

 Box 601, 185-911 Yates Street, Victoria, B.C. V8V 4Y9

• Helpline: (250) 920-0222

■ Toll Free 1-877-VISOA (877-338-4762)

Web site: www.visoa.bc.ca

■ Email: info@visoa.bc.ca or membership@visoa.bc.ca

VISOA Bulletin - January 2008

President's Report

A good year: Thanks to a superactive Board of Directors. We now have a record 252 corporate members comprising 5,783 strata units and 129 individual members, as well as a balanced budget with a small reserve account. It can't get much better than that.

Publications: We have contracted with a graphic artist, Georgia Ireland, to provide our publications with a more professional appearance. As we exhaust our current supply of publications, we are updating and reprinting them digitally on higher quality paper with spiral bindings. As described in the November Bulletin, we have published two colour brochures, one for prospective strata buyers and the other for prospective VISOA members.

Election of Directors: Sunday, February 17, is our Annual General Meeting. Our Bylaws require that at least four directors be elected at each Annual General Meeting. Four current directors are standing for reelection, but nominations from the floor will be welcome. The manner of electing directors and their terms of service are contained in the following bylaws:

- 5.2.1 The number of directors must be nine (9) or a greater number determined from time to time at a general meeting.
- 5.2.2 The term of office of a director shall be two (2) years.
- 5.2.3 The terms of directors shall be staggered so that no less than four (4) directors are elected for 2-year terms at each Annual General Meeting.

5.2.4 If, for any reason, the terms of the directors should not comply with Section 5.2.3, the Board must adjust the terms of directors to be elected to meet the conditions speci-

fied in section	٥.	2.	3	

- 5.3.1 Any individual member or owner of a unit in a member corporation may serve as a director.
- 5.3.2 The election of directors shall be by secret ballot except if the number of nominees is equal to or less than the number of directors to be elected, in which case, the election shall be by acclamation.
- 5.3.3 Directors must retire from office at each annual general meeting when their successors are elected.

Election of Officers: VISOAs officers are elected by the Board of Directors at its first meeting after the AGM. It is time to pass the gavel. I do not intend to stand for VISOA president for a third year.

When I accepted the role of president in 2006, VISOA had fallen on difficult times. Florence Walker, the dynamo that had powered VISOA for so long, was leaving, and the Board's preoccupation was with keeping VISOA alive. It succeeded beyond anyone's wildest dreams. As I noted at the beginning of this report, the Association has had one of its best years ever because of the enthusiasm and hard work of VISOA's all-volunteer Board of Directors. Every director has taken on at least one task and most, more than one task, making the job of president easy. Also, not to be forgotten are the non-board member volunteers who have helped with seminars and this

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BOARD OF DIRECTORS 2007

President Harvey Williams **Vice President** Felicia Oliver **Secretary** Claudio Procopio **Treasurer** Daryl Jackson

~ Members at Large ~

Elsie Lockert, Tony Davis, Sandy Wagner, Debbie Allen, Deryk Norton

Painting exterior stucco surfaces

by Peter Saldat

If the exterior siding on your building is stucco or some other type of masonry, you may have experienced problems related to cracking. These cracks are not just eyesores; they can allow water from wind-driven rain to enter your walls, causing thousands of dollars worth of damage.

Cracks can result when masonry walls expand and contract in response to changing temperatures. The problem is compounded when water gets into a crack and freezes, causing the crack to expand further – up to nine times its original size! Since it is not unusual in many parts of North America for a series of freeze-thaw cycles to occur in rapid succession, the number and size of these cracks can expand exponentially.

One way to deal with this structural problem is to use an Elastomeric Coating.

Elastomeric wall coatings are made with 100 percent acrylic binders that are applied at a dry film thickness four to five times that of a latex exterior paint (usually 12-15 mils). This extra-thick film seals out moisture. It also bridges the existing cracks and prevents additional cracks from developing, enhancing the beauty of your building for years to come.

When temperatures drop, these flexible coatings "stretch" to span cracks in your masonry. Then, when temperatures return to normal and these cracks diminish in size, the coatings contract, returning to their original shape without warping or wrinkling.

