



What to know about: The Essentials for Strata Administration

This guide is designed to assist strata corporations with day to day operations and governance. It tackles eight typical areas that are the source of misunderstandings and common disputes. Always refer to your bylaws, registered Land Title documents and the *Strata Property Act* before making decisions. For more information contact a CHOA advisor. For interpretation of your strata bylaws, creation of new bylaws, amendments to Land Title documents, court actions, resolutions for contingency reserve fund expenditures or special levies and borrowing money CHOA recommends that strata councils obtain advice from a qualified professional experienced in strata legislation.

1. Types of Meetings

Strata corporations hold meetings to conduct business and make decisions. A meeting may only be called to order if a quorum is present. [Section 48](#) of the *Strata Property Act* (SPA) establishes that a quorum for an annual or special general meeting is eligible voters holding 1/3 of the strata corporation's votes, present in person or by proxy or if fewer than 4 strata lots or fewer than 4 owners, eligible voters holding 2/3 of the strata corporation's votes, present in person or by proxy. The SPA does allow a strata corporation to pass a bylaw to establish quorum as a specific minimum number or percentage of votes required to commence the meeting.

Quorum from strata council meetings is determined by the bylaws of the strata corporation or [Standard Bylaw 16](#).

Annual General Meeting

Strata corporations must each year hold an annual general meeting (AGM) no later than 2 months after its fiscal year end. An AGM may be waived if all eligible voters, in writing, waive the requirement to hold a meeting and consent to resolutions that approve next year's budget, elect a council by acclamation and deal with any other business.

The objective of an AGM is to report to owners the strata corporation's current financial information and status of its insurance policies, ratify any rules passed by the strata council, elect a new strata council and approve the operating budget and contributions to the contingency reserve fund for the coming year.

Some strata corporations also take this opportunity to vote on resolutions they wish to approve for items such as bylaw amendments, special levies or withdrawals from the contingency reserve fund to repair and maintain common

property or common assets of the strata corporation. In addition, strata corporations that choose to waive the requirement to obtain a depreciation report will vote on this resolution at their AGM.

Special General Meeting

Special general meetings (SGM) may be called by council for any purpose and at any time after proper notice is given. Generally, SGMs are called to provide the strata corporation and council with the authority to spend money, approve special levies, amend bylaws, or to seek direction from owners on items such as taking court action.

SGMs may also be called if council is petitioned by persons holding at least 20% of the strata corporation's votes to consider a resolution or other matter specified in the demand. The strata corporation must hold a SGM within 4 weeks after the demand is given to the strata corporation. If a SGM is not held within the 4 weeks the persons making the demand may themselves hold a SGM by complying with the provisions of the SPA, the regulations and bylaws respecting the calling and holding of SGMs.

Council Meeting

Strata councils are the delegated authority for the overall general operations of the strata corporation including, implementing maintenance and repairs of common property and common assets, dealing with financial operations and emergencies, enforcing bylaws and rules, obtaining insurance and dealing with insurance claims, collecting strata fees or special levies, record keeping, dealing with correspondence, court actions, forms for real estate transactions, and service contracts. Strata council meetings are called to allow council members to discuss and decide on the everyday operating issues of the strata corporation. Council decisions are made by a majority vote.

2. Voting Thresholds

Strata corporations make decisions by voting at either an annual or special general meeting or at strata council meetings. SPA provides three types of voting thresholds to be used by strata corporations:

Majority Vote

A majority vote means a vote cast in favour of a resolution by more than $\frac{1}{2}$ of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.

Generally, matters are decided by majority vote unless a different voting threshold is required or permitted by the Act or the regulations. For example a majority vote is taken when approving the annual budget, electing a strata council, or ratifying Rules previously passed by the strata council.

The Standard Bylaws require all decisions at council meetings must be made by a majority vote of council members present in person at the meeting.

3/4 Vote

A “**3/4 vote**” means a vote in favour of a resolution by at least $\frac{3}{4}$ of the votes cast by eligible voters who are present in person or by proxy at the time the vote is taken and who have not abstained from voting.

Examples of a $\frac{3}{4}$ vote resolution include to add, amend or repeal bylaws, pass a special levy or to make a significant change in use or appearance of common property.

