



Vancouver Island Strata Owners Association
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STRATA BULLETIN – FEBRUARY 2006

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MESSAGE FROM YOUR PRESIDENT FEBRUARY 2006

This is the final Bulletin that I will write to you as your President as I will not be standing for election of the Board Officers following our Annual General Meeting on February 19.

I will continue to serve the membership through the Helpline, both telephone and email. This service is very important to me as it will maintain my link with many Association members whom I consider to be my friends.

Our Vice President has been converted, through a better understanding, to the benefits to strata corporations, of the Real Estate Services Act (RESA). This Act replaced the Real Estate Act on January 1, 2006. One very real benefit that I see is the ability given to all strata corporations with management services is the ability to file a complaint against their property manager (now called a licensee) outside the licensee's own company (now brokerage) to the Real Estate Council of B.C. A full review of the problem will follow and the consequences are spelled out in the RESA. The real estate council may conduct an investigation to determine whether a licensee may have committed professional misconduct or conduct unbecoming a licensee.

This has been a very busy year. Our seminars (4 in all) have been well attended and we apologize for the acoustics at the work shop format on November 6, 2005. I personally apologize for not attending and there are copies of my hand-out for that

session at the back of the room. We will have a very good speaker, Tino Di Bella, today to help our self-managed to become aware of the pluses and minuses of remaining self-managed.

In order to maintain a better coverage of the telephone Helpline, I would like to propose that I receive calls between 10:00am and 2:30pm and 4:00pm and 7:00pm Monday to Friday and 9:00am to 10:30am on Saturday. You may try at other times but I do not promise to be available. Email at any time and I will try to clear my list each evening. And, oh yes, if you do telephone, I need you to let it ring at least 5 times in case I am at the other end of my apartment.

Just a reminder, please bring your financial statements with you to the AGM so that you can follow the presentation by our treasurer. We will not have extra copies on that Sunday.

I hope to see many of you at the Annual General Meeting on February 19.

Florence Walker, President



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YOU ASKED:

How Will the Real Estate Services Act Affect Strata Management Contracts

Harvey Williams, VISOA Board Member

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.

BC strata owners had more to celebrate on January 1 than the arrival of a New Year - that was also the day that the Real Estate Services Act (RESA) required strata managers to be licensed by the BC Real Estate Council. All persons who are paid for performing any strata management services must be licensed by the BC Real Estate Council except owners who perform management services for their own stratas. Provision is made for grandfathering present strata managers to give them an opportunity to become licensed. Eventually all hired strata managers must become licensed.

In my view, the interests of strata owners would have been better served had the Homeowner Protection Office been the licensing agency for strata managers. The Real Estate Council got off to a good start by adopting rules for strata management contracts. The purpose of this article is to help strata owners understand those Rules. There are also rules for the handling of strata funds by management companies. We'll write about them in the next Bulletin.

Recommended reading: The Real Estate Services Act Rules can be downloaded free from <http://www.recbc.ca/pdf/RECBCRules.pdf>.

Part 5, Division 1 of the Rules contains the requirements for strata management agreements. The first rule is that no management services can be provided without a service agreement.

A management agreement or any changes to an existing management agreement must be signed by an authorized representative of the strata corporation and the managing brokerage respectively. The agreement must specify the following:

- a) effective date and duration of the agreement;
- b) services to be provided;
- c) remuneration for services and terms of payment;
- d) confidentiality of strata corporation records; and
- e) provision for the protection of owners' personal information.

A management agreement must indicate the manager's scope of authority for acting on behalf of the strata corporation in:

- a) holding strata funds in manager's trust accounts;
- b) transferring strata funds between trust accounts;
- c) disbursing strata funds and signing strata cheques;
- d) entering into contracts; and
- e) investing strata funds.

A management agreement must include:

- a) the timing, frequency, and nature of financial reports required of the brokerage; and
- b) a description of the records to be maintained and kept by the brokerage on behalf of the strata corporation.

In a previous article, I identified some of the deficiencies often present in strata management contracts such as not including a termination date, giving the management

company discretion in reassigning the management contract to another company, and making the strata corporation responsible for errors and omissions committed by the management company. These Rules go far toward correcting such deficiencies and protecting the strata corporation from financial loss due to the misuse of strata funds.

But these Rules will not protect a strata corporation unless the management contract complies with them. While I have done my best to explain the RESA Rules for you, I am not a lawyer. Even if I were a lawyer, this is an abbreviated explanation of the Rules, totally insufficient to be a guide to writing or even evaluating a management contract.