The water-resistant qualities of these "elastic" coatings also help prevent moisture from penetrating cracked or porous masonry. Yet at the same time they breathe, allowing moisture from within your building (or from within the masonry itself) to escape to the outdoors as vapour.

As with the application of any coating, good surface preparation is critical for good adhesion, especially given the extra thickness and weight of these finishes. As well, any existing cracks larger than 1/16 of an inch should be caulked with a top-quality all-acrylic or siliconized-acrylic caulk before applying the Elastomeric coating.

Elastomeric coatings have some very positive structural advantages; however, this may not be the only consideration in determining which type of coating would best suit your needs.

Elastomeric coatings can cost 50% - 100% more than the cost of a conventional acrylic coating, and some manufacturers recommend only painting with a like product overtop, which means you could be stuck with having the same expense next time around.

As well, if you are using a stronger colour scheme, Elasomeric coatings may be just as likely to fade as a comparable acrylic coating.

If your stucco or masonry is not suffering from any structural issues, the added expense of an Elastomeric coating may not prove of any benefit. The best way to know is to seek help from the professionals.

Top Coat Painting is always available to provide a professional onsite inspection. We would be happy to advise you on the correct painting products that you should be using for your project.

Peter Saldat Top Coat Painting www.topcoatpainting.ca



Bulletin.

In closing, I'd like to pass along an important lesson learned from my nine years on the VISOA Board. Only strata owners have the best interests of strata owners at heart: not developers, real estate companies, or strata management companies. The condominium industry, as they have been called, has deep pockets and political influence. VISOA helps level the playing field but must keep itself free from entanglements with the strata industry. It cannot serve two masters.

- Harvey Williams

VISOA's upcoming 2008 seminar series

- ~ Mark your calendar ~
- Date: Sunday, April 20, 2008
- Location: Beban Park, Nanaimo
- Date: Sunday, June 22, 2008
- Location:Trafalgar / Pro-Patria
 Legion, Victoria
- Date: Sunday, September 21, 2008
- Location: Beban Park, Nanaimo
- Date: Sunday, November 23, 2008
- Location: Trafalgar / Pro-Patria Legion, Victoria

Information Publications

The following publications are available from VISOA:

- Strata Property Act Instruction Guides
- Democratic Rules of Order by Peg Francis
- What Every Strata Owner Should Know About the Strata Property Act, Regulations, and Bylaws.
- Sample Strata Residents' Manual (includes CD containing residents' manual template)
- A Practical Guide to Budgeting & Financial Reporting for Residential Strata Corporations.
- You Asked (A Series of VISOA Bulletin Columns).

Order forms for these publications are available:

- On the website at www.visoa.bc.ca
- By emailing membership@visoa.bc.ca
- Phoning 1-877-33-VISOA (877-338-4762)

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The material in this publication is intended for informational purposes only and cannot replace consultation with qualified professionals. Legal advice or other expert assistance should be sought as appropriate.

Collecting Fines – What Are the Options?

by Joyce Johnston, Attorney

Strata corporations can collect fines by commencing legal action against the owner or tenant who has been fined by giving the owner or tenant notice of its intention to initiate arbitration proceedings if payment of the fine is not received or by refusing to issue a Certificate of Payment, Form F, to an owner or to the purchaser of an owner's unit

Legal Action or Arbitration

To commence a legal action, a strata corporation needs a ³/₄ vote, as set out in section 171 of the SPA. However, section 171(4) provides an alternative. A strata corporation may pass a bylaw that waives the need for a ³/₄ vote if the action is to collect money owing, including a fine. The amount of the money owing must be within the jurisdiction of the Small Claims Act. The present monetary limit for Small

Claims actions is \$25,000.

If a strata corporation shows that an enforceable bylaw was contravened, and that the strata corporation undertook the correct procedures in levying the fine, the Court may award the strata corporation a judgment. The Court has the discretion under the Law and Equity Act to "relieve from forfeiture," which means that they can reduce or cancel fines if they feel the penalty was too extreme.

