



FEATURES THIS MONTH

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NEED GOOD SITES FOR STRATA CORPORATION INFORMATION?

Here are some sites you can access:

Strata U. - Continuing Education Department web site links of interest:

- Canadian Condominium Institute: <http://www.cci.ca>
- Condominium Home Owners Association: <http://www.choa.bc.ca/index.html>
- Clark, Wilson, Barristers & Solicitors: <http://www.cwilson.com/stratafaq>
- *Strata Property Act* information web site: http://www.qp.gov.bc.ca/statreg/stat/S/98043_01.htm
- Vancouver Condominium Services: <http://www.vancondo.com>



1. CCI Insurance & AGM Seminar

The Board of Directors of CCI Vancouver Chapter welcomes members and guests to the Annual General Meeting. New members are invited to attend and join CCI (The Canadian Condominium Institute).

Saturday, September 23, 2006 at the Pacific Palisades Hotel, 1277 Robson Street, Vancouver.

Registration: 8:30 a.m.

Seminar: 9:00 a.m.

AGM: 11:30 a.m.

Cost: \$25.00 for CCI members; \$35.00 for non-members

Topics:

1. **What you should know about Home Warranty Insurance:**

Ken Cameron, Chief Executive Officer of the Homeowner Protection Office.

2. **Condominium Home Owner/Occupant Insurance Policies versus Strata Corporation Policies and Replacement Values:**

Andrew Hernandez, Client Services Executive, BFL Canada.

3. **The role of the strata council, the property manager and the broker in reporting and managing an insurance claim:**

Paul Duchaine, Claims Manager, BFL Canada.

You can register through your property manager or through CCI Vancouver c/o #1700 - 1185 West Georgia Street, Vancouver, B.C. or at contact@ccivancouver.com

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2. What You Need To Know About An Earthquake



While it would be nice to hear that there are plans and that there is a safety net, your strata council and VCS bring you the following information in an effort to alert you to the reality of an earthquake scenario. As you will see, you need to develop your own personal plans for survival. Like many people, you will not be adequately prepared and that is “human nature”. Please remember, however, that “You are on your own” is the only rule that counts.

1. There is NO government plan or fund to assist either you or your strata corporation. You are on your own.
2. After a quake, do not count on your strata council or management company for assistance. The people that make up those groups will very likely be affected too, and will need to manage their own affairs. You are on your own, and need to think of your own survival.
3. The strata corporation does not store food, water, blankets and other survival gear. Be prepared and stock items like these on your own.
4. There is no plan for shutting off the gas supply.
5. There is no plan for alternate living arrangements if the building is uninhabitable. Please make your own plans and arrangements. The strata corporation’s insurance policy does not include alternate living expenses benefits.

6. Depending on the severity of the earthquake, you may not be able to telephone/email the management company for assistance.
7. The contents of your strata lot, your automobile(s) and other personal property are not insured by the strata corporation. If you have made improvements to your strata lot, such improvements or betterments are not insured by the strata corporation either.
8. The strata corporation is insured for earthquake damage; HOWEVER, there is a deductible which means that there is no coverage for damages within that deductible. Deductibles are based on the value of your strata corporation at 10% or higher.

Your strata corporation does not have reserve funds available to meet such a huge deductible. Repairs will have to be funded by one or more special levies. These could be substantial.

For further information, visit the following websites:

Ministry of Energy & Mines (Gov. of BC)

<http://www.em.gov.bc.ca/Mining/Geolsurv/Surficial/quake/>

Ministry of Public Safety & Solicitor General

http://www.pep.bc.ca/hazard_preparedness/earthquake_preparedness.html

City of Vancouver Emergency Preparedness

<http://www.city.vancouver.bc.ca/corpsvcs/emerg/prepyourself/earthquaketips.htm>

Neighbourhood Emergency Preparedness Program

<http://www.city.vancouver.bc.ca/corpsvcs/emerg/nepp/NEPPworkshops.htm>

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3. Construction Issues

Some recent events in our portfolio are sure evidence of problems we will all face in the coming months and years as long as there is a construction boom in British Columbia, particularly the lower mainland.

At one downtown highrise project we manage - a prestige building - our office received numerous complaints that the exterior maintenance contractor's crew were conducting themselves in an unacceptable manner. First, they had a "ghetto blaster" on the swing stage which was cranked up to a high volume. Second, the crew were not just smoking on the job, but also flicking their butts from up high to the ground below or leaving them on adjacent decks, planters, etc. Third, the crew were engaged in loud conversations, some of which included foul language, some of which included arguing with each other.

Needless to say, all of this is unacceptable and we contacted the owner of the company to demand immediate action. The owner apologized and spoke to his crew. The next day, nothing changed. We went over the drill again and, to make a long story short, the crew did not change their behaviour. We demanded that the owner terminate these employees, or at least deploy them elsewhere. The problem, however, is that the owner had no other crew. He gave us, and the strata council, a choice. Continue with the exterior maintenance program in the good weather with the existing crew, or wait until the fall and hope that a new crew would be available. Not great choices, we are sure you will agree.

In several other strata corporation properties we manage we have experienced "no shows" by contractors even though contracts have been awarded and start date notices posted. Then, at the last minute, we are notified that the contractor cannot start because of lack of staff.

This is how it is these days and we regret to observe that it is not likely to improve.

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4. This Is An Emergency?

