



STRATA MANAGEMENT GUIDE : 5

**Proceedings of a
Council Meeting**



Preamble

This series of Strata Management Guides published by the Building and Construction Authority (BCA) is intended to help councils of the management corporations (MCs), subsidiary proprietors (SPs), council members and managing agents (MAs) better manage their estates.

The guide will include recommended procedures and good practices to address common issues (e.g. how to conduct a general meeting and how to requisition a motion).

The guide is aimed at providing a consistent approach and standard for the strata community to facilitate better self-regulation.

Disclaimer

This guide has been prepared to provide practical information on the BMSMA and Regulations made under the BMSMA (Regulations).

This guide :

- Does not provide a legal interpretation of provisions in the Act or Regulations; and
- Is not a substitute for independent legal advice.

Readers should seek professional legal advice if they need to determine specific legal rights and duties applicable to them. The Commissioner of Buildings, BCA or any agency stated in this guide shall not be liable for any reliance on or misinterpretation of any information contained in this guide by any person.

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Important Notice: Readers must not rely on this guide for legal advice.

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Abbreviations

AGM	Annual General Meeting
BMSMA	Building Maintenance and Strata Management Act
BM(SM) REGULATIONS	Building Maintenance (Strata Management) Regulations 2005
MA	Managing Agent
MCST	Management Corporation Strata Title
MC	Management Corporation
SP	Subsidiary Proprietor

Content

Preamble

- (1) Introduction 4
- (2) Notice of Council Meetings 5
- (3) Sequence of a Council Meeting 6
- (4) Chairperson to Preside at Council Meetings 7
- (5) Quorum for Council Meetings 8
- (6) Council’s Decisions to Be Decisions of MC 10
- (7) Resolutions in Writing 11
- (8) Duties of Council Members 12
- (9) Adjournment of Council Meeting 14
- (10) Content of Minutes of Council Meeting 15
- (11) Keeping of Records 16
- Annex A..... 17

Icon in this guide



01 Introduction



- 1.1 A council meeting is where council members will meet and discuss issues relating to the estate. Council meetings are held from time to time, as determined by the council. As good practice, council meetings should be held at least once a month. By doing so, council members can come together to discuss and decide on matters pertaining to the estate efficiently and effectively.



02 Notice of Council Meetings

(Paragraph 4 of Second Schedule to the BMSMA)