Unanimous Vote

A unanimous vote means a vote in favour of a resolution by all the votes of all the eligible voters.

Unanimous votes typically involve a dramatic change for the strata corporation, such as amending the strata plan, changing the schedule of unit entitlement, or the cancellation of a strata plan.

How to Calculate a Vote

When calculating the results of a majority vote or a $\frac{3}{4}$ vote, it is important to remember that is NOT based on the total number of votes in the strata corporation. The vote is calculated by the number of votes present in person or by proxy who vote either “yes” or “no”. Abstentions are not included in the count when

calculating the results of the vote. Unanimous votes are calculated by all the votes of all the eligible voters (100% of all of the strata corporation’s voters).

Note: The number of votes per strata lot is created by the **Schedule of Voting Entitlement** filed at the Land Titles Office. The number of votes for commercial strata lots is relative to their size and as a result may be a fraction of a vote (i.e. 13.7 votes). When determining a vote, voting cards and ballots for commercial strata lots needs to be counted and identified separately.

Example of Calculating Majority and $\frac{3}{4}$ Votes:

There are 88 votes present in person or by proxy at the meeting and 58 of those vote in favour, 21 are opposed and 11 either abstained or left the meeting and did not vote. Therefore, there were 79 (58 + 21) total votes cast with respect to the resolution. Remember, abstentions are not to be included in determining the results of the vote.

If the resolution being voted upon is a majority vote resolution, such as approving the annual budget, it would have passed as 50% of the total number of votes cast (79 x 50% =39.5) equals 40. Votes cast in favour are 58.

If the resolution being voted upon is a $\frac{3}{4}$ vote, such as a resolution to amend a bylaw, the vote would have been defeated. $\frac{3}{4}$ of the total number of votes cast (79 x 75%=59.25) equals 60. There were only 58 votes cast in favour.

Reconsideration of a $\frac{3}{4}$ Vote Resolution

As per [section 51](#) the reconsideration of a vote only applies when a $\frac{3}{4}$ vote resolution is passed by persons holding less than 50% of the strata corporation’s total number of votes. In this situation, the strata corporation must not proceed to implement the resolution. For example, if a $\frac{3}{4}$ vote resolution was passed to amend the bylaws, do not register the bylaw amendment for one week following the vote unless there are reasonable grounds to believe that immediate action is necessary to ensure safety or prevent significant loss or damage.

In such circumstances, owners representing 25% of the strata corporation’s votes may, by written demand, require the strata corporation to reconvene a special general meeting to reconsider the resolution and revoke on the $\frac{3}{4}$ vote resolution.

3. Taking Minutes

Accurate and complete meeting minutes is critical for all strata corporations. Meeting minutes form part of the official records of the strata corporation. They record what type of meeting took place, how decisions are made (by majority vote, $\frac{3}{4}$ vote, or unanimous vote), when they were made and what action is to be taken.

Strata corporations are subject to the *Personal Information Protection Act*, therefore, it is recommended that meeting minutes do not reference the names of individuals but instead reference only strata lot numbers. In addition, it is encouraged that the minutes' content only reflect the business of the meeting and avoid including malicious, slanderous or confidential information.

Providing Minutes to Owners

[Bylaw 19](#) of the Schedule of Standard Bylaws requires council to inform owners of the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved. Some strata corporation may have amended this bylaw therefore always review the strata corporations registered bylaw to confirm what is required.

SPA is silent with respect to when annual or special general meeting minutes must be distributed. Review the registered bylaws of the strata corporation to determine if your strata corporation has established a time frame, e.g. within 3 weeks. Owners and tenants may request copies of minutes as per [section 36](#). Copies must be provided within 2 weeks of a request at a cost of 25 cents per page.

Amending Minutes

Minutes remain in draft form until they are approved by majority vote at the next meeting, be it a council or annual or special general meeting, as applicable.

If there are errors in the original minutes circulated to owners, those minutes are not repealed, but rather amendments are made as part of the agenda of the next meeting (council or annual or special general meeting).

