
Condo Smarts

Headline: Levy Refunds

Topic: Special Levies

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Written by: Tony Gioventu

Dear Tony: Thank you for your column last week regarding levy refunds. Our strata council is holding a \$1.1 million dollar levy that was approved in the fall of 2022, intended for roofing, and has still not been implemented. There have been many excuses, and while the owners have been patient, several owners have since sold their homes and are now challenging the validity of the levy and the holding of the funds. Is there a time period on a resolution for an approved project such as a special levy or if the owners have approved a significant amount of funds from the contingency fund for a project that was never undertaken? We fear the costs may have increased significantly with inflation and we'll be faced with another levy to proceed with repairs.

RJ Ferguson, Metro Vancouver

Dear RJ: When a strata corporation votes for a special levy, the owners have the opportunity to challenge the terms and conditions of the resolution and the levy, which include performance details of when projects will be undertaken, and the procedures being applied for procurement. For large projects such as this, the recommended method of securing competitive bids and performance assurances, bonding and insurance, is the creation of specifications by an independent consultant, a competitive bidding process for the contractors, and a cash management method that ensures the corporation benefits from short term investments of the levy funds to offset some of the inflation and industry costs.

Special levies for major projects can easily span 3-5 years, depending on the scope of work, number of units, and number of buildings in a strata corporation. For a single project such as a roofing system, a tendered specification and bids may be managed through a consultant who oversees the project and reviews completion on behalf of a strata. For larger integrated and complex projects, a construction manager to

coordinate the project with bidding management and site construction may be necessary. There is no specified time period in the legislation that sets the terms for implementation or completion of projects.

At any time, 20% of the owners in a strata corporation can petition to demand a special general meeting, and include resolutions by majority vote directing the council to implement the projects or provide other directions. This may be the most expedient and direct action your strata owners can take. There are perils associated with delaying a project such as roofing for a prolonged period. By having raised the special levy for the roofing replacement, the owners have acknowledged the need for replacement and a liability that must be addressed. If there is a roofing failure causing damage to a strata lot or common property, your strata corporation may discover your insurance coverage is jeopardized, and home owners with damages may be hard pressed to process a claim on their home owner policies.