If a strata corporation decides to litigate or to arbitrate, the strata corporation must give the owner two weeks' notice demanding payment and declaring its intention to initiate the proceedings if payment is not received.

If the strata corporation obtains judgment, it can enforce it against the owner through various collection methods, such as registering the judgment against any real property owned by the owner and garnisheeing bank ac-

counts or wages. An arbitration award can be filed in Supreme Court or Small Claims Court, depending on the size of the award, and the same collection remedies are available.

Withholding the Form F

Although it may require a substantial wait before the fines are collected, withholding the Form F can be an effective say to collect fines. When the owner requests a Form F, he has entered a contract to sell his property and often feels pressured to complete the sale. Often he will pay the amount owning, or agree to pay a negotiated reduced amount. However, because of the holding in the case of Peoples Trust Company v. Meadowlark Estates Ltd., this remedy is not effective where the

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Annual Maintenance Schedule Part 4 - Spring season

by John Grubb, SMA, RPA, RRO

Working on the basic premise that the real purpose of a Strata Corporation is to operate and maintain the property on behalf of its Owner/Shareholders, we offer the following series of articles with the hope of providing readers with some pertinent information and a practical approach to the task.

Spring is coming . . . Yes, even while we slog through the slush, spring tends to come early on our wonderful "Wet" Coast, and strata owners must prepare for the busiest season of all.

The first and most important task is to take a walk around the property to ensure it has successfully weathered the winter season. Have a roofer inspect the roofs to remove any debris and check for damage and general condition. Check the gutters and downspouts to ensure they're properly connected and functioning.

Take a look around the parking areas to document any damage from snow removal operations and ensure the catch basins are clear and clean.

As the landscape contractor resumes her duties, ask her to keep an eye open for broken tree branches hanging up in other ones, and make arrangements to bring them down safely.

Spring is also the time we recommend for the Maintenance Committee to undertake its Annual Property Inspection – clipboard and digital camera in hand – to review all the buildings and their common systems and ask the all-important question, "What, if anything, has changed??"

You don't have to be an "expert" to do this basic inspection. As owners, you should know your property better than anyone you can hire, simply by being good observers. If something doesn't look quite right – a crack has appeared in the concrete foundation or a dryer vent cover is hanging off the wall – follow up by bringing in someone who can better assess, or fix the problem.

Check the operation of the exterior lighting and make sure the photocell and timer controls are operating. As the days get longer, you are less likely to notice when these fixtures don't function properly.

Low winter light levels bring ideal conditions for the growth of slime and algae on stairs and walkways. Now is the time to arrange for the spring power washing.

Don't forget to include the balconies, both for the power washing and an annual inspection. While some individuals may object, we strongly advocate that the Corporation clearly define its interests and responsibilities for the inspection and maintenance of every balcony and deck. The consequences for not doing so will affect every owner.

Check on the general condition of the cladding and/or siding. Face-sealed or California-type stucco requires periodic painting, and in spite of what many new strata owners may have been told about their Hardiplank™ siding, this excellent product also requires periodic painting. A good rule-of-thumb is every 8 to 10 years, but some areas may need attention sooner.

If it wasn't done before winter set in, now is the time to have all the dryer ducts cleaned out. Again, while some may feel this is an intrusion into their "house," the consequences of a dryer-lint fire will affect every owner, and we strongly recommend the Corporation take on this important responsibility. The same approach should be taken with chimneys, particularly for wood-burning fireplaces.

For those in condominium buildings, we recommend a complete cleaning of the common area carpets. This includes all areas of the hallways and stairwells, not just the high-traffic areas

Getting all this out of the way in the early spring will clear the decks for

the major project work scheduled for the late spring and summer. This is the time to ensure the contractors are still "on side" after the tendering and contract award process, and confirm their schedule and contract pricing.

It is also the time to set the Project Communications Plan in place so all the owners are aware of the upcoming work and how it might disrupt their routines. Now is the time to arrange for any necessary access to units where owners are planning to be away during the project period.

Communication is probably the most important, and yet most often overlooked, aspect of Project Coordination. Owners should understand that while their contractors are very good at the work they do, they are often not great communicators.

