

MINUTES OF ANNUAL GENERAL MEETING

BODY CORPORATE No. 164980

PROPERTY AT: 148 Quay Street, Auckland

AN ANNUAL GENERAL MEETING of this body corporate was held in the Copthorne Room Two of the Copthorne Hotel, 196 – 200 Quay Street, Auckland on Monday, 23rd May, 2011 commencing at 6.00 p.m.

PRESENT: As per Attendance List completed by owners --
Linda Scott, Ann Sullivan, M Eardley-Wilmot, Simon Thompson, Mick & Genny Webb, Peter Stratford, Rick Gain, Andrew Sains, Paul Chaplin, Noel Playle, Torey Leggett, Anna Lee, Els Vietmeyer, Frances Ramsay, Alan & Maryanne Mummery, Stephen Dudding, Wai Chang, Alan Penny, Peter Dowrick, Dimitri Margaritis.
Paula Beaton representing Body Corporate Administration Ltd as Secretary.
Also in Attendance: John Wardle from Stephenson & Turner was invited to the meeting.

1. CHAIRMAN:

Mick Webb introduced and chaired the meeting.

2. PRESENTATION FROM STEPHENSON & TURNER:

Alan Penny then introduced John Wardle from Stephenson & Turner who presented various canopy options.

- a) He envisaged that the best look and most cost effective option would be a completely glazed canopy around the building.
- b) Existing beams would be wrapped in a gauze and fluorescent tubes added to them through this.
- c) The building is described by John Wardle as a "strong" building and it was built in 1972. The canopy was done in the late 1980's when the building was unit titled.
- d) John described the existing canopy as being poorly detailed. The code requirement for the proposed glass canopy is 50 years.
- e) The original price estimate for the new canopy was \$361,022 plus GST on 16.12.09 but that did not include the south side which was just going to be repaired initially.
- f) The new updated quote to do a glass canopy on just the north and east side was \$419,580.86. This does not include repairing the Tyler street side which the builder estimated that would be about \$100,000.
- g) A quote for replacing the canopy with glass on all three sides was \$653,869.00.
- h) John Wardle is about to undertake a more detailed design process. The estimated cost for John Wardle to provide further design details and costing is about \$10,000 and this is in addition to about \$10,000 already spent on this project.
- i) John Wardle's experience and his recommendation are to work with a specific contractor and work on an open book process. He was not enthusiastic about a tender process because usually involves higher margins. If Tyler Street was not done, there may be issues about detailing the linking between the canopies at the Tyler St corner.
- j) After much discussion it was agreed to go ahead and obtain firm prices on the following:

- I) Replacement of the existing canopy with glass on all three sides.
- II) Replacement of the canopy with glass on the north and east side and repairing the south side.

The committee will obtain these prices and inform the owners at an AGM/EGM for further consideration.

There was majority decision not to proceed at repairing the existing canopy.

3. APOLOGIES & PROXIES:

Mick Webb held a proxy from Liu Sing Wiwine, Unit 10D
Mick Webb held a proxy from Jerome Mainguet, Unit 11D
Mick Webb held a proxy from Tony & Coral Jensen, Unit 11A
Mick Webb held a proxy from Alain Liu Sing, Unit 10A
Paula Beaton held a proxy from Mark Knowles, Unit 2J
Paula Beaton held a proxy from Mark Watson, Units 2A & 2I
Stephen Dudding held a proxy from Jennifer Rendell, Unit 8A
Stephen Dudding held a proxy from Yvonne Lendrum, Units 2K & 7A
Maryanne & Alan Mummery held a proxy from Igor Sutich, Unit 4G
Alan Penny held a proxy from Ray & June Flemming, Unit 8D
There were no apologies.

It was agreed that the apologies and proxies be sustained.

Sustained: Alan Mummery Seconded: Stephen Dudding Carried

4. MINUTES OF PREVIOUS ANNUAL GENERAL MEETING:

The Minutes of the Annual General Meeting of this body corporate held in the Motutapo Room of the Mercure Hotel, 8 Customs Street, Auckland, on Monday, 24th May, 2010 commencing at 6.00 p.m., were taken as read, approved, accepted and adopted as a true and accurate record.

Moved: Mick Webb Seconded: Stephen Dudding Carried

5. CHAIRMAN'S REPORT:

A copy of the Chairman's Report was distributed at the meeting, as follows:

**Report from chair, Mick Webb
Annual general meeting for May 2011**

Calmer Waters

We are pleased to say that this last year has been one of calm rather than the storms of previous years. The Committee has functioned smoothly, and the tasks set for us by the Owners last year are either completed or progressing.

