

**MINUTES OF THE ANNUAL GENERAL MEETING
FOR THE OWNERS UNITS PLAN No. 3259**

Held Wednesday 2 December 2009

At Meeting Rooms, Eastlake Football Club, 3 Oxley Street, GRIFFITH ACT

The meeting commenced at 6.00pm.

Present

Mr & Mrs G McArdle	Unit 2	Mrs M Pearson	Unit 41
Mr G Ashe & Ms J Gillet	Unit 5	Mr & Mrs P Ford	Unit 46
Mrs M Davidson	Unit 22	Mr H Saducas	Unit 49
Mr G Sirel	Unit 28	Mr & Mrs R Northover	Unit 54
Mr M Hammond	Unit 30	Ms M Jessop & Mr M Gray	Unit 56
Ms S Thomson	Unit 32	Mr D Campbell	Unit 58
Mr & Mrs P Clarke	Unit 33	Mr G McDermott	Unit 60
Mr & Mrs P Hodge	Unit 39	Dr & Mrs P Rylands	Unit 62

D E Bowditch - A.C.T. Strata Management Services

Chairperson

Nominations were called for a chairperson. It was **resolved** that Mr Campbell be chairperson for the meeting **carried**

Proxies

The following proxies were tabled:

Ms J Battersby	Unit 3	F/O	Mr Saducas
Mr M D Allam	Unit 11	F/O	The Chairperson
Mr & Mrs A Crockett	Unit 26	F/O	The Chairperson
Mr & Mrs D Brooks	Unit 50	F/O	Mr Saducas
Mr & Mrs R Saraw	Unit 52	F/O	Mr Saducas
Mr K J Cooper	Unit 57	F/O	Mr Saducas

It was **resolved** that the proxies as tabled be accepted **carried**

Minutes of the First Annual General Meeting

Minutes of the First Annual General Meeting held 05 February 2009 had been circulated to all members following that meeting.

Motion 1: It was **resolved** "that the Minutes of the First Annual General Meeting be confirmed" **carried**

Matters Arising from Previous Annual General Meeting

All matters have received attention.

Chairman's Report

"Fellow Owners of Capital Hill Apartments,
Your Executive Committee of the Owners' Corporation has had a busy year and I pay tribute to their dedication and gratefully acknowledge their many achievements. They've gone about their business on your behalf quietly and efficiently and you probably have little appreciation of their efforts. They've proven to be a first-class team and have certainly made my task easier than it might otherwise have been. Our guiding principle has been to establish and enhance Capital Hill as Canberra's premier apartments, and we all at this meeting have substantial financial stakes in that outcome.

The first year of any Owners' Corporation is bound to be full of challenge. There is the transition from the developer to the owners. There's the establishment of a trusting, working relationship with the Managing Agent, whom I consider has done an excellent job in often trying circumstances. There is the shift from repairs and maintenance conducted under inherited warranties to our own independent arrangements, and so on. Just as we have all had defects in our separate apartments, so there have been others, large and small, in the common property. You cannot have failed to have noticed the bollard lighting, as a single example.

The Committee has met at least monthly. We have tackled, by my count 51 major items, some of which are still going on, such as basement ventilation and revised traffic arrangements for the corner of State Circle and Melbourne Avenue. In addition, there have been numerous minor matters, such as erecting speed signs in the basement and fixing ladders to the roof spaces. I have lost count of these.

Despite all this achievement, I expect our second year to be just as challenging, if not more so. One very great matter that will exercise the minds of the incoming Committee is the new statutory requirement for us to make financial provision in our Sinking Fund for a rolling ten year program of capital works and their repair and maintenance beyond the routine purview of the Administrative Fund.

In the budget which we propose for the coming year, we have decided not to recommend an increase in the Sinking Fund levy, which is currently calculated as 10% of the Administrative Fund.

We can afford to do this at the moment. However, our early appreciation is that in subsequent years this levy could well have to be raised to 20-25%, if not more. You are warned.

Consideration of maintenance matters will be heavily influenced by our dealings with the developer. There are clear signs that these will be difficult. We have already seen that some of our concerns about defects in the common areas have been dismissed out of hand. Questions have been ignored. On one hand, the developer has given us written assurances of best intentions but on the other he has been slow to deliver, if at all. The incoming Committee will have to grapple with these problems in what I fear will become an increasingly tense- even hostile- relationship. Obviously, we do not want to degenerate but we do have rights and expectations and the new Committee will have to deal with this with tact but firmness.