Any significant project should have a designated coordinator from the Owners Group, or the Corporation should arrange to bring in a professional who can help to manage the process.

Spring begins the cycle of renewal for ourselves and our surroundings. Spring is also the time of renewal for the operations and maintenance of the living, breathing structures and supporting systems that are our homes.

As strata owners, we must allow our corporations to fulfill their responsibilities to each "shareholder" by putting in place both Annual and Long-Term Maintenance Plans, and we must also ensure that they have the financial resources to complete those plans.

This is, after all, the real "business" of every Strata Corporation.

John Grubb is a Facilities Maintenance Consultant and welcomes Member inquiries at usc@shaw.ca or www.unityservices.ca/

VISOA MEMBERS' LETTERS PUBLISHED BY TIMES COLONIST

Letters from two VISOA members were published in the Times Colonist in December. One of the writers, Deryk Norton, is also a member the VISOA Board of Directors and coordinates VISOA's campaign to make the Strata Property Act more owner friendly. The letters are reprinted here with the permission of the writers.

Letter from Deryk Norton - "Strata as a 4th level of government."

A huge and increasing number of British Columbians are living in condominiums or strata developments. According to the B.C. Land Title and Survey Authority, there are more than 456,000 strata units in 23,000 strata developments in the province. Sometimes people buy a strata unit as a lifestyle choice. Sometimes it is the only form of housing they can afford to own.

Whatever the reason, this type of housing places the homeowner under the jurisdiction of a strata corporation and its council. The strata corporation is initially governed by an owner/developer and later by a strata council comprised of owners. It can "tax" by levying strata fees, decide how fees are spent, make bylaws governing the use of a strata unit, levy fines for infractions and decide what information it will release to owners.

It essentially functions as a fourth level of government. As with the other three levels (federal, provincial and municipal), the operations of strata corporations are not without their problems. However, mechanisms are in place to ensure both transparency and accountability in the operation of the other three levels of government.

There is freedom of information legislation, an audited financial report, an ombudsman and an auditor general, to name only a few. Strata corporations and the developers who establish them are not subject to any of these. In the absence of such mech-

anisms, strata owners can be subject to the hidden cost of "sweetheart deals" made with companies controlled by the owner/developer while in control of the strata corporation; strata council using funds in a manner prohibited by the Strata Property Act; decisions made by the strata council while some members of the council were in conflict-of-interest; decisions made by the strata council when these decisions should have been made by owners at a meeting as required by the act; denial of access to information by strata councils, even where release of the information is specifically required by the act; and material changes made to the strata development by the owner/developer without any agreement with strata owners who purchased based on previous representations.

A strata owner with a grievance can sue the offending owner/developer or the strata corporation. However, such a suit would typically pit the empty-pocketed strata owner against either the deep-pocketed developer or a strata corporation that can "tax" the owners to pay for its legal costs.

For the strata owner, the arbitration provision under the Strata Property Act is too financially burdensome to be an accessible alternative to a lawsuit.

In British Columbia there is no effective agency or other mechanism to ensure transparency and accountability of owner developers and strata councils. There should be.

Letter from Fred McLeod, Saanich - Re: "Strata as a 4th level of government." Dec. 19.

I read this with interest. However, the writer did not mention one of the main problems, which is the role and obligation of owners in a strata. Too many people move into a strata with the notion that someone else will look after their interests.

In fact, the owners are part of a legal corporation that has, in most cases, several million dollars worth of assets that need continual governance. To leave this investment in the hands of others without personal participation is foolhardy. I have been in a strata for 10 years now and know how difficult it is to get owners to take an active role in the management of their complex.

The most common excuse is: "I'm too busy." The second is: "I don't have the skills or a computer." There are jobs in a council that are as simple as carrying cheques to the bank, stapling and distributing minutes, or just walking around to see if anything needs attention. I would estimate that two hours a month would be a reasonable amount of time an owner should dedicate to the operation of the strata. I have never regretted living in a strata.

If you have the social skills to be able to get along with people in a reasonable way, you won't have problems either.