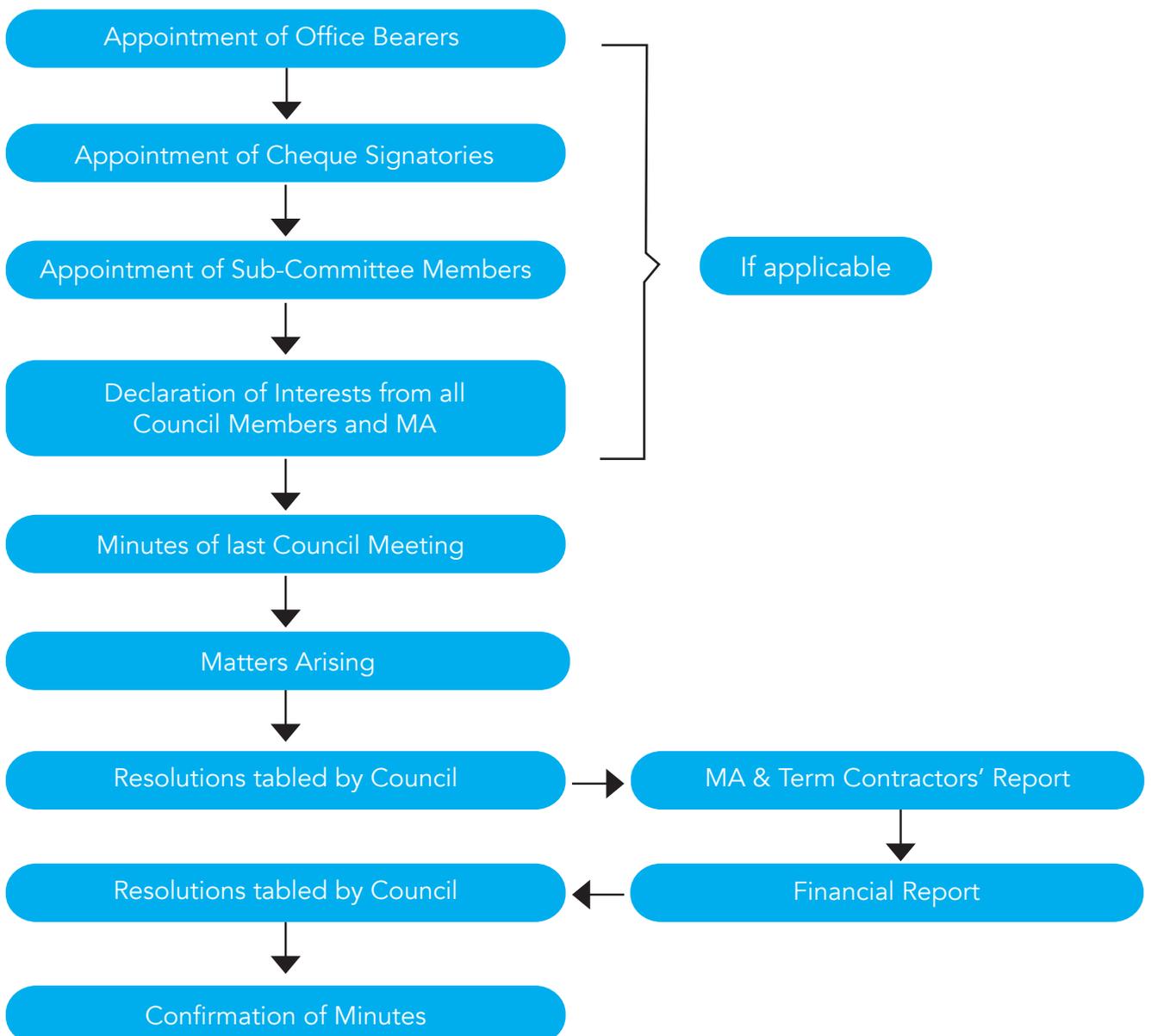
- 2.1 If a council intends to call a meeting, the council must display a notice on the notice board at least **3 days before** the date of a council meeting **and serve the notice on each council member**.
- 2.2 The notice must contain a detailed agenda for the meeting and specify the date, time and venue of the meeting. If council members are given an option¹ to participate in the meeting by means of **Electronic Communication**, the agenda should set out information as to how council members can access and use the relevant Electronic Communication.
- 2.3 It is recommended that the agenda also lists out in detail all the motions that the council desires to pass during the meeting so that council members and SPs are made aware of and know what is to be discussed in the meeting.
- 2.4 After SPs receive the detailed agenda of any council meeting, SPs who disagree with any proposed agenda item may choose to serve a notice in writing on the Secretary. This notice must be served on the Secretary before the council makes a decision on the agenda item. Importantly, the notice must be signed by SPs who collectively own one-third or more of the lots in the development.

¹ For example, 5 council members may physically meet in the management office and council members who are unable to attend physically may be given the option of participating in the meeting by means of Electronic Communication.

03 Sequence of a Council Meeting



3.1 It is recommended that the sequence of a council meeting should follow the agenda listed in the agenda notice. The following is an example of an agenda that is set out by a council.



04 Chairperson to Preside at Council Meetings

(Paragraph 1 of Second Schedule to the BMSMA)

- 4.1 The chairperson of a council must preside at all meetings of the council. If the chairperson is absent from any meeting, the members of the council who are present must appoint a council member amongst themselves to stand in for the chairperson over that meeting.