Remember: Unless the strata council decides by majority vote to delegate authority to one person or committee, decisions by council are by majority vote through properly convened meetings as set out in your bylaws.

SAMPLE Format for Agenda/Minutes

Strata Council meeting, Strata Plan # _____
Location: _____ Date: _____

Time meeting called to order: _____

Approval of Agenda itemized: _____

1. _____
2. _____

Minutes of the last meeting:

Date of Meeting: _____

Motion by: _____ Second by: _____

Amendments/Voting result: _____

Unfinished Business from the previous meeting:

1. _____
2. _____

Motion by: _____ Second by: _____

Amendments/Voting result: _____

New Business:

3. _____
4. _____

Motion by: _____ Second by: _____

Amendments/Voting result: _____

Correspondence - sent or received:

From: _____

Action required: Y/N _____ Action by: _____

Copy to file? Y/N _____

Any motion to the correspondence? Y/N _____

Special projects/reports underway:

Project#: _____ Action by: _____

Action to be taken: _____

Response Date required: _____

Financial Statements:

Motion by: _____ Second by: _____

Vote: For: _____ Against: _____

Result _____

Bylaw Enforcement Decisions:

Motion by: _____ Second by: _____

Vote: For: _____ Against: _____

Result _____

Receivables:

Money owing for strata fees/assessments: \$ _____

Letters sent re: Late payments and possible repercussions, SPA 116

Sent by: _____ Follow-up date: _____

Maintain a monthly schedule of fees owing

4. Notice Packages

[Section 45](#) requires the notice package for an annual or special general meeting to include:

- A description of the matters that will be voted on at the meeting, including the proposed wording of any resolution requiring a 3/4 vote or unanimous vote;
- The budget and financial statements if the meeting is an annual general meeting (as required by [sections 6.6 and 6.7](#) of the Regulations); and
- The Agenda is determined by the bylaws of the strata corporation. The meeting date and notice package content are approved by strata council prior to notice being issued.

However, as best practice it is recommended that the notice package also include:

- The date the notice was issued and the method of issue;
- The date, time and location of the meeting;
- Minutes from a previous annual or special general meeting to be approved;
- Reports from council and committees;
- Description of any new rules that need to be ratified by a majority vote;
- Proxy form;
- A copy of the insurance policy summary (annual general meeting only); and
- Proposed wording of any resolution requiring majority vote for expenditures from the contingency reserve fund if the renewal or maintenance is recommended in the strata corporation's depreciation report, or to pay for a depreciation report (Note: funds must be available in the contingency reserve fund).

Notice Period

The notice period for an annual or special general meeting is 20 days if the strata corporation is distributing the notice via Canada Post, email, placing it under a door, faxing the notice, or leaving it with an adult.

Why 20 days?

- [Section 45](#) requires at least 2 weeks (14 days) written notice;
- [Section 61](#) provides that a notice given, other than by leaving it with a person, is deemed to be received 4 days after the notice was given; and
- [Section 25](#) of the *Interpretation Act* establishes that where the words "at least" are used within the context of provincial legislation, the first and last days of notice are excluded so 2 additional days must be added.

(14 days + 4 days + 2 days = 20 days for notice)

Delivery time may be reduced by hand delivering notice personally to each and every owner on the same day. Owners may also, in writing, waive the requirement for notice in accordance with [section 45](#).

Proxies

[Section 56](#) provides the authority for a person to exercise their right to vote by proxy. It also provides that the proxy must be in writing and signed by the person appointing the proxy. Things to remember:

- Proxies may be either general or for a specific meeting or a specific resolution and may be revoked at any time.
- There is no limit on how many proxies one person may hold.
- Strata managers and employees of a strata corporation are not permitted to hold proxies.
- Proxies are not records of the strata corporation and must be returned to the proxy holder, therefore section 35 does not apply.
- The strata corporation is not in the position of regulating or monitoring the use of a proxy. It is a contract between the proxy holder and proxy issuer. If a proxy holder does not vote in accordance with the wishes of the proxy issuer, it is not for the strata corporation or strata manager to intervene.
- An owner does not have to use the proxy form provided with the notice package.
- Proxies do not have to be provided to the strata corporation ahead of time. Proxies are to be certified at the annual or special general meeting.