VISOA directors at November seminar:

Standing: Tony Davis, publications coordinator; seated from left to right: Sandy Wagner, volunteer coordinator; Elsie Lockert, membership chairperson; and Deryk Norton, bare land stratas representative and legislative action coordinator. Deryk, wearing his other hat as Legislative Action Coordinator describes VISOA's campaign to make the Strata Property Act more owner friendly.

property is being sold in foreclosure proceedings.

Other options

Some strata corporations have passed a bylaw to the effect that the amounts owing to the strata corporations, including amounts levied as fines, are able to be taken from amounts deposited with the strata corporation for strata fees. If the amount of an owner's account then does not satisfy the amount owing for strata fees, the strata corporation will register a lien.

Section 116 of the Act authorizes a strata corporation to register a lien against an owner's strata lot if the owner fails to pay (1) strata fees, (2) a special levy, (3) the cost of work performed by the strata corporation if ordered by a public authority or (4) the

strata lot's share of a judgment against the strata corporation. A strata corporation may not lien for arrears of fines.

I am not aware of a court challenge of such a bylaw. Bylaws are unenforceable if they contravene the Act, Regulations, Human Rights Code or other enactment. If such a bylaw was challenged, the argument would be that it contravenes the Act, although that argument would only apply if a lien had been registered.

BULLETIN SUBSCRIPTION

VISOA provides five information-packed bulletins each year.

Non-members may subscribe to these bulletins at the following rates:

By email: \$15.00 per year and by postal mail \$25.00 per year



Members in good standing may place an ad in the Bulletin. Rates are based on 5 Bulletins a year, and are as follows:

- Business Card Size:
 \$50/yr (\$15/single issue)
- ¼ Page Size: \$100/yr (\$30/single issue)
- ½ Page Size:
 \$200/yr (\$60/single issue)

Ads must be paid for in advance, and are subject to VISOA Board approval. Ads must be "camera ready", in BMP, PDF or TIFF format - additional fees for scanning or layout may otherwise apply.



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Fire safety and fire prevention Sandy Wagner summarizes a hot topic

by Sandy Wagner, VISOA Board Member

Were you able to attend VISOA's November seminar? If not, you missed a "hot one" as the topic of the day was Fire Safety. The speaker was Myles Anderson, Chief Fire Prevention Officer of the Victoria Fire Department. His talk covered many aspects of fire safety and prevention, and we have condensed it for you here.

Safety in Public Buildings

When you enter a public building, do you know where the fire exits are? Do you know where they lead? Where are the fire alarm pull stations? In case of fire or other emergency, you may be unable to easily locate the exits — so do yourself a favour and plan your exit as soon as you arrive.

Home Smoke Alarms

Do you know the difference between a smoke alarm and a smoke detector? A smoke alarm is designed to sound an alarm for you when it is triggered by smoke. A smoke detector does not emit any sound, but sends a signal to the central fire panel in your building. Many of us use the terms interchangeably, but that is incorrect. By city bylaw, we should all have a smoke alarm located near our sleeping area; and if we live in a two-story unit we should have one on each floor. There are two main types of smoke alarms: Ionization and Photo-electric. The ionization style is the most common due to its lower price, but both work well.

Smoke Alarm Maintenance

You should test your smoke alarm once or twice a year – preferably on purpose and not by accident! The national advertising campaigns in April

and October are there to remind you to test your smoke alarm and change the battery. If you have a hard-wired smoke alarm, the Fire Department recommends a model with battery backup. In the event of a power failure, your hard-wired smoke alarm will not work but a properly maintained battery-operated one will. In addition, you should vacuum your smoke detector at least yearly. Dust and lint buildup can trigger the alarm when heat rises so a thorough cleaning can help prevent false alarms.

The normal life-span of a battery-operated smoke alarm is 5 to 7 years; a hard-wired smoke alarm should last for 7 to 10 years. If you cannot determine its age and you suspect it may be near the end of its service life, why not just replace it? It's much less expensive than the alternative!