VCS receives hundreds of calls each year (in fact, about 4,000 annually) from owners reporting emergencies. We wanted to share some of the perceived emergencies with you:

- I need to arrange a walk-home service for my daughter.
- I'm at the airport. How much do I owe you?
- The fire panel has a light on it for the past three months.
- The damp spot in the carpet has been there for the last three days.
- I'm moving in tomorrow. Where do I put the large container of furniture? (Time: 9:30 pm)
- Someone is parked in my spot. I have a 7 day old baby.
- BC Hydro has cut off my power.
- The entire neighbourhood has no power.
- I lost my mailbox key.
- My mail has been stolen.
- My car has been stolen.
- I saw a silverfish in my bathroom.
- My neighbours are smoking marijuana.



5. Just About That Time Again

As we get ready to bid adieu to summer, we see, for the vast majority of our strata corporations (being those with a December year-end), Annual General Meeting (AGM) season is on the horizon once again. With this in mind, there will be a number of articles over the next few months on topics related to preparing for, holding, and dealing with the aftermath of your AGM. For those of our clients that have year-ends other than December 31st, we are sure you will find the following of interest and value.

For this month, we will look at Sections 40 and 41 of Division 4 of the *Strata Property Act* – Annual General Meetings and Special General Meetings.

Annual general meeting

40 (1) *The strata corporation must hold annual general meetings except as provided under section 41.*

(2) An annual general meeting must be held no later than 2 months after the strata corporation's fiscal year end.

Section 40(1) is an extreme rarity whereby all of the owners agree to waive the holding of the AGM. The particulars of what must be done to waive an Annual General Meeting are detailed below in Section 41(1):

Waiver of annual general meeting

41 (1) *The strata corporation does not have to hold an annual general meeting if, before the last date by which the meeting must be held, all eligible voters waive, in writing, the holding of the meeting and consent, in writing, to resolutions that*

(a) approve the budget for the coming fiscal year,

(b) elect a council by acclamation, and

(c) deal with any other business.

(2) If 2 or more persons share one vote with respect to a strata lot, all of them must consent to the waiver of the meeting and to the resolutions under subsection (1).

We all may appreciate the idea of skipping a meeting now and again, but the logistics of carrying this out for a strata corporation over two units is more than a little onerous.

With respect to Section 40(2), more and more strata corporations are taking advantage of the ability to “defer” the AGM until after the fiscal year actually ends. This allows the council and the agent to take much of the guess work out of budget planning as the extra two months allows

an audit to be performed prior to the AGM taking place. Therefore, instead of holding the meeting in November or December and looking at the most current statement to determine/guesstimate the fiscal year end balances, the council is able to review the audited financial statements for the entire year when preparing the budget. This information can then be provided in the Notice of Annual General Meeting, giving the ownership the most accurate financial information possible so that a fully informed decision may be made with respect to the budgetary requirements for the upcoming fiscal year.

Next month we will look at AGM Notice requirements and the steps required to get the Notice out the door and into the hands of the owners... on time.

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6. Insurance Premiums for 2007

We have been preparing budget drafts for 2007 and increasing the allocation for insurance costs between 10% and 15%. Several strata councils have asked us why the premiums are going up again. PLEASE NOTE: At this time we do not expect any increase in premiums although we cannot guarantee what the market conditions will be in December. We have learned from experience that anything can happen to the rates; **however**; the reason for the proposed increase is for additional coverage. In the past year construction costs have escalated and the appraised values of buildings have increased 10% to 15%. It is for this reason that we are advising our clients to increase their budgets.

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7. Why Don't They Get It?

The window washing company had just started their job, at one of our downtown highrises and, who should show up to see if all required procedures were in place? Ah, the WCB inspector.

First came an inspection of the roof anchor log book, then a scrutiny of the fall protection plan created by the window washing company, and then a review of all other related matters. VCS was reasonably confident that everything was in order. The roof anchors were tested recently and a certification report had been received. The window washing company assured us that the fall protection plan had been completed.

Unfortunately for all concerned, the WCB inspector did not agree and shut down the project. Turns out that the roof anchor certification was not exactly compliant with WCB regulations and the fall protection plan by the window washing company was inadequate.

Needless to say, we were not very happy as management agents that these companies had let us down which, in turn, created problems for the strata council and their owners. The project was put into abeyance until all the conditions were satisfied and not a moment sooner. Meanwhile, owners wanted their dirty windows washed.

We asked the window washing company for a copy of the fall protection plan. They refused to give it to us. Now, just how much confidence does that instill? No names mentioned today but this story is about one of the leading, major players in that industry. Recently, at another highrise building, we awarded a contract to another leading firm and repeatedly asked for the fall protection plan. It did not arrive in the days before the job was to start but the company assured us that it would be prepared by his crew once they arrived on site to start the job. We responded that this was unacceptable and, on the afternoon of the day before the job was to start, the contractor withdrew from the project. Isn't this just great?

We ask the question "Why don't they get it?" These WCB legal requirements are designed to prevent injuries and to save lives. Every year we hear/see news articles about window washers falling or getting fried because they touched Hydro lines. You would think that the owners of



these firms would be cognizant of this human factor and, as a consequence, follow the law precisely and completely. Yet they do not and nothing seems to change.

Window washing is a cut-throat, competitive business and that is what is driving this phenomena. We are not optimistic that “they will get it” anytime soon but, as a management company, we are going to have to do things differently. We are going to insist that all t’s are crossed and all i’s are dotted long before work starts. You, as our clients, have to join us in this initiative which means that, if a start date for window washing (or other similar project) is posted, and the contractor fails to meet the legal requirements set by WCB, the job will be cancelled. Be prepared for the resulting frustrations and we respectfully ask that you not pressure your property agent to engage in any bypasses or shortcuts. VCS will do everything possible in advance of these projects to ensure full compliance but we are unable to control these contractors who promise compliance but then do not deliver.

It is a huge worry, folks. We need to work together on this and, if there is a calamity, let us at least be sure that neither VCS nor your strata corporation ends up in the firing line.

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