05 Quorum for Council Meetings

(Paragraph 2 of Second Schedule to the BMSMA)



- 5.1 A quorum is the minimum number of people who must be present at a meeting before the meeting is validly convened. The quorum must be met before the meeting can proceed. The quorum for a council meeting is the **majority** of the council members. For example, if the council has six members, four must be present at a meeting before there is a quorum.
- 5.2 The decision on any matter concerning the estate can be made at a council meeting at which the quorum is met. As such, the council should ensure that the quorum remains throughout the meeting.
- 5.3 A council member is deemed to be present at a meeting even if he cannot vote or has subsequently withdrawn from the meeting due to any declaration of interest².

² Section 60 of the BMSMA requires a member of a council to declare the nature of any direct or indirect financial interest in any matters that are before the council meeting. After making the declaration, the council member can no longer vote on that matter or may be directed by the chairperson of the meeting to withdraw from the meeting.

Methods of holding a council meeting (Paragraph 1A of Second Schedule to the BMSMA)

- 5.4 Apart from meeting up in person, a council may meet by means of teleconferencing or video conferencing³ (**Electronic Communication**). However, a council must first decide by resolution to do so. If a council has passed such a resolution and council members are given an option⁴ to participate in the meeting other than in person, all council members should be given access to the Electronic Communication. However, even in such cases, the council must still ensure that a quorum is maintained throughout the meeting.
- 5.5 A SP is entitled to attend a council meeting but must not speak up during the meeting unless the council gives the SP permission. The council is encouraged to provide SPs who are interested in attending the council meeting access to the technology needed to participate in the meeting if the council members meet by means of Electronic Communications.

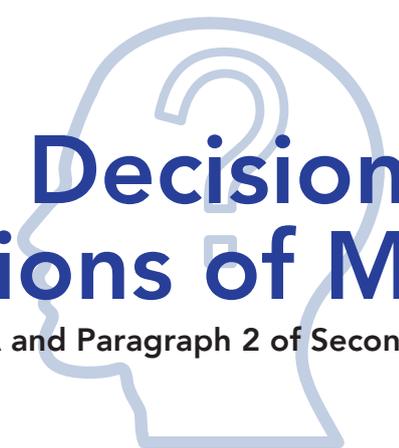


³ This may include other electronic means of communication such as Skype Group Conferencing, GoToMeeting etc.

⁴ For example, five council members may meet in the management office, council members who are unable to attend physically may be given the option of participating in the meeting through teleconferencing.

06

Council's Decisions to Be Decisions of MC



(Section 58 of the BMSMA and Paragraph 2 of Second Schedule to the BMSMA)

- 6.1 Any decision taken by the council in a council meeting is considered the decision of the MC. This is provided that the council does not decide on any restricted matter. A restricted matter is any matter that can only be passed by resolution after discussion in general meeting. Examples of restricted matters are:
- 1) Matters that must be decided⁵, by a general meeting (that is, those requiring ordinary resolution, special resolution, 90% resolution, unanimous resolution, comprehensive resolution or resolution by consensus).
 - 2) Matters that have been decided by the general body to put a restriction⁶ on the council's decision making powers.
- 6.2 A quorum must be met all times during the council meeting when decisions are made. Where any motion is put to a council for decision making, a decision is considered to be made only when the majority of the members voting on that matter votes in favour of the motion. For example, if there are four council members at the meeting and three decide in the same manner that amounts to a majority vote.

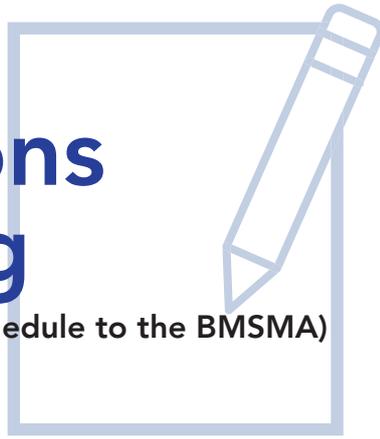
⁵ Resolutions are decisions made by the MCST owners. There are different types of resolutions that should be obtained, depending on the importance of the matters to be decided. An example is the decision to make by-laws which requires a special resolution. A special resolution is decided by the SPs who are present at the meeting and is passed when the SPs who vote for the resolution constitute at least 75% of the share value of all the valid votes cast at the meeting.