1. The fire proofing works have now been completed, apart from some minor finishing work;
2. The ventilation systems in both the buildings have been repaired and are functioning well. However in case anyone thinks that things always stay the same we report that we have had a complaint from an owner, justifiable on observation, that the ventilation in the lower building has suddenly developed a loud noise whilst operating; we have engineers diagnosing the problem. It will be no more than routine maintenance in all likelihood but it stands as a warning that "rust never sleeps" and that maintenance is a constant process.
3. All necessary inspections under the Building Act have been made, and the certificates and warrant of fitness are all in place.
4. This year the committee undertook the process of outing the insurance out to a wider tender process. As a result we have changed broker and we have achieved the same cover for a little less in premium. However be warned; the premium will rise dramatically in the next calendar year – we know of one building on our block which has been advised of a 68% rise in premium over last year "because of Christchurch". So whilst we have kept the insurance more or less the same in our proposed budget (because we have no information to direct otherwise from our broker) it is more than likely that this year

we will exceed budget on the insurance premium.

5. We have managed the accounts so that we have remained within the budget. You will see that in the proposed budget there are some increases. Dimitri will report to you in detail on the proposed budget, but briefly the increases are called for by reason of the new Unit Titles Act that is now partially in force. Under the new Act we are required to (a) develop in partnership with a qualified firm a forward plan for all major maintenance and "save as you go" - that is we are required to budget based on the presumed failure of major elements of the building (lifts etc) so that there is always "money in the kitty" to cover major events. The committee tendered for the development of this forward maintenance plan, and has received quotes ranging from a little under \$3,000.00 to a little under \$16,000.00. It goes without saying that as the lowest quote was from a reputable and experienced firm we went with that lowest quote. The new Unit Titles Act is only partially in force as the government have not yet got around to publishing the actual regulations; the committee has proposed in the budget (and strongly recommends) that we double the sinking fund from \$58,000.00 to \$104,000.00 - to avoid having to call an EGM to levy additional funds for that purpose when we receive the maintenance programme report.

6. We have changed window cleaners, and also employed that firm for an annual building wash. You will see that the annual wash is now a separate line in the budget. When we had the building painted the recommendation was that the building be washed annually which should add at least five years to the life of the paint - so it seems well worth it to the committee.

7. This year the committee has been in close discussions with the RWC people relating to the development of the wharf opposite the building. In particular we have questioned noise, placement and clearance times for rubbish bins; the question of light spill from the new very, very tall light standards that are to be erected on the wharf; changes to traffic patterns and closures to Quay Street; times for the wharf being open to the public etcetera. We will distribute the material we have been sent by that organization together with the contact details for the officer responsible for liaising with the public and local residents - that officer has said that he welcomes calls from owners with questions or suggestions. In the meantime we have assurances that the new rubbish enclosure will be sealed so that it doesn't smell in summer, and the contractors will be directed to empty bins and re-cycle glass within reasonable hours (not the middle of the night as they do now). We have also been reassured that there will no light spill into our building but we urge you all to keep in communication with the Authority so that we are not "forgotten".

8. Russell, our building manager, continues to provide excellent service. We have had nothing but positive reports. We propose to increase his salary by the inflation rate as set out in the proposed budget.

9. There are two major issues we will have to address.

a) The Canopy. We have levied as instructed by the owners and now have about \$300,000.00 in the pool. However as Alan Penny warned us, the slow saving up towards the total figure exposed us to the risk of never quite catching up with increased prices. If we had raised all funds in one go (apart from breaking the back of most owners) we would have completed the canopy by now at the price originally indicated. However that figure has increased dramatically, and we have a representative from the designers here to demonstrate to you all why that has happened and "best guesses" as to a final costing. What the owners will have to decide is this; should we go for one levy to get all the money at once and then complete the job this year, or keep saving slowly, fall behind as costs increase, and postpone the works for maybe two years or more. It is of course over to you; there is no right or wrong answer. The committee did make further efforts to persuade the Council that as the building never had a canopy to start we should be allowed to now remove it; the council refused permission quoting laws etc. We then suggested that as the canopy was actually council property (as it is suspended over council land, the foot path) the council should pay for (or at least contribute towards) the cost of repair and replacement. The council refused; and the rumour is (we have not substantiated this yet) that Endeans building has been issued with a compulsory work order to repair its canopy. As we say this is a rumor, but it is worth keeping in mind that the council has total power over us in this regard. So we cannot simply leave things as they are.