Strata Strategies #8 – Building Plans & Drawings

John Grubb, Unity Services Corporation

As a Strata Council develops both Annual and Long Term Maintenance Plans, one of their most important references is a set of the buildings' blueprints. There are potentially three types of drawings made up for a property, each with its own purpose.

The Design Drawings are made up for the developer to submit to a municipality in order to obtain the permits and approvals required before he can start building. These Design Drawings can be, and often are revised as the approval process unfolds but, no matter how detailed, they only convey the developer's general intent. They are not a reliable reference that shows how the buildings have been built and of the three types of drawings, these are the least reliable.

Once the development has been approved, a new set of Construction Drawings is produced, and these are the plans that the General Contractor will follow in order to build

the structure(s) and install all the different systems that make up the building(s). The Construction Drawings will have several different sections that will include Structural, Plumbing/Mechanical, Electrical, and Heating & Ventilation (in a condominium building) among others.

However, there is a third type, commonly produced for larger commercial buildings, called As Built Drawings which, as the name implies, shows exactly how the structures were built and how the various systems were installed.

Given the many similarities in the management of maintenance requirements between Strata and commercial properties, we would encourage any developer to fund the production of As Built Drawings. It would incur extra work and cost and, unfortunately, we consider this effort unlikely, however desirable.



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The Construction Drawings are generally as far as any developer will go, and they are certainly better than the Design Drawings as a reference. Often these drawings disappear at the finish of construction but any developer would be providing a tremendous service to the Strata owners if he printed an extra set to accompany the obligatory Maintenance Manual. Any Strata Council is well advised to ask for them.

**John Grubb is a Property Maintenance Consultant serving Strata Corporations and building owners on Vancouver Island.
(250) 616-9298 or www.unityservices.ca**

Developing Service Contracts

Elsie Lockert, Board Member

Developing a contract for a gardener, maintenance person, etc. is a very important job. And being clear on what services you want to receive from them is critical. But yes, you can do it! Sometimes you will need to seek legal advice depending on how complex the contract is, but most times that will not be necessary.

All contracts are different; there is no “template” as such. And, there is no such thing as a perfect contract. You should not expect to get everything you want. So plan to “review” your contract from time to time and, if needed, agree to a written amendment.

Once your draft contract is prepared it is wise to invite several potential contractors for bids. It might be that you would call for expressions of interest with a general description of the work to be done and draft the contract cooperatively with the prospective contractor.

Drafting a contract needs only patience (take your time), knowledge (what do you want as a result?), and practice. Always start with a “brainstorming session” (by yourself or with others) and list everything you might want in the contract. Do not be concerned with order or wording at this stage; you can organize and edit later; get your thoughts down first.

You will need some means of measuring performance. If your contract lacks specificity, omits important details, etc. it can become unenforceable. The description of the work to be done is the most critical part. The contract should also describe what events could trigger early termination.

The Contract should include:

1. The names of the purchaser and contractor;
2. When the contract will start and when it will end;

3. An option for either party to terminate the contract before the termination date;
4. The “tasks” you want performed;
5. A description of acceptable performance and the timelines to complete each task;
6. Contractor obligations such as licensing, WCB, insurance, equipment, supplies, invoicing, reports and so forth;
7. List of exclusions if applicable (i.e. “the following are not included in the contract...”); and
8. Purchaser’s obligations such as how and when the payments will be made.

All contracts need to be signed and dated by both parties. Ensure that the persons signing the contract have the legal authority to do so. You may want to include witnesses.

Remember, a contract is only as good as the people who sign it.

And lastly, don’t forget to do reference checks on those contractors you are considering doing business with. The old saying “past behaviour is future behaviour” usually proves to be correct, even with contractors.

Attached are two sample contracts. If you have contracts that you would be willing to share with others please send them to info@visoa.bc.ca / membership@visoa.bc.ca. We will ensure that your strata information and contractor information is removed before sharing them.



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SAMPLE CLEANING CONTRACT

Between: Strata Plan XXXX, and
Super Duper Cleaners

This contract will begin on 15 September 2005 and end 1 October 2006 at a pay rate of \$ per month plus GST for a total of \$ _____ payable on the last day of each month. The contractor will purchase supplies as needed and upon presentation of receipts be reimbursed for their cost. This contract may be revoked by either party upon two weeks notice.

