owners' approval.

The Strata Act does give the council permission to spend unapproved funds, but only under the following circumstances: Unless amended in a bylaw, up to \$2,000 or five per cent of the annual operating budget.

Emergencies may be expensed from either the reserve or operating funds.

Your strata corporation may want to consider holding a special general meeting to make some decisions here.

If major repairs are imminent, the owners may want to delay or stop the proceedings if possible, or negotiate to serve the overall project better.

The strata will definitely need legal advice on the contract and whether it is binding or not.

The owners should also review whether they believe their strata council are protecting their interests and complying with the legislation.

In most cases, council can be removed and re-elected at a general meeting by majority vote.

For more information on CHOA resources and benefits visit www.choa.bc.ca
or contact the office at 1-877-353-2462 or email office@choa.bc.ca.

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.