

DRUMMOND STREET BODY CORPORATE AGM

Executive Seminar Suite, Massey University

Wednesday 4 July 2012 – 6.00pm

MINUTES

Present:

Peter Arathimos (11, 12, 14, 17), Rhys Morris (25), Nancy Yerly (2, 9), Marg Garvie (23), Koshick Ranchhod (19), Terry Jones (22), Brian & Jess Astridge (18), Spencer Wong (28), Richard Graham (6), Steve Ebert (5), Barrie Doyle (7, 26) Liz Parsons, Richard Cooke (Administration Officer) David Cooke (Caretaker/Property Mgr), Thomas Wutzler & Darryl Scott on behalf of Helfen Ltd.

Proxies/Apologies:

Peter & Trish Bellringer (3), Geoff Rothwell (10), Bob Stewart (27), Victor Yeun (1), Kitty Chang (24), Kurt Gibbons (proxy not received)

Confirmation of Quorum:

Richard Cooke welcomed those present to the meeting and confirmed that with those present and proxies received a quorum had been met.

Method of Voting:

Voting to be by a show of hands. A majority vote by those present is sufficient to pass a motion, but a special resolution requires 75% of those present to vote in favour in order that it may be passed.

Building Remedial Action – Report from Helfen Ltd:

Darryl addressed the meeting explaining the concept plan had been converted to working drawings in preparation for preparing the tender documents. The roof needs further inspection as there could be problems with flashing, fixings and finishing. Some of the windows in the complex will need to be replaced to meet current fire standards and will be double glazed.

Helfen have tried to keep prices down while also being prepared for any eventuality e.g. prices will include full replacement of interior and exterior linings as it won't be known what is under the cladding until it is removed.

Darryl and Thomas were asked if it was necessary to engage a Quantity Surveyor to establish a benchmark for the cost of materials, their comment – it was entirely up to the apartment owners but they felt it was just another cost that would need to be met.

The apartment blocks would be worked through one by one so tenants would need to be re-homed for as short a time as possible. Steve Ebert advised that one possibility for temporary accommodation has unfortunately fallen through (Webb Street) so he will give further consideration to the logistics of re-homing the tenants as a high priority.

Steve considered that the order of construction ought to be half of the big block first and then the remaining half, then the back block and finally the two smaller blocks together. That way there will be a fairly consistent number of dislocated tenants. If the construction period is about 11-12 months (to be confirmed by tenderers) then this will require that we attempt to secure alternative accommodation for 40 tenants for 12 months which is far more likely to be achievable than securing temporary accommodation at possibly higher prices, due to the short term nature of tenancy, and for a fluctuating number of tenants located at different areas over the town.

Rather than advertise for tenders for the job, Thomas was in favour of selecting three or four building companies experienced in remedial work and invite them to submit tenders rather than advertise. This would also speed up the process. Tender documents should be available by Monday of the following week and tenders should be submitted by 28 July 2012.

Thomas and Darryl were asked whether the finance needed to be approved before work commenced. There are advantages to starting as soon as possible as cost information gathered can be useful in pursuing compensation.

Discussion followed on which companies would be invited to tender. Barry Doyle had an association with a building construction company and agreed to approach them to determine if they were interested.

Motion to instruct Helfen Ltd to proceed with inviting tenders for remediation work on the complex, Units 11/23. Carried.

Update of Legal Position and Funding Options:

At this point Steve outlined progress on the legal front. The three options for pursuing compensation are: (1) Financial Assistance Package which would meet 50% of the assessed cost of the remedial work; (2) Weathertight Homes process; (3) High Court Action – suing those involved in the original building construction e.g. builder, developer etc.

Pricing of the remedial work is important because (short of having actual invoiced costs of repairs which will require that owners pay for the repairs now) it is the best evidence on which to base a claim and will help in the decision of which of the above three options to pursue. Once the information is received Steve will give a report with the options outlined and an EGM will need to be called – ideally in 4 – 6 weeks time.

