

Condo Smarts

Headline: What if no one will be on council?

Topic: Strata Council

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Dear Tony: I am an owner in a greater Vancouver strata who have not elected any council members at their recent Annual General Meeting. There is one person in the strata who has harassed the council so much in the last year that no one is prepared to serve on council any longer. What happens to the strata if no one is willing to be elected to council, or we cannot get the minimum number required in the bylaws? Does the current council continue until the new council are elected?

Carla W.

Dear Carla: The term of office for council members is set out in the bylaws of the strata. Generally the term is consistent with the fiscal year and the term ends at the end of the annual general meeting at which the new council is elected; however, the bylaws may set out different terms, so it is important to obtain and read a copy of your bylaws. The standard bylaw finishes the term of existing council members when the meeting is terminated, unless those council members have agreed to continue for another term and the owners have approved their election by majority vote. No council equals costly problems.

The council must enforce the bylaws, provide directions to the strata manager, sign contracts, supervise employees, respond to a request from an owner for a hearing, make decisions regarding hardship applications for rentals, make decisions relating to alteration requests, requests for information for real estate transactions, or general information.

If the strata has not elected the minimum number of council members required by the bylaws, your strata will quickly be incapable of meeting its obligations under the Act. The first major risk is often the collapse of a real estate transaction because the strata corporation cannot provide necessary forms and documents to sellers, buyers or their agents. If your strata corporation has retained strata management services, your strata will probably

function a bit longer, but the enforcement of bylaws to collect strata fees and special levies will require decisions of the strata council to provide the strata manager with the authority to take action. Once either of these events take place, strata corporations realize they need to convene a special general meeting and elect council members; however, if the strata still does not elect a council, your next option would be the appointment of an administrator.

An administrator may be appointed by the Supreme Court of BC if in the court's opinion it is in the best interest of the strata corporation. This frequently occurs when a strata corporation can no longer function and comply with the Act and the strata bylaws. This may result from a strata refusing or being incapable of meeting its obligations to maintain and repair property or the ability to operate. The appointment of an administrator is a result of an application made by an owner(s), tenant, mortgagee or other persons have an interest in a strata lot. The government does not appoint an administrator. The appointment time period, remuneration, and authority is determined by the court which may relieve the strata of some or all of its duties. An application may easily cost \$10,000 to \$25,000 or more and the hourly cost of the administrator services is paid for by the strata corporation. Sometimes an administrator is the only option left, but it is always better for the strata corporation to be in control of their own decision making and spending their resources on maintenance and repair of their assets.

The social and cultural implications to a strata with no elected council will also have a significant impact on your community. If owners will not volunteer for council because of a problem person, deal with that separately. Provide the council with sufficient funding for them to engage a professional to deal with this owner and remove that conflict from the day to day business of strata operations