Burnt Toast

A common cause of false alarms is the smoke caused from minor cooking accidents such as burning the toast, or steam from your shower. If you keep your smoke alarm dust-free this will be minimized, but frequent false alarms can be very annoying. Don't be tempted to disarm the smoke alarm – instead, ask your Fire Department for their recommendations to prevent false alarms. Is your smoke alarm simply in the wrong place? It should be located near the sleeping areas of your home, not necessarily near the kitchen or bathroom. Try moving the smoke alarm down the wall six inches. In the event of fire, the smoke will trigger it, but minor amounts of smoke (remember the burnt toast?) will rise above the alarm without setting it off.

Causes of Fires

The leading causes of fires in the home are smoking, candles, cooking, fireplaces and chimneys. Home renovations, electric baseboard heaters and clothes dryers also contribute to the statistics. What can you do to prevent fire? Use an ashtray when smoking and don't smoke in bed. Use a flame-resistant candle holder and don't leave burning candles unattended. Take care while cooking and keep a pot lid nearby to smother grease fires. Have your fireplace chimney cleaned annually. Hire professionals for home renovations. Keep curtains and furniture at least 3 inches away from electric baseboard heaters. Have your dryer vents cleaned annually and vacuum inside the back of your dryer.

Fire Extinguishers

There are five classes of fire extinguishers – the type you need for your home is an ABC extinguisher. This is rated for combustibles, flammable liquids, and electrical fires. Learn how to use it. In the kitchen, don't keep your extinguisher too close to the stove. Your first impulse in the event of a kitchen fire will be to step back a few paces, so keep the extinguisher a few paces away from the stove where you can reach it. If you cannot immediately put the fire out, call 911 and leave the building.

When the Fire Alarm Sounds

Don't stop to investigate – call 911 and leave the building via the stairs. (Don't confuse the neighbour's smoke alarm with the general fire alarm. If your neighbour has burnt

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Myles Anderson, Victoria fire safety officer, explaining fire safety in stratas at VISOA's November seminar.

the toast, the alarm should turn off very quickly, but if it continues, knock on the door. If no response, call 911). Don't use the elevator. Not only could the elevator fail, trapping you inside, but it may stop on the floor where the fire is located. If you are immobile and can't get out, call 911 and report your status. Stay on your balcony until the Fire Department arrives and they will help you.

If you are trapped by fire, do you have an alternate exit route? Do you have a fire-escape ladder? If you do, that's great; but if you don't know how to use it, this is not the time to try it out. Does it fit your window opening? Does it reach the ground? Can you climb it? If you cannot get out, call 911 and stay on your balcony or near a window.

Fire Safety Plans

Your building should have a fire plan. A copy should be located in the strata office, and there should be a copy for each floor. There is no need to print a copy for each owner; remember, if you make changes to your fire plan you must change all copies. Your fire plan should show all the exits and where the fire alarm

panel is, as well as how to reset it. Who is the designated Fire Marshall for your building? Who is their backup? Do you have floor wardens or a buddy system for each floor? Do you have a meeting place, or a roll-call to ensure everyone is out? Who will be the building's representative when the Fire Department arrives? Do they know how to reset the fire alarm panel? The Fire Department will tell you when it is safe to do so. Know whether your building fire alarms automatically notify the Fire Department. A 911 call may be required in addition.

Fire Drills

Your building should have an annual fire drill. Only the staff and the fire wardens are required to take part, but all owners should attend.

Fire Prevention and Fire Safety are huge topics, and this brief overview should give you some pointers, but it's up to you to make your home safe. You can download a free "Safe at Home" Report Card to see if your home "makes the grade" at http: www.safeathometips.com. For more information on fire safety, contact your local Fire Department.