5. Collections

SPA is clear that owners must pay strata fees and special levies (and possibly interest) as established by the strata corporations bylaws and resolutions. In addition, strata corporations are given significant authority to recover these fees and levies to protect the strata corporation's interests.

When Owners Don't Pay

Step 1: Demand Payment

[Section 112](#) requires a strata corporation to give the owner in arrears at least 2 weeks' written notice demanding payment and indicating that a lien may be registered if payment is not made within that 2 week period before it registers a lien.

Step 2: Certificate of Lien

Strata corporations may, under [section 116](#) of the SPA, register a lien against a strata lot if an owner fails to pay the strata corporation any of the following:

- strata fees;
- special levies;
- the reimbursement of work orders;
- the owner's share of any judgements against the strata corporation;
- interest charges (if applicable); and
- costs of registering and removing the lien, including reasonable legal costs, land title and court registry fees ([section 118](#) of the SPA).

A lien may not be registered for outstanding fines, user fees, the costs of remedying a contravention or an owner's share of an insurance deductible and damages. Issuing a Certificate of Payment (Form F) when an owner places his or her unit up for sale may help a strata corporation collect these outstanding non-lienable amounts. However, it will require the unit to go up for sale and it will only apply to those amounts that have not been paid within 2 years prior to the issuance of the Form. The only other option in collecting these amounts is to proceed with a court action or to the Civil Resolution Tribunal (once in effect).

Strata corporations must be careful to only include applicable lienable amounts owing. The inclusion of any non-lienable amounts in the lien may render the entire lien invalid and unenforceable.

In addition, it is important for strata corporations to begin collecting any outstanding amounts (whether lienable or not) without delay as the *Limitation Act* imposes a limitation period of 2 years from the date that the monies were due and payable.

By filing the lien the strata corporation's claims for lienable amounts takes super priority over registered mortgages and identifies the strata corporation as a secured creditor.

Step 3: Enforcing the Lien

If the owner fails to pay the outstanding lienable amounts after the lien is registered the strata corporation may apply to the BC Supreme Court for an order for the sale of the strata lot. The authority and the procedures are established under [section 117](#) of the SPA.

Other Enforcement Tools

To help strata corporations collect outstanding fees without court action the strata corporation may want to adopt bylaws that:

- charges interest on the late payment of fees and special levies;
- makes an owner ineligible to vote or sit on council if the strata corporation is entitled to file a lien against the strata lot, as provided under [section 28](#) & [53](#). Generally, being ineligible to vote is a significant incentive for owners to pay fees and special levies;
- enables the strata corporation to charge an insurance deductible or costs to a strata lot owner's account; and
- permits small claims action for collections without the need for a $\frac{3}{4}$ vote.

Best Practice – When the strata corporation sends out the notice package for the annual or special general meeting, send the demand notice in respect of the outstanding lienable amounts at the same time. By the time that the meeting is held, the demand notice period will have expired and the strata corporation will be entitled to file a lien if the amounts have not been paid.

As noted above, prior to restricting an owner's right to vote, the strata corporation must have an appropriate bylaw and followed proper procedure before being in the position of registering a lien.

6. Rule and Bylaw Enforcement

Under [section 129](#) of the *Strata Property Act*, strata corporations may enforce a bylaw or rule by imposing a fine, remedying a contravention (including removal of objects from common property) or, in certain circumstances only, denying access to a recreational facility. The strata corporation may also decide to warn a person or give the person time to comply with the bylaw or rule prior to enforcing it. However, before taking any steps to enforce a rule or bylaw, the strata corporation must follow the basic procedures established in [section 135](#) to give the owner or tenant an opportunity to respond to the allegations.

Step 1 – Council must either receive a complaint or make a complaint about a contravention.

Step 2 – Council must provide the owner/tenant with the particulars of the complaint, in writing. It is recommended that the particulars of the complaint include the bylaw or rule the owner or tenant has allegedly violated. Council must also give the owner or tenant a reasonable opportunity to answer the complaint by providing a written response or by requesting a hearing of council.

