
Condo Smarts

Headline: Accumulated strata fees

Topic: Strata Fees

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Dear Tony: I had an embarrassing incident last month when my mortgage payment did not clear. I went online to my account and discovered the management company had taken triple my strata fees in one month. I contacted their office and they indicated it was the adjustment from the beginning of the fiscal year, and because the AGM was 4 months late, and we had a significant increase due to our insurance losses in the previous year, the increase in strata fees had to be collected. I was not aware this could happen and have had no notice of the increase or the adjustment. Is this legal? Luckily my bank corrected the problem quickly; however, could other fees be taken without my knowledge?

Robert Jeffries

Dear Robert: You will require a copy of the minutes of the AGM and a copy of the AGM notice. The proposed schedule of strata fees for the current fiscal year, including the adjustments for the amount not collected of any approved increases at the beginning of the year must be included in the schedule of fees with the notice. When the owners vote on the budget at the AGM, they are essentially approving the schedule of fees at the same time. Within 2 weeks following the annual or special general meeting at which a budget is passed, the strata corporation must inform owners of any changes to their strata fees resulting from the new budget. This notice insures owners are aware of additional fees or increases that may come from their preapproved accounts. These are not retroactive fees. The longer a strata corporation waits for their AGM, the higher the increases for subsequent months will accumulate to balance the amount owing for the year.

Most owners now pay strata fees through their preapproved electronic payments. It is essential that owners closely read the forms they are signing when

they authorize payments be directly taken from their accounts. You may have just authorized your strata corporation to withdraw penalties or damages from your account. Auto payments should only be strata fees. This insures proper notice of additional authorization for special levies, fines and penalties such as damages or insurance deductibles.

Many owners complain when strata councils or property managers automatically withdraw penalties for fines or damages without notice to owners. This is often an indication of a strata corporation or management company not complying with the bylaw enforcement procedures of the Act. A strata corporation must not impose any fines or penalties against a strata lot until they have first provided notice of a complaint to an owner, given them an opportunity to respond in writing or request a hearing, and then issue a decision before they impose any penalty.

Even if you don't attend your AGM, always read the notice package. Look at the proposed fees and schedule of fees in the notice. Most important, attend your AGM and participate.