Strata Legislation: If You Don't Like It, Tell Your MLA – It Could Make A Difference

by Deryk Norton, VISOA Board Member

Strata legislation is like the weather. Everyone complains about it but nobody does anything about it. However, in the case of strata legislation you can do something, and what you do can make a difference. In B.C. there are over 456,000 strata units representing over 23 percent of all registered land titles in the province. Based on this percentage, there must be about 700,000 voters living in strata units. This is not a number provincial politicians should ignore. In the B.C. Legislature there are 13 MLAs from Vancouver Island, four Liberal and nine NDP. Six of these MLAs were elected by narrow margins during the last election. This means a few hundred votes either way in some electoral districts could significantly affect the outcome of the next election for B.C. Liberals and the NDP. Some of these votes

could come from strata owners. If you share VISOA's concerns about current strata legislation, write to your MLA and call the MLA's office and ask for a meeting to talk about it. It would also help if you write to the Minister of Finance and the Premier to express your views. In spite of VISOA's representations on your behalf, politicians will not address even the most serious problems with strata legislation until they get pressure from enough voters. There is a provincial election coming. Let's turn up the heat!

"A politician is a man who understands government. A statesman is a politician who's been dead for 15 years."

- Harry S. Truman

You asked:

How will I benefit from a depreciation schedule?

by Harvey Williams

Have a question about managing your strata corporation? Ask us, we've had a lot of experience helping strata corporations solve problems, perhaps we can help you. Questions may be rephrased to conceal the identity of the questioner and to improve clarity when necessary. We do not provide legal advice, and our answers should not be construed as such. However, we may and often will advise you to seek legal advice.

Question:

Our strata agent has suggested that our strata corporation create a depreciation schedule. What is a depreciation schedule and how will I benefit from one. I'm over 70 years of age, and I may not be around long enough to enjoy the benefits of saving for future expenses.

Answer:

Depreciation schedules have been explained in previous Bulletins, so my explanation here will be brief. However, there is an advantage to a depreciation fund that has not been previously mentioned. A depreciation schedule is a pay-as-you-use plan for the common property. Paint weathers and chips, roofs deteriorate, and carpets wear out. Contingency fund contributions based on replacing things as they wear out means that there is money in the bank to pay for renewing them. For example, if the warranty on a paint job is 15 years, and owners contribute 1/15th of the cost of a new paint job each year, the money is in the bank when needed and no special assessment is required. But there is a further advantage to a depreciation fund that is seldom discussed. Most strata corporations do not pay income tax on the interest they draw on their reserve funds. As non-profits, strata corporations are in a grey area in terms of being required to file tax returns. The Canadian Revenue Agency has given different information in different parts of Canada regarding the need to file income tax returns. And the information given is just that, information, not an order. As a result, most strata corporations, particularly the smaller ones, do not file tax returns. If your strata corporation is one of those, it does not pay tax on the interest earned on its Contingency Reserve Fund. On the other hand, any special assessment you pay from your own savings is wholly after-tax income. Taking advantage of the tax break a depreciation fund provides constitutes perhaps a small saving, but a saving nevertheless.

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HUTTON CONDOMINIUM SERVICES REPRIMANDED

Strata agent Philip Gerry and managing broker Ian Andrews of Hutton Condominium Services Ltd have been reprimanded by the B.C. Real Estate Council for failing to file an Accountant's Report for the year ending October 31, 2006. The deadline for filing was February 28, 2007. The pair was also assessed enforcement expenses of \$750. Hutton manages a large number of strata corporations on Vancouver Island.

Although this may seem like a minor offense in the overall scheme of things, it is reassuring to strata owners to learn that the Real Estate Council is enforcing its rules.

The Vancouver Island Strata Owners Association

ANNUAL GENERAL MEETING

Sunday, February 17, 2008 1:00 – 4:00 p.m.

Registration begins at 12:30 p.m.

Trafalgar/Pro-Patria Legion 411 Gorge Road East, Victoria

There is no charge for VISOA members

(If your strata plan is a member, all owners in your strata may attend)

Non – Members \$20

Memberships will be available at the door



AGENDA

- Business Meeting Election of Directors
 - Guest Speaker SPA Discussion

What every strata owner should know about insurance

Guest speaker: *Shawn Fehr, BA, CAIB, CIP*Coastal Community Insurance Services

- The replacement value of the common property and their personal property
- What losses must be covered by the strata corporation policy
- What losses must be covered by the homeowner policy
- Who pays the deductible on strata corporation insurance
- Who pays for loss or damage to damage to fixtures, betterments, and upgrades
- When may an owner be required to pay the deductible on a strata insurance loss
- The difference between normal wear and tear and an insurable loss

Bring your insurance questions for Shawn

Can The Strata Property Act Be More Owner Friendly?