Step 3 – Council must also, if the person is a tenant, give notice of the complaint to the person's landlord and to the owner.

Step 4 – If a hearing is requested, council must hold a hearing. Council determines what procedure will be followed.

Step 5 – Once the hearing is concluded or a written response has been received, or, if the time for a response from the owner or tenant has elapsed, council must consider all information presented and render a decision. If the complaint is made about a council member, the council member must leave the room during discussion of the complaint. [Section 136](#) of the SPA requires that the council member not participate in the decision process in respect of a complaint made against that council member.

Step 6 – Council must provide the owner/tenant with notice of their decision in writing. Council must also, if the person is a tenant, give notice of the decision to the person's landlord and to the owner.

Step 7 - Once a council has complied with these procedures, it may impose a fine or take other enforcement measures in respect of a continuing contravention of the bylaw or rule by the owner or tenant without further compliance with this section. The BC Courts have interpreted a continuing contravention to be one that continues without stopping and should be distinguished from repeated contraventions.

Access to the Complaint

Section 135 requires the strata corporation provide the particulars of the complaint. The particulars of the complaint may include the location, date, time and a description of the bylaw violation. But, what if an owner requests a copy of the complaint letter? [Section 35\(2\)\(k\)](#) requires the strata corporation to retain copies of correspondence sent or received by the strata corporation and council. In addition, [section 36](#) requires the strata corporation, if requested, to make the records and documents referred to in section 35 available for inspection.

In BC, strata corporations must follow the privacy requirements contained in the *Personal Information Protection Act* (PIPA). Therefore, it is recommended that the strata corporation obtain consent from the author of the letter to release the entire letter or portions of it. If consent is not obtained, the strata corporation should review the letter to determine what, if any, is personal information and sever the information before providing a copy of the letter. Note: the person making the request is only entitled to access their own personal information, not the personal information of others. For more information on what is considered personal information visit the website of the Office of the Information and Privacy Commissioner at <https://www.oipc.bc.ca/>.

Tracking Bylaw Fines and Penalties

Bylaw fines, penalties, damages and insurance deductibles cannot be included with the notice of lien or order for sale proceedings. As these amounts are not lienable, strata councils should review and track these amounts owing separately. As the *Limitation Act* applies regular review at strata council meetings is required to determine when to proceed with collections (please see section 5 “Collections” for further details).

7. Insurance

Types of insurance policies

Strata corporation mandatory insurance: Strata corporations are required to obtain and maintain

- [Property insurance](#) on common property, common assets, the buildings shown on the strata plan, and [fixtures](#) built or installed by the owner developer as part of the original construction of the strata lot. The property insurance must be for full replacement value and insure against [major perils](#) and any other perils specified in the bylaws.
- [Liability insurance](#) to insure the strata against liability for property damage and bodily injury for a minimum amount of [\\$2,000,000](#).

Optional insurance: The strata may also want to consider Director and Officers [errors and omissions insurance](#) to protect council members for decisions made in the exercise of their powers and performance of their duties. Also, [Section 152](#) allows for other types of peril or liability insurance, such as earthquake coverage or insurance for fixtures built or installed on a strata lot by somebody other than the owner developer after the original construction of the strata lot.

Owner's insurance: Owners may obtain personal insurance under [Section 161](#) to insure personal belongings, betterments to the strata lot and personal risks. This may include coverage for a strata corporation deductible or an amount lower than the deductible in the event the owner is responsible for a claim or living out allowances. However, the SPA does not require mandatory insurance for owners.

Landlord insurance: A landlord may want to purchase business loss insurance to protect lost revenues, liabilities of tenants and living out cost allowances in the event the strata lot is not habitable. As well, a landlord may want to obtain insurance in the event of a claim caused by the tenant, resulting in insurable damages or an insurance deductible claim, as the strata lot owner will be responsible for such claims.

Tenant insurance: A tenant may also want to insure their personal property and personal risks. The SPA does not require mandatory insurance for owners.

Commercial insurance: If the strata corporation operates a business, such as a golf course, hotel, rental pool, marina or rents or leases space to third parties, commercial insurance may need to be purchased. The type of insurance coverage will depend on the nature of the business.