b) The other very urgent issue is that of the fire alarm system. As you all know we have the wonder Sarah McLauchlan as our fire warden, who has donated her time free to us again. However whenever she goes away we have to arrange a replacement, which usually has meant someone on the committee. This is an onerous and responsible job, which none of us enjoy. We struggle to cope with an antiquated, expensive and unsafe system which requires the whole building to be evacuated and then the warden (and fire brigade) then have to run up and down stairs trying to find the source of the alarm (the current system will only tell you which floor the alarm went off on, not which apartment nor what type of alarm - smoke,

steam or a real fire).

i. The fire alarm system we have was designed on the basis that the original developer promised there would be a full time live in 24 7 building manager. Only because of that was the building allowed the cheap and inefficient system it has;

ii. The fire department charges for false alarms. We have received a bill – it is nearly \$9,000.00! It looks as if we have to budget for at least double that in false alarm charges from now on;

iii. The system we have cannot tell the fire brigade (or the owners) the difference between the steam in a shower setting off a smoke alarm and a total fire; or a cooking incident and a fire that will set off the sprinklers; the “board” will only tell you vaguely which floor the alarm is set off on. And the fire people are telling us that the system may not pass the tests in the next year or two – it may no longer be acceptable;

iv. The current system (as you all know) means that if the alarms go off (a) everyone has to leave the building, (b) we have to contact the brigade (c) we get charged \$1,500.00 every time. If we upgrade the system then false alarms will be cut out or become very rare, and there will be no need for a total evacuation of the building every time – the alarms will go off only in the apartment effected unless it is a real fire which sets all the sprinklers off.

v. We have negotiated with the fire department and it has assured us that if the owners vote to upgrade the current system to a safe system then not only will we save lives, not only will we stop trooping out of the building en masse every time the alarm goes off but also the brigade will waive the entire \$9,000.00 charge for false alarms.

vi. One quote for upgrading the system is attached to the budget (we have asked for competing quotes but to date this is the only quote received) – but it is around \$70,000.00. As the brigade agrees to waive fees for false alarms if you vote for this upgrade tonight we already have saved \$9,000.00, making the upgrade very cheap as well as common sense.

vii. The committee usually simply presents you with the facts and asks for your directions; in this case the committee would like you all to know that after weeks of investigating and researching this system we all absolutely recommend the upgrade on the grounds of safety, but pragmatically on the grounds that it is a cheaper option than persisting with the current system. We suggest that the owners tonight agree to the upgrade and budget \$75,000.00 for the costs (the quote plus normal “Oh God, we didn't realise” margin).

10. Noise; The Committee has been very active in reducing noise from clubs etcetera. We have had many interviews with owners of clubs and bars as well as with council and noise control. We are happy with the noise level – but remind you that this comes at the price of constant vigilance and we ask that every owner call noise control every time there are issues with noise – constant complaints seem to be the only way forward.

11. Tyler Street

a) The lower car park requires attention; as you all know the entrance is below the level of Tyler Street, and the entrance is out of sight and unlit. It is therefore used by criminals for illicit deals and the criminals with very weak bladders – not to be coarse but often the urine in the entrance way is quite deep. The group most involved with this area have asked that we install sensor lights in the entrance way and another security camera around the door way to deter and identify criminals. The committee asks you for your directions; can we obtain quotes for this work and spend up to \$3,000.00 doing this?

b) The rear of the building is the back of Daikoku; the area is greasy and smelly despite Russell's best efforts. The committee recommends that you allow us to require the owners of the restaurant to clean all the walls and windows of grease etcetera, and to have their rubbish bins washed at least once a month.

12. The committee continues to enjoy working together and all of them offer themselves for re-election. We know that you all know how many hours this takes, but each member of the committee is and remains dedicated to the advancement of the building. Last year we asked for assistance from owners in the form of groups focused on particular issues – noise, web sites etcetera. We received one person who undertook noise issues, but we have never had a report from that group and as far as we know it is defunct. No one offered themselves for anything else (apart from Sarah our Fire Warden). We acknowledge that you are all busy and we are very happy to continue with our work if you want us. We are all eager to establish all the necessary protocols and systems that the new Unit Titles Act will call for – and we expect that to entail considerable work and time during the next 12 to 15 months.

It was agreed that the Chairman's Report be adopted.