An ordinary resolution only requires a simple majority of those at the meeting to pass the resolution.

⁶ For example, general body deciding that a council can only approve expenses relating to common property maintenance up to certain amount.

07 Resolutions in Writing

(Paragraph 7 of Second Schedule to the BMSMA)



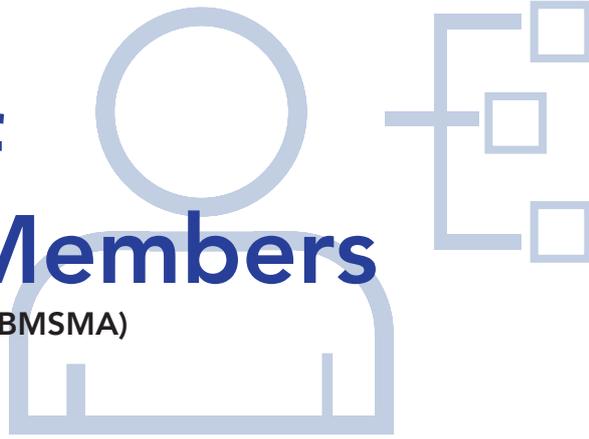
- 7.1 Where a council does not hold a meeting in accordance with any of the intended methods (by means of a physical, tele-conferencing or video-conferencing meeting), the council can still choose to pass a resolution in writing (i.e. resolution by circulation). Such a resolution in writing may be passed only if the conditions⁷ set out in Paragraph 7 of the Second Schedule to the BMSMA are met.



⁷ See **Annex A** for Paragraph 7 of Second Schedule to the BMSMA.

08 Duties of Council Members

(Sections 60 and 61 of the BMSMA)



8.1 Generally, all council members must act honestly and use reasonable diligence in discharging their duties. In particular, council members must be mindful of the requirement to declare if they have any interests in contracts, property, shareholding or directorship which is the subject of any matter before the council⁸.

(1) Declaration to be made at the council meeting immediately following the council member's appointment

At the first council meeting held after his appointment, the council member must ensure that he declares any interest in property or office appointment/shareholding/directorship interests that may conflict with his/her duties or interests as council member⁹.

(2) Declaration to be made as long as council member has any direct or indirect financial (pecuniary) interest in any contract or any matter that is put before the council for decision making

Every time a proposed contract or matter is put before the council for decision making, council members must declare if they have any direct or indirect financial (pecuniary) interest in the matter¹⁰. If such a declaration is made, that council member must not take part in the discussion of that contract or matter.

⁸ These duties are set out under Sections 60 and 61 of the BMSMA. Council members are reminded that failure to meet these duties amount to an offence under the BMSMA. Therefore, all council members are reminded to take heed and be mindful that they duly comply with the abovementioned duties and are reminded to seek legal advice, if in doubt.

⁹ Examples of declarations: (1) declaration of shareholding interest in a managing agent firm that may potentially be appointed as MA for the MCST / (2) declaration of directorship interest in a contractor that may be bidding for MCST projects.

¹⁰ "Immediate family member" includes a spouse, child, adopted child, step-child, sibling or parent.

- 8.2 The Chairman or the person chairing the meeting may direct that council member to leave the meeting during the consideration or discussion of that matter. If so, that council member may only stay if asked by the council to be present to provide information.
- 8.3 Where no council member has made a declaration for a proposed contract or matter, it is good practice that the minutes of the meeting record that no such declaration was made.
- 8.4 In relation to the declaration of interests, council members must take note that the interest of their immediate family members (if any) will be treated as their interest as well.



Example: Conflict of interest

A council member becomes aware of a personal interest that may lead to a conflict and he is unsure as to whether an actual conflict of interest exists.

- ✓ The council member should immediately disclose that interest to the council and discuss with the council.
- ✓ If the majority of council members at the council meeting have conflicts of interest in relation to a particular matter, that matter should be decided by the general body of the MC instead.
- ✓ Alternatively, the remaining council members may decide on that matter, provided it is not a restricted matter or does not contradict an existing by-law setting out a different procedure for such decision-making.