Insurance deductibles

A strata corporation may sue a strata lot owner for the insurance deductible if the owner is responsible for the loss or damage that gave rise to the claim. The courts have found that the owner does not have to be negligent in order to be considered "responsible" and further that owners are responsible for anything that occurs within their strata lot. It is recommended that each year owners review deductible amounts on the strata corporations policies before renewing personal insurance to ensure adequate coverage is obtained.

Insurance indemnity bylaw

Strata corporations are encouraged to have an indemnity bylaw to assist with collections when a deductible is payable by an owner.

Checklist - Before renewing the strata corporations' insurance:

- Is the insurance appraisal current?
- Are you insured for full value?
- Are all fixtures required to be insured included?
- Are all perils required to be insured covered?
- Is \$2,000,000 liability coverage enough?
- Is D&O insurance included?
- Are there any exemptions?
- Does the strata corporation have any employees?
- Does the strata corporation insure any volunteers?
- Boiler & Machinery Coverage?
- Personal injury coverage?
- Medical expense coverage?
- Tenant liability?
- Environment liability?
- Employee benefits?
- Earthquake coverage?

Confirm Deductible Amounts:

- | | |
|---|-----------------------------------|
| <input type="checkbox"/> Water escape | <input type="checkbox"/> Flood |
| <input type="checkbox"/> Earthquake | <input type="checkbox"/> Key loss |
| <input type="checkbox"/> Sewer backup | |
| <input type="checkbox"/> Grow op/meth lab cultivation | |

8. Records

Preparing, retaining and providing access to strata corporation records are critical tasks that a strata corporation must perform. The records of a strata corporation serve many purposes and are a vital part of any strata corporation operations. Records provide the history of a strata corporation and the current state of affairs on items like warranties, service contracts, insurance coverage, etc.

Preparation

Section 35 of the SPA requires the strata corporation to prepare certain records, including minutes of annual and special general meetings and council meetings (including the results of any votes), a list of council members and books of account showing money received and spent including the reason for the receipt or expenditure.

To view the current list of records that a strata corporation is required to prepare review [section 35](#) and [section 4.1](#) of the Strata Property Regulation.

Retention

Strata corporations are also required to retain copies of records under [section 35](#), including those that they prepare, written contracts, bank statements, correspondence sent or received by the strata corporation and council, depreciation reports etc.

[Section 4.1](#) of the Strata Property Regulation provides how long a strata corporation must retain records (2 years, 6 years or permanently, depending on the nature of the record).

Access

[Section 36](#) provides the authority for access to records. If an owner, tenant or a person authorized in writing by an owner or tenant requests copies of the records of the strata corporation, the strata corporation must provide them within 2 weeks, unless the request is for bylaws or rules, in which case they must provide them within 1 week.

In addition, the strata corporation may charge up to 25 cents per page per copy. The strata corporation may not charge for the inspection of a record or document.

Note: The *Personal Information Protection Act* (PIPA) applies to all strata corporations in British Columbia; therefore, strata corporations must protect personal information and comply with the requirements of PIPA when providing access to records or documents.

Strata Corporation Documents

1. Registered strata documents, including:
 - Registered strata plan
 - General Index
 - Bylaws
 - Schedule of Unit Entitlement
 - Schedule of Voting Rights
 - LCP Designations
 - Address for delivery to the strata corporation
 - Common Property Index
 - Easements
 - Covenants
 - Air Space parcel Agreements
 - LCP Designations

To obtain copies of the above documents go to:
BC Land Title and Survey
Create your own “MyLTSA” account
1.877.577.5872
www.help.ltsa.ca/cms/myltsa-explorer

or

Condominium Home Owners Association (CHOA)
604.584.2462 or 1-877.353.2462

2. Documents filed by the owner developer, including:
 - Disclosure Statement
 - Rental Disclosure Statement
 - Parking and Locker designations
 - Related agreements

To obtain copies of the above documents go to:
Financial Institutions Commission (FICOM)
604.660.3555 or 1-866.206.3030
www.fic.gov.bc.ca

3. Strata corporation records other than those listed above please contact the strata corporation’s Strata Council or Strata Manager