The services to be provided are listed below:

- Carpets on each floor vacuumed twice/week.
- Carpets on all stairs vacuumed twice/week.
- Marble stairs, landing and sidewalks at front entrance swept once/week.
- Marble stairs and landing washed once/week.
- Laundry room floor swept and washed once/week.
- Washer, dryer and counters in laundry room wiped down once/week.
- Washroom in basement cleaned once/week.
- Inner and outer glass doors at front entrance cleaned twice/week.
- Dusting of all wooden trim, railings, picture frames, furniture in foyer, doors to suites and trim above twice/week.
- Floor swept in the basement on an as needed basis.
- Spider plant in basement room watered and window ledges dusted once/week.
- Flyers and newspapers in basket in foyer emptied to recycling once/week.
- Open all rear entrance doors for air circulation twice/week while cleaning.
- Replace light bulbs as needed.
- Visually check furnaces and domestic hot water system for pressure and leakage once each week and report any problems to a member of the Strata Council.
- Purchase supplies (i.e. Paper towels, toilet paper, vacuum bags, bulbs etc.) on as needed basis and submit receipts with hours.

(For Super Duper Cleaners)

(For Strata Plan XXXX)

Date: _____

Date: _____

GARDENING CONTRACT

Between: Strata Plan XXXX, and
Super Duper Gardeners

Beginning: January 1, 2006

Running until: June 30, 2006

To Be Reviewed by May 1, 2006

Termination available to either party on one (1) month's notice in writing.

Responsibilities:

1. Weeding, tilling, deadheading, hedge trimming, and tidying of all areas not tended by the declared choice of residents. Removal of all garden refuse.
2. Weeding beds on a weekly basis and use insecticides as required.
3. Cutting and edging of lawns on a weekly basis during the growing season.
4. Clearing of roads and walkways of debris, except for snow.
5. Fertilizing of lawns and all tilled areas three times a year.
6. Liming and de-mossing of lawns.
7. Pruning of shrubs, small trees and roses.
8. Annual application of manure to roses.
9. Annual dormant spraying of bare-branched shrubs.
10. Applications, as necessary, to treat pests and fungi.
11. Remove or relocate plants/shrubs as requested.
12. Spreading loam, mulch, compost as required.
13. Aerating of lawns.
14. Other tasks as mutually agreed upon.

- Super Duper Gardeners will provide all equipment and upkeep of equipment and provide all materials/supplies to carry out the above work except where noted below.
- The property will be maintained to a Level 2 (Groomed) standard as set out in the BCLNA guide for landscape maintenance.
- Super Duper Gardeners will, upon request, show evidence of WorkSafe BC coverage and liability insurance.

Not included in the contract:

1. Transplanting or removal of trees.
2. Costs of plants for long-term or seasonal enhancement.
3. Costs of soil amendments, such as loam, manure, bark, etc.
4. Arborist tasks that would require a harness to complete (e.g. oak tree).

Payment of \$ X,XXX (plus taxes where applicable) will be made, upon receipt of invoice, at the end of each month, payable to Super Duper Gardeners.

(For Super Duper Gardeners) (For Strata Plan XXX)

Date: _____ Date: _____

Speaking Effectively

At the time of the year of many AGMs people who don't usually speak to a group are often asked to give reports to the owners – many of whom they don't know.

To become more effective as a communicator, here are a few simple ideas:

- ☞ Remember, some words have different meanings for different people
- ☞ Tailor the message to the intended audience
- ☞ Give time for questions
- ☞ Avoid too long a presentation
- ☞ Relax, be natural

... And a few parting words from your President, quoting Eleanor Roosevelt:

Many people will walk in and out of your life, but only true friends will leave foot prints in your heart...

and...

To handle yourself, use your head.
To handle others, use your heart.



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For more information regarding Business Membership, please contact Florence Walker at (250) 920-0222 or membership@visoa.bc.ca .

DISCLAIMER

The material in this publication is intended for informational purposes only, and cannot replace consultations with qualified Strata professionals.

Legal advice or other expert assistance should be sought as appropriate.



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ANNUAL GENERAL MEETING SUNDAY, FEBRUARY 19, 2006 - 1 P.M.

TOPIC

Real Estate Services Act

SPEAKER

R.C. (Tino) DiBella

Registration begins at 12:30 p.m.

You will need to provide your Strata Plan Number
If your Strata Plan belongs to our Association
All Owners of your Strata Plan are invited to attend

LOCATION:

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

PLEASE POST FOR ALL OWNERS TO SEE