

Strata Living

Headline: Who writes resolutions?

Topic: Special levies, AGM/SGM

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Dear Tony: Our strata passed a special levy in April for \$85,000 to approve the funds for a new roof. Everyone at the meeting voted in favour of the resolution and we thought we had no problems. Now we have to call another meeting because the original contractor named in the resolution is no longer available, the cost is \$20,000 more, and we have a signed contract that cannot complete. When our manager gave us the resolution for the notice package, we were told this is a standard resolution for a special levy and it complied with the Act. Where do we find samples of resolutions to avoid these kind of problems?

Melissa B. Mission

Dear Melissa: There is no such thing as a standard three quarter's vote resolution. Strata corporations develop resolutions for a variety of actions that include the approval of the owners to be able to raise special levies for projects, approve bylaw amendments, borrow money, courts actions, change allocations of property use, changes in unit entitlement, liquidation of property. Each resolution that is proposed by the strata corporation will have specific requirements that will have to cater to your strata corporation's needs, bylaws, operational requirements, and the *Strata Property Act* & Regulations. The writing of resolutions for a fee, this would include a person or company contracted by the strata corporation, is a practice of law under the Legal Professions act in BC. The writing of the resolution has to contemplate a number of actions that may result from the decision.

Put your resolution to a simple test:

- 1) Will the strata have the authority to proceed with the project defined in the resolution?
- 2) Will the strata have the authority to select or change contractors to meet the requirements of the scope of work?
- 3) If a special levy is involved, did the resolution meet all of the conditions of the Act?: the purpose of the levy, the total amount of the levy, the method used to calculate each strata lot's share of the levy and the amount owing by each strata lot, and the date or dates of the levy payment due?
- 4) If there are cost over runs, does the strata have the authority to use a certain amount from the contingency reserve funds?
- 5) Does the resolution give the strata corporation the authority they require to proceed with engaging the contractor, consultants and any other services they require?
- 6) If an owner fails to pay their levy, does the strata corporation have an enforceable resolution and the authority to proceed with a series of collection actions, including the possible order for sale of the strata lot?

For a small cost of the overall project, strata corporations can have their lawyer write a resolution that provides them with the full scope of authority. The costs of fixing a problem resolution after it has passed will increase significantly, and like your strata, you encounter delays and complications that could have been avoided. In addition, your strata collected funds in April for a project that still has not started. Cutting corners on costs that affect resolutions or bylaws always comes back to haunt us.

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