Moved: Stephen Dudding

Seconded: Simon Thompson

Carried

6. **COMMITTEE:**

The owners' committee is to comprise Mick Webb, Stephen Dudding, Alan Penny and Dimitri Margaritis.

Moved: Ann Sullivan Seconded: Maryanne Mummery Carried

Ann Sullivan thanked Committee for their fabulous job. Maryanne Mummery thanked Committee for their great efforts in terms of dealing with potential noise issues arising.

7. **ANNUAL ACCOUNTS:**

The financial accounts for the body corporate for the period 1.02.10 to 31.01.11 was submitted to the meeting, discussed, and adopted.

Moved: Alan Penny Seconded: Ann Sullivan Carried

Fire Alarm Callout – There was a discussion about the issue of fire alarm callouts.

8. **AUDIT:**

It was resolved that because the secretary's trust account is subject to audit by chartered accountant auditors that no separate audit be commissioned to audit the accounts of the body corporate.

Moved: Simon Thompson Seconded: Alan Penny Carried

9. **VALUATION & INSURANCE:**

An updated valuer's reinstatement insurance certificate and several insurance quotes for the body corporate which had been obtained by the secretary were tabled at the meeting.

It was resolved that the body corporate be insured with Gregan & Co. Insurance Brokers via NZI Insurance Company for the forthcoming year and that the policy have a \$250 Owner Occupied Units Excess, \$500 Tenanted / Unoccupied Units Excess, \$2,500 for water damage losses for commercial units, \$1,000 Burglary & Malicious Damage excess, \$2,500 theft excess, \$10,000 subsidence / landslip losses, \$500 Public Liability Claim, \$500 Statutory Liability Claim, \$400,000 Loss of Rentals Cover, \$500,000 Statutory Liability Cover and, \$5,000,000 Property Owners Liability Cover.

Moved: Alan Penny Seconded: Maryanne Mummery Carried

A copy of the underwriter's policy wording is to be annexed to the minutes.

10. **COMMON MAINTENANCE MATTERS:**

The following items were discussed and resolved by the meeting:

- a) Long Term Maintenance Plan – The go ahead had been given to Opus to provide a long term maintenance plan in order to meet the requirements of the Unit Titles Act.
- b) Fire Alarm Upgrade – Stephen Dudding spoke about the fire alarm upgrade on the property. This is a pressing issue in view of the increasing frequency and associated callout costs on the property. First Fire Systems Ltd has provided a quote for the upgrade. The new system is to be computer serviced and this will result into a far more efficient and cost saving fire warning apparatus.

There was approval for Committee to proceed with the quote from First Fire Services or an alternative provided as decided by Committee, up to \$80,000. As a result of implementing the fire alarm upgrade, the Fire Service would waive in part almost \$9,000 of existing charges in fire alarm callouts on the property.

Moved: Peter Stratford Seconded: Simon Thompson Carried
Mrs Eardley-Wilmot objected.

There would be a separate fire alarm levy of \$70,000.00 to be due within 30 days.

Moved: Mick Webb Seconded: Stephen Dudding Carried

Installation of a new fire alarm upgrade within a short term timeframe was a requirement in order to obtain warrant of fitness compliance and to avoid the ongoing fire alarm callout which was costing a minimum of \$1000 per GST per callout.

- c) It was agreed that the Sinking Fund is to remain as is. There was the intention that if there is any surplus from the levy it is to go into the sinking fund.

11. BUDGET:

Items	Budget 2011 / 2012 12 Months	Comments
	\$	
Administration Fees	12,289.85	
Sundries	4,000.00	For disbursements, petty cash and etc.
GST	19,251.11	Estimate only
Titles/Legal/Consultancy	500.00	Balancing items for the legal cost which may arise
Insurance Premium	45,306.00	As per actual quote from NZI
Insurance Office Bearers'	6,125.63	Subject to actual quote
Insurance Valuation	1,071.00	As per actual invoice from Seagar & Partners
Building manager wages	49,567.40	As discussed
Cleaning & cleaning materials	1,341.38	Based on actual expenses
Window cleaning	14,720.00	@ \$3,680/qtr as quoted from Mick Webb
Building wash	9,200.00	1x per year total building wash
Rubbish Collection	9,445.76	Avg @ \$745.48/month for Envirowaste & other expenses
Pest Control	2,142.72	Avg @ \$535.68/qtr
Fire Services / WOF	1,500.00	As discussed
Lift	32,579.87	As discussed
Repairs, Maintenance	52,000.00	Based on actual expense
Common Power	36,000.00	Avg @ \$3,000/mth
Telecom	2,506.08	Avg @ \$208.84/mth
Water	57,201.76	Avg @ \$4,766.81/mth
Alarm / Security	1,300.00	Same as last year's budget
Long Term Maintenance Fund	58,000.00	(Formerly called the sinking fund) Same as last year's budget
Subtotal	\$416,048.56	As agreed
Canopy Levy	\$150,000.00	As discussed
	(\$150,000.00)	<i>One instalment of \$150,000 had already been levied so there was only one further levy of \$150,000 to be levied (the second instalment canopy levy was sent on 7 July 2011)</i>
TOTAL TO BE LEVIED	\$566,048.56	As agreed