Another task will be the re-writing of our Articles to reflect the new legislation governing Units Plans in the ACT. Some of the changes will largely be cosmetic, e.g. those dealing with pets, but others will have substance, e.g. a revised mechanism for dealing with disputes. These changes will have to be brought to you for approval in a General Meeting of one sort or another. The MA will address us on the new Act under item 14.

From time to time, we get nervous about security. I think that one day we will have to seriously consider installing a Closed Circuit TV surveillance system. An indicative cost is \$ 100 000. But that's for another Committee.

Thank you.

Motion 2: That the Chairman's report be accepted as presented **carried.**

Insurance

We include insurance as a special item because it's been known to stir passions, Some think we pay too much and others believe we're under-insured. We've made provision for a premium to CHU of \$ 28 500 for building insurance of \$ 36 million and public liability of \$ 20 million. The \$ 36 million is based on construction costs increased by industry escalation factors and the \$ 20 million is the industry norm for enterprises such as ours. We take advise from CHU (who of course have a vested interest in upping the amounts) but they do have 30 years experience and we have no basis for arriving at different values.

Motion 3 That the existing building insurance held by the Corporation be renewed and increased as per the insurer's recommendation at renewal **carried**.

Treasurer's Report

I invite your attention to the financial statement you have and to the columns labelled 'Budget' and 'Actual'.

It has been a very satisfactory first year. The figures before you show the income and expenditure for the past year, both anticipated and actual achieved. And of course, it also shows the Committee's best appreciation of next years requirements.

I apologise that the financial statement is not easy to read. Evidently, the industry uses standard accounting software and this is the way the figures are presented, unfortunately. They do make sense if you study them, however. Note the Budget Year and the Actual Year don't align by a month, and that explains some of the apparent discrepancies. Our Budget year runs from 1 September to 31 August, but last year that start date was determined by the issue of the Certificate of Occupancy. Subsequent years will be tidy. Appreciate too, that GST refunds don't occur in the quarter in which they're incurred, and so on. We missed some actual costs by significant amounts, both plus and minus. We incurred unplanned costs, such as window cleaning, and we overestimated others, such as the phone bill. Let me draw to your attention some salient figures.

Note that we ended the year with a surplus in the Administrative Fund of some \$ 45 000. The short explanation is that much of the provision did not have to be drawn upon because so much repair and maintenance work was able to be carried out under warranty, either by individual contractors such as Schindler for the lifts, or by Becton more generally. Have a look at the Fire Services Maintenance for example. Insurance \$47 951 is for 2 years premiums.

Motion 4 That the financial statement be accepted as presented **carried**.

Appointment of Managing Agent

A good Managing Agent is essential for the good governance of our investment. Attached to you papers are a couple of Schedules that describe the nature of the duties we expect the MA to perform. Schedule A lists the predictable and routine duties of accounting, maintenance, and so on, that are carried out for a flat fee. Schedule B suggests that sort of unexpected, ad hoc tasks that crop up and these are paid for under an hourly rate. Arranging for this AGM is a routine task and comes under Schedule A. But if we bang on and go beyond a reasonable hour, the MA's attendance becomes an additional expense. You can see the fee and the rate in the budget estimate coming up in item 12.

The outgoing Committee recommends the reappointment of ACT Strata Management as our Managing Agent. David Bowditch has travelled the road with us this past year. As the incumbent Manager with, by now, a comprehensive knowledge of Capital Hill and its peculiarities it would be a brave decision to make a change. As I mentioned in my Chairman's Report, we've established a good relationship with David, whom we consider has done an excellent job in often trying circumstances.

Motion 5 That A.C.T. Strata Management Services be confirmed as Managing Agent **carried.**

Expenditure

Column 3 of the financial statement is our Proposed Budget for the forthcoming year. With a year's experience under our belt, we are reasonably confident in the various allocations we have proposed in the budget for your consideration and approval. Still, its early days and so we've provided for contingencies under General Maintenance of \$ 10 700. No doubt, we'll be able to refine these as time goes by and we get a better feel for the pattern of costs we'll experience.

I mentioned our surplus of \$ 45 000. We can transfer the bulk of this surplus to the Sinking Fund, which will give us a head start on the need to build up a balance there for future works. About \$ 3 000 of the surplus will be put towards engaging a consultant to help draw up the 10 Year Plan.

