
Condo Smarts

Headline: Rogue Councils

Topic: Strata Council

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Dear Tony: We have a strata council who have decided they will do whatever they want. They spend money that is not approved, decisions are made by a few council members without meetings that have a great impact on our small budget, changes are approved without any discussion and the owners never see minutes or financial statements. As a bare land strata of 35 units in the Okanagan our joint expenses are limited to our water system, roadways, the club house with swimming pool, and the forest buffer facing the highway. This last year the council authorized a logger to remove 15 trees with no accounting for any revenues or the authority to cut down trees. We are under constant pressure to reduce water consumption, but the council have given two owners permission to install swimming pools, contrary to our building scheme. Most owners use the place as a summer vacation home, but 10 of us live here full time and are fed up with only the summer visitors needs being met. The pool only runs June 15th to labour day weekend, and once the summer crowd clears road maintenance stops. This is a residential community but everyone is treating like a seasonal vacation property. Any advice would be helpful as we finding it hard to maintain property values and live on site throughout the year.

Kelly & Dan Jacobs

Dear Kelly & Dan: Unfortunately your story is fairly common in remote/vacation strata corporations which are spread across the province. If the majority of residents are vacationers they tend to

favour their own needs and forget they are a complete fully functioning entity year round.

The best advice I can provide to every strata is for owners to take an active interest in their strata corporations. Your strata only elected 4 people, who volunteered for council at the AGM this year. There were 3 other positions vacant, and resident owners could have easily taken those positions and played an active part in the administration of the strata for everyone's benefit. Personality conflicts aside, it's the only way to protect your investment.

Because strata corporations function with a volunteer council our communities often treat them with a level of informality. Try to focus on formal actions. Properly call council meetings, document all decisions, back up all business actions in writing and ensure that every council member has the resources they need to function. Don't take anyone's word for it. As owners put your requests to council in writing.

Unlike associations and societies, in a strata corporation, everyone is going to be jointly bound by the decisions and liabilities of the strata council and the other owners. When a rogue strata council takes hold of your operations the results are costly and our communities become dysfunctional, leaving room for many unaccountable actions.

Unfortunately, for a minority of owners to take on a rogue council the only options at this time are the courts, arbitration or in some cases owners just sell and get out. All of these options are costly, time

consuming and many owners are defeated by the onerous process.

Strata corporations do have the ability to impose formality on council members to a higher standard. Section 27 of the *Strata Property*

Act permits the owners by majority vote at general meetings to impose directions or restrictions on council members. Before the notice is issued of the next AGM, 20 % of owners could submit a petition of items that are directions to council; however, these decisions still require a majority vote, so if you are in the minority and they are voted down nothing changes. It is ludicrous that we have to vote to direct our strata councils to comply with the legislation and the strata bylaws and act fairly with few consequences for failing.

As a result, we will soon have the Civil Resolution Tribunal. Owners, tenants, occupants and strata councils will have access to an affordable and timely justice system that will result in consequences for strata councils and corporations who are flaunting the law. The Tribunal will be an online dispute resolution and adjudication system with the authority to order compliance with the Act, Regulations and Bylaws of the strata. Once in full effect the Tribunal will also be able to determine if bylaws are enforceable, if they were properly enforced, and the remedies of non-compliance. Strata councils will also be able to use the tribunal to enforce bylaws and as a venue for

the collection of bylaw fines, damages, insurance deductibles, and associated fees. CRT decisions and orders will have the same force and effect as the courts. For more information go to: www.civilresolutionbc.ca