Steve has been involved in phone conferences with the lawyers for the defendants who say that some purchasers had notice of any defects prior to purchase. There is also a time limitation on claims – 6 years from when damage became apparent and 10 years being the long stop period for negligent acts occurring in that time. Steve asked owners to provide any evidence they may have of due diligence carried out prior to the purchase of their apartment/s e.g. marketing brochures, LIM reports, the conveyancing file and communications with the property manager etc.

When Council issues a Code of Compliance Certificate the entire building is not rechecked, instead previous inspection reports are relied on. Steve explained that is the Council position but a Building Expert for the owners will have a view on that. The issue of Council negligence needs to be expertly assessed.

Steve recommended to the meeting that Michael Thornton is formally appointed to take over the litigation. He has the experience and abilities to do the best job for the owners. Steve has already had some input from Michael on the case and the issues of jurisdiction and limitations and subsequent repairs are complicated and need to be fully assessed before we get into any mediation. There was no objection at the meeting to involving Michael Thornton.

Receive and Approve Reports:

Financial Statements

Financial statements for the year ended 31 March 2012 were presented by Richard Cooke who discussed the following points:

- The caretakers fee has reduced as a result of coming off a fixed fee.
- The insurance premium has increased as expected.
- The accounting & secretarial cost has reduced as there has not been so much involvement with the building remedial work, however this will increase again as the legal action picks up pace.
- The callouts for false alarms are a big cost. The complex can have three callouts at no charge and after that there is a Fire Service charge of \$1000 plus GST per time. It is very difficult to identify the culprits and hence recoup the costs. However David Cooke has advised that if a vandalism report is filed with the police, the Fire Dept can under certain circumstances waive the fee

Moved that the accounts be adopted, Units 7/25

Budget

Richard presented the Budget for 2012/13. The leaky building costs had been set at \$45,000 and the \$20,000 sinking funds will also be available to assist with legal and consultants fees. To ensure the full year's budget income is received the monthly payments from June would include the catch up as shown

Moved that the budget be adopted, Units 25/22

Caretaker/ Property Manager's Report

Report circulated and taken as read

Moved that the report be adopted, Units 23/5

The meeting was advised that David Cooke is retiring from the position of Caretaker/Property Mgr effective from the end of July. A new company Total Home and Property Services Ltd – Donna Walford has been appointed in the position for a trial period of three months. David will work with her until the end of the month.

Moved that this decision be ratified, Units 22/23

Election of a Committee and Chairperson of the Body Corporate

A nomination has been received for Peter Arathimos to be the Body Corporate Chairperson. As there was no further nomination Peter was appointed to the position.

The new Act requires the AGM to decide and approve the number of committee members required. Members present agreed that the committee be a minimum of five owners.

Motion that this figure be accepted, Units 23/25. Carried

The existing committee members expressed their willingness to continue with the addition of Terry Jones

Committee – Spencer Wong, Steve Ebert, Richard Graham, Terry Jones, Margaret Garvie and Peter Arathimos.

Motion that the committee be approved, Units 25/19. Carried

Auditor and approval of Accounting/Secretarial Fees

Moved that an Auditor not be appointed, Units 22/11. Carried

Moved that payment of Glendinnings accounting and secretarial fees for the period 1 April 2011 to 31 March 2012 be approved, Units 22/11. Carried.

Obligations and Requirements – Unit Titles Act 2010

The proposed new Body Corporate Operational rules will apply so long as they do not contravene the new Act. The existing Body Corporate rules will no longer apply as from 1 October 2012 and Richard advised that the

new Body Corporate Operational rules were presently be prepared and would be sent to owners for approval once reviewed and approved by the committee.

Long Term Maintenance Plan

Helfin Ltd have provided a quote to provide a long term maintenance plan. As this is higher than expected a second quote is to be obtained from ISP as a comparison.

General Business

Terry Jones moved that a vote of thanks be passed to David Cooke for his eight years of good service and hard work.

Motion moved, Units 22/2. Carried.

Meeting closed at 8.15pm.