We can expect some of our costs to rise well in excess of the CPI or other measures. Last year saw electricity, gas and water tariffs rise significantly and I fear this will be the pattern for the future. But control of consumption of these utilities lies within our own hands. For example, hardly any of the \$ 15 000 for water is used on the gardens. Our own washing machines and dishwashers are culprits. Remember, there is one meter for the entire complex so we all pay for all the water. Unfortunately, that means some individuals – and especially tenants – will see little incentive for conservation. The same is true of the lifts. We recently disconnected the air conditioning in the corridors as a trial in an effort to save you money. We negotiated new rates with ACTEWAGL. Such that we save about \$ 2 000 a year in electricity tariffs. But, generally, it is tough to contain costs.

Let me make special mention to Management Fee Schedule B. That provides for merely five hours extra work. A more reasonable figure would be twenty or thirty times that much. We get exceptional value from our MA.

I commend the draft budget for your approval.

Motion 6 That the proposed expenditure budget be accepted **carried.**

Having accepted that liability of \$ 171 500 we now have to pay for it and we do that by levying the owners for a so-called Administrative Fund for that amount.

Motion 7a : It was **resolved** by Special Resolution "that the Corporation strike an Administration Fund levy of \$171 500 for the period 01/09/10 to 31/08/10 and be contributed by members in accordance with their Unit Entitlements. Levies to be paid half yearly in advance" **carried**

In addition, as you know, we are required by law to make annual provision into the Sinking Fund at a rate of 10% of the Admin Fund. This is intended to be put aside for a rainy day. As I mentioned in my Chairman's Report, we know that this will need to be increased significantly in future years.

Motion 7b: It was resolved by Special Resolution “that the Corporation strike a Sinking Fund Levy of \$ 17 150 for the period 01/09/10 to 31/08/10 and be contributed by members in accordance with their Unit entitlements. Levies to be paid half yearly in advance” **carried.**

A schedule of contributions is enclosed.

Glass Panel

You will recall several months ago a proposal to install a glass partition and door on the second floor of Block 23. The proponent sought an Unopposed Resolution at a proposed Extraordinary Meeting. This was effectively blocked because many owners opposed the idea. Only one negative vote was required for that outcome. However, the original proponent has again raised the question, this time under a different Section of the Act and so we must deal with it at this meeting.

As before, only a single vote against the proposal will kill it, this time once and for all. The Executive Committee are resolved in their opposition but we have to observe due process.

Motion 8 in favour of the proposal is on the table. Is there a proposer?
(Then: either ‘yes’; speak to the motion. Those opposed? Speak to it. It seems superfluous, but go to the vote. All present and all proxy votes opposed.)

The proposal fails. Let this be an end to the matter.

Amendments to Unit s Title Act

Mr Bowditch addressed the meeting pointing out as from 1 April 2009 the amended Act came into being. Included in the amendments were the requirements to have a Chairperson, Secretary and Treasurer. The responsibilities of each position is defined in the Act.

The 10 year Sinking Fund to be implemented by the next AGM. This plan to be reviewed after 5 years.

The Unit Titles Act is now controlled by ACAT a new department which also controls many other tribunals. This authority will oversee disputes which cannot be resolved within the Owners Corporation, nuisances pets, illegal structures etc. ACAT has been formed which is hoped will provide better access to justice for the various parties involved in a Units Plan at a greatly reduced cost.

Election of Executive Committee

I call for nominations for the Executive Committee for the forthcoming year. We’re looking for about seven good men and women true. Desirably, there should be at least one representative from each Block.

A call for volunteers for a Chairperson and Members to for the Committee;

The following persons were elected;

Mr D Campbell, Mr H Saducas, Mrs D Northover, Mr G Ashe, Mr ^{Sovan} S McArdle, Ms M Jessop, Mr G McDermott, Mr G Sirel and Mrs S Thomson.

Appointments confirmed by acclamation. It was **resolved** the positions of Chairperson, Secretary and Treasurer will be elected at the first meeting of the Committee.

A vote of thanks to Mr Campbell for his leadership and dedicated work carried by acclamation.

General Business

Several members spoke of matters of concern which the Incoming Committee will address.

There being no further business the meeting closed at 7.15pm.