Moved: Alan Penny

Seconded: Mick Webb

Carried

It was resolved that the maintenance fund be set at \$52,000.00 for the forthcoming year.

12. LEVIES:

- a) Subject to sufficient funds, the secretary was authorised to pay accounts for the body corporate as they fall due and to issue invoices to proprietors from time to time to recover their respective proportionate share of costs set by the budget in accordance with section 15(2) of the Unit Titles Act 1972.
- b) The levies are due in two installments:
- The first installment is due 31st August 2011

- The last installment is due 31st October 2011
- c) The second installment canopy upgrade levy was due 31st July 2011.
- d) The secretary outlined the credit control procedure which involves one phone call, one credit control letter identified as DC2 and after that point rigorous enforcement procedures will be implemented in order that the interests of the other owners in the Body Corporate are not jeopardised by non-payment of levies.
- e) The secretary advised that a levy statement will be distributed to owners with a copy of the minutes and that payment of the levy for the forthcoming year should be paid by the date stipulated so that the insurance premium can be paid.
- f) It was resolved that if any levies either authorised by this or any other general meeting of the body corporate are not paid by a proprietor on the due date, then the secretary is authorised and instructed on behalf of the body corporate to exercise those powers conferred on the body corporate by s.32 of the Unit Titles Act including the recovery of any costs expended as a result of that proprietor's default pursuant to s.34 of the Unit Titles Act. Interest recoverable pursuant to s.34A of the Unit Titles Act on such unpaid levies is resolved at 10% per annum.
- g) The secretary was authorised to recover debts from expenditure for the benefit of a unit or units in accordance with section 33 of the Unit Titles Act 1972 where it determined on behalf of the body corporate that one or more of the units has benefited from such expenditure substantially more than other units.

13. GENERAL BUSINESS:

- a) Canopy – The building has been inherited with a canopy. Stephen Dudding received advice from a Planning QC and the estimate in cost was \$10,000 to object to the need to have a replacement canopy. 148 Quay Street was given a building consent with an awning on the property.
- b) Canopy Levy – There was discussion as to whether the three sides are to be done on the property. There was agreement to proceed with getting drawings on the project for a glass canopy on three sides of the property.

There was no majority support to get a quote for repairs of the canopy on the property. A vote was taken and the decision was not to repair the canopy.

There was the option of getting three sides of glass on the canopy of the property and there was approval to spend up to \$10,000 to get detailed plans for two options (1) three sides of glass and (2) two sides of glass and wood on the third side.

Moved: Mrs Eardley-Wilmot Seconded: Simon Thompson Carried

- c) It was resolved that the canopy levy of \$150,000 due 31st July 2011 be reconfirmed.
Moved: Ann Sullivan Seconded: Torey Leggett Adopted unanimously
- d) Request from Mark Knowles (Unit 2J) – Russell McKinnon is to follow up Mr Knowles' request regarding arranging a jumbo bin to be sited in the cart dock for a short period so that the occupiers can have an inorganic collection as none is provided by the Auckland City Council.
- e) There was a request to do a colour wash of the building during the opening ceremony by a company contracted by the Council and Rugby World Cup organisers.
- f) There was a request for the support of the Britomart market from an owner as it was seen as being a viable feature.
- g) There was discussion of the removal of the couch in the foyer to eliminate the possibility of

freedom sleepers.

- h) There was discussion of putting sensor lights on the entrance way to BA.
- i) Stephen Dudding is to work with Peter Stratford on property issues related to the Rugby World Cup.
- j) The following documents are to be sent to the owners with the Minutes of the Meeting:
 - I. A copy of the insurance underwriter's policy wording.
 - II. A copy of the AGM Package & Supplementary Update

There being no further general business, the meeting closed at 8.20 p.m.