
Strata Living

Headline: How are user fees for certain things decided?

Topics: User Fees

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Dear Tony: How are fees for things like parking spaces, entry fobs and extra storage lockers decided? Our strata recently received notice of an increase in fees for the replacement of new fobs from \$50 to \$250!!! When we contacted our strata council treasurer she knew nothing about the increase as she had been away and was just as surprised. The management company had decided on the new increase. We also have a question about where these funds go? Our strata has almost 300 units with two fobs per apartment collected in 2015. That's almost \$30,000. No one seems to be able to identify where these funds are being held or deposited.

Jennifer L.

move plus a damage deposit for the elevator key and blankets of \$100. Fee amounts and their purpose vary greatly between strata corporations. Whether fees are a revenue or a deposit they are shown in the financial statements of the strata corporation. Check the financial statements for 2015 and 2016 as the fees in your case were shown as a revenue and are part of the annual revenues for the annual budget. While the management company routinely administer the fobs and the collection of the fees, they are doing this on behalf of the strata corporation, and they do not approve increases or changes to user fees or costs imposed on the owners and occupants. Request detailed information from your strata council.

Dear Jennifer: User fees may be charged for the use of common property and common assets if all of the following conditions are met: the amount of the fee must be reasonable, it must be approved in either a bylaw or a rule, and if it was a rule, the user fee cannot be collected until the rule has been ratified at the next general meeting. The authority to collect the fee and the amount is authorized by the owners when they approve the rules or the bylaws, and the strata corporation imposes and collects the fee against all users in the same manner. User fees are not based on unit entitlement, they are based on each user's access to the facility, amenity or service. Common examples are: additional parking is \$100 per space per month; fobs are purchased through the management office and the fee is \$50 per fob; guest rooms may be rented for guests of residents at a rate of \$125 per night and a damage deposit of \$50 is required; the clubhouse may be rented for parties of residents at a rate of \$250 per night plus a \$100 cleaning fee; move in fees are \$200 per