Discussion leaders:

Deryk Norton, VISOA's Legislative Chairperson & Harvey Williams, VISOA President

- Members will discuss the 13 strata legislation issues distributed with this Bulletin and will have the opportunity to raise additional concerns they may have with the Strata Property Act.
- Copies of the 13 strata legislation issues will also be available at the seminar.
- The discussion will be more fruitful if members read and discuss the issues among themselves in advance.

WHO READS THE VISOA BULLETINS IN YOUR STRATA?

by Elsie Lockert, Membership Chairperson

Hopefully the answer to that question is "everyone". We work hard to make sure the Bulletin is loaded with a lot of good information for ALL strata owners.

My job as membership chairperson is to ensure ALL members get their copy five times a year by either postal mail and/or email.

OUR POLICY:

Corporate Memberships:

Absolutely every owner in the strata is a member. We will send the strata corporation one copy of the Bulletin by postal mail **OR** they may select to receive it by email only.

Regardless of which method a corporate membership selects (postal or email), we will send complementary Bulletin notices to the four (4) executive members of the strata council (president, vice-president, secretary, and treasurer) with email addresses so they can share it with others.

NEW: We will also add a strata email address to the VISOA data-

base. Several stratas have already set one up (e.g., stratavisXXXX@ gmail.com). Then, when council members change, there is no fear of not receiving email from us. If this is something your strata would like to do, we can help! It is very easy. Contact membership@visoa.bc.ca for assistance.

Individual Memberships:

Owners of a single strata unit. We will send you the Bulletin by postal mail **OR** email -- your choice. Just make sure you let us know if you change your email or postal address.

YOU CAN HELP!

Provide us with any changes to your **postal mail address** to ensure the Annual General Meeting (AGM) documents and renewal notices are received on time. We are continually told that stratas have not received their postal mail only to find out that the mailing address given to us is no longer valid.

Secondly, up-to-date **email addresses** are extremely helpful for keeping members informed. Over 500 email notices are sent out with each edition of the Bulletin. Each time one bounces, we must follow up with the owner to correct it. This can be a very time-consuming task.

THE BOTTOM LINE:

We count on all corporate members who receive the Bulletin by postal or email to make sure it gets shared with everyone in the strata. Some say "Why bother, they never read it anyway." Well, they cannot read something they never receive. Make it available and let them decide. A well-informed group of owners makes for a better corporation.

On the positive side, we hear lots of good "sharing tips." Some tell us they post a copy on bulletin boards or have it circulated in other ways. Others forward an email notice to every owner in the strata with an email address.

Does your strata ensure everyone receives the Bulletin in some form? If not, we challenge you to set that as a goal.

BUSINESS MEMBERS

Empress Painting

(250) 383-5224 • 1-888-788-5624 office@empresspainting.com www.empresspainting.com

Focus Tax & Accounting Ltd.

Income Tax, Accounting and Bookkeeping Services (250) 656-9797

Island Basement Systems

Foundation Waterproofing Specialists 1-877-DRY-BSMT (379-2768) (250) 882-1061

sales@islandbasementsystems.ca www.islandbasementsystems.ca

Sterling Fire & Safety Services

Fire Safety Services & Fire Alarm Upgrades (250) 478-9931 sterlingfire@vicbc.com www.sterlingfire.vicbc.com

Top Coat Painting

Commercial & Residential Painting (250) 385-0478

saldat@islandnet.com • www.topcoatpainting.ca

Unity Services Corporation Strata Maintenance Planning & Consulting

(250) 616-9298 john@unityservices.ca •

www.unityservices.ca

Seafirst Insurance Brokers (250) 656-9886

jmccutcheon@seafirstinsurance.com www.seafirstinsurance.com

For more information regarding Business Memberships please contact **Daryl Jackson at (250) 920-0222** or membership@visoa.bc.ca

(Please note that VISOA does not guarantee or warranty the goods, services, or products of their business members.)