09

Adjournment of Council Meeting

(Paragraph 4A of Second Schedule to the BMSMA)



- 9.1 A meeting of a council or an executive committee may be adjourned for any reason if a motion to adjourn the meeting is passed at the meeting.
- 9.2 The council or executive committee must give notice of the time and place a meeting adjourned is to be resumed.
- 9.3 The notice required must be given at least 3 days before the time fixed for the resumed meeting as follows by:
 - a) Displaying a notice on the notice board of the MC or sub-MC; or
 - b) Serving the notice on each member of the council or executive member.



Example: Changes to the agenda of council meeting

The importance of creating and circulating an agenda of council meetings ahead of time is that it gives SPs an opportunity to prepare for the meeting, or make changes to the agenda if necessary. For example, an SP wants to include a topic of special concern in the agenda to address certain issues.



If the final agenda has changed, the council may issue a letter to inform all the SPs of the additional item in the agenda before the council meeting.



The council may post the final version of the agenda on the notice board.



The council can establish the latest date for any request for changes to be made to the agenda in the first notice of the council meeting. The council may decide to include new items which are not proposed within the deadline in the agenda of the following council meeting.

10

Content of Minutes of Council Meeting

(Paragraph 8 of Second Schedule to the BMSMA)

- 10.1 The council of the MC must ensure the minutes of every meeting of a council or an executive committee must contain the following information:
- a) Date, time and place of the meeting;
 - b) Names of the members of the council or executive committee present at the meeting;
 - c) Names of the members of the council or executive committee voting;
 - d) Result of the votes on every motion submitted at the meeting;
 - e) Text of every resolution passed at the meeting; and
 - f) Declarations by council members (if any) of any direct or indirect pecuniary interest in any matter before the council.
- 10.2 Additional items that may be included in the minutes of council meeting are as follows:
- a) Appointment of office-bearers (Chairman, Secretary and Treasurer);
 - b) Appointment of cheque signatories (for the 1st council meeting after the last general meeting); or
 - c) Standard Operating Procedures for procurement services and for making decision for emergencies requirements.
- 10.3 At every council meeting, the Secretary must prepare and distribute minutes of meetings of the MC and submit a motion for confirmation of the minutes of any meeting of MC at the next such meeting.

11

Keeping of Records

(Paragraph 3 of Second Schedule to the BMSMA)

- 11.1 The council must keep all minutes of council meetings.
- 11.2 The council must display on the notice board a copy of the minutes of the council meeting within **14 days**¹¹ after the date of the meeting.
- 11.3 The minutes of the council meeting must be displayed on the notice board for at least **14 days**. As such, the council should take steps to have the minutes approved by the council members after each council meeting so that the approved minutes are displayed on the notice board.
- 11.4 The council must maintain a notice board. The notice board may be either a physical or an online notice board maintained on the website of the MC. The council may also give each SP a copy of the minutes¹². Should the MC have more than one notice board, the MC should ensure all notice boards are maintained and the notices are updated.



References:

BMSMA – Sections 58, 60, 61
First Schedule to the BMSMA
Second Schedule to the BMSMA

¹¹ The day after the council meeting marks the first day of the 14-day timeline.

¹² Please refer to Paragraph 10 for information on content for minutes of council meeting.

Annex A

Extract of Paragraph 7 of the Second Schedule to the BMSMA

Resolutions in writing

A resolution of a council or an executive committee shall be taken to have been validly passed even though the meeting at which the motion for the resolution was proposed to be submitted was not held if:

- a) Notice was given in accordance with this Schedule of the intended meeting of the council or executive committee, as the case may be;
- b) A copy of the motion for the resolution was served on each member of the council or executive committee, as the case may be;
- c) Resolution was approved in writing by a majority of members of the council or executive committee, as the case may be; and
- d) Motion for the resolution does not concern any matter that the management corporation or subsidiary management corporation, as the case may be, determines under section 59 may only be decided upon by its council or executive committee, as the case may be, at a meeting.

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