Lot	Unit No	Entit-lements Owner	Admin Fund	Sinking Fund	Misc (X0) Amount Acct	GST	Total
1	1	153	1311.97	131.20		144.32	1587.49
2	2	102	874.65	87.46		96.21	1058.32
3	3	148	1269.10	126.91		139.60	1535.61
4	4	136	1166.20	116.62		128.28	1411.10
5	5	91	780.32	78.03		85.83	944.18
6	6	136	1166.20	116.62		128.28	1411.10
7	7	91	780.32	78.03		85.83	944.18
8	8	91	780.32	78.03		85.83	944.18
9	9	148	1269.10	126.91		139.60	1535.61
10	10	102	874.65	87.46		96.21	1058.32
11	11	153	1311.97	131.20		144.32	1587.49
12	12	136	1166.20	116.62		128.28	1411.10
13	13	91	780.32	78.03		85.83	944.18
14	14	136	1166.20	116.62		128.28	1411.10
15	15	91	780.32	78.03		85.83	944.18
16	16	91	780.32	78.03		85.83	944.18
17	17	153	1311.97	131.20		144.32	1587.49
18	18	102	874.65	87.46		96.21	1058.32
19	19	148	1269.10	126.91		139.60	1535.61
20	20	136	1166.20	116.62		128.28	1411.10
21	21	91	780.32	78.03		85.83	944.18
22	22	136	1166.20	116.62		128.28	1411.10
23	23	91	780.32	78.03		85.83	944.18
24	24	91	780.32	78.03		85.83	944.18
25	25	148	1269.10	126.91		139.60	1535.61
26	26	102	874.65	87.46		96.21	1058.32
27	27	153	1311.97	131.20		144.32	1587.49
28	28	136	1166.20	116.62		128.28	1411.10
29	29	91	780.32	78.03		85.83	944.18
30	30	136	1166.20	116.62		128.28	1411.10
31	31	91	780.32	78.03		85.83	944.18
32	101	191	1637.82	163.78		180.16	1981.76
33	102	200	1715.00	171.50		188.65	2075.15
34	103	155	1329.12	132.91		146.20	1608.23
35	104	94	806.05	80.60		88.66	975.31
36	105	155	1329.12	132.91		146.20	1608.23
37	106	150	1286.25	128.62		141.48	1556.35
38	107	105	900.37	90.04		99.04	1089.45
39	108	157	1346.27	134.63		148.09	1628.99
40	109	155	1329.12	132.91		146.20	1608.23
41	110	94	806.05	80.60		88.66	975.31
42	111	155	1329.12	132.91		146.20	1608.23
43	112	157	1346.27	134.63		148.09	1628.99
44	113	105	900.37	90.04		99.04	1089.45
45	114	150	1286.25	128.62		141.48	1556.35
46	115	155	1329.12	132.91		146.20	1608.23
47	116	94	806.05	80.60		88.66	975.31
48	117	155	1329.12	132.91		146.20	1608.23
49	118	200	1715.00	171.50		188.65	2075.15
50	119	191	1637.82	163.78		180.16	1981.76
51	120	155	1329.12	132.91		146.20	1608.23
52	121	94	806.05	80.60		88.66	975.31
53	122	155	1329.12	132.91		146.20	1608.23
54	201	280	2401.00	240.10		264.11	2905.21
55	202	188	1612.10	161.21		177.33	1950.64
56	203	301	2581.07	258.11		283.92	3123.10
57	204	390	3344.25	334.42		367.86	4046.53
58	205	390	3344.25	334.42		367.86	4046.53
59	206	280	2401.00	240.10		264.11	2905.21
60	207	188	1612.10	161.21		177.33	1950.64
61	208	280	2401.00	240.10		264.11	2905.21
62	209	390	3344.25	334.42		367.86	4046.53

NOTICE OF REDUCED QUORUM DECISION

Unit Titles Act 2001

A1. The Owners - Units Plan No. 3259

A2. Annual General Meeting

Date of Annual General Meeting at which the reduced quorum or decisions were made.

02 December 2009

{X} Regularly convened

The Annual General Meeting was regularly convened (not following an adjournment under UTA s99 (3) or (6) (a))

Convened after adjournment

The Annual General Meeting was convened following an adjournment or adjournments (under UTA s99 (3) or (6) (a))

A3. Reduced quorum decisions

See attached minutes of meeting held 02 December 2009

A4. Owners Corporation Declaration

The information in this notice has been recorded on the following date from the details shown in the records of the Owners Corporation.



Common Seal



04/12/09

Date