

Strata Living

Headline: Paying Strata Council
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Dear Tony: We are a self-managed strata of 40 units. We only managed to elect 3 people to council this year. This is my first year on council, and as I suspected, the 3 council members look like they are going to do all the work for the owners, without any support or services to assist us. I am happy to do my part as I am an owner here, but I also realize that the whole point of selling my housing and moving to a condo was to stop having to deal with the day to day business of running a house.

Our president has told me not to worry because the council members' strata fees are reduced by \$250.00 each month to offset the work and services we do. I am not objecting to paying council for managing the property, but it seems odd to me that no one has ever talked about this in our strata. Is this legal?

Sharon Carson

Dear Sharon: Strata corporations are permitted to compensate council members for their duties; however, there are very specific limitations to ensure that this is a transparent process. Council do not approve their own compensation and they do not waive any portion of their strata fees or special levies. Remuneration of council is approved by the owners at an annual or special general meeting. The amount of the compensation must either be approved in the annual budget, so it would have to be

identified as council compensation in the budget, or by a three quarters vote resolution or in a duly amended bylaw. The amount(s) should be clearly identified, and the frequency of the payment. The strata corporation may also be required to issue a CRA T 4 Statement of Remuneration Paid as this may also be taxable income similar to employment relationships.

When council members are in employment or contractor relationships, there is also the potential for council members to be in a conflict of interest. To avoid conflicts, council members are required to declare any conflicts and to remove themselves from council meetings where a decision has to be made regarding matters related to their employment, services or compensation. The minutes of council meetings should also identify when those members leave council meetings, and the reason. If the business is conducted in a disclosed and transparent manner, it reduces the concerns over conflicts with council and the owners.

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