



**UP 3259 CAPITAL HILL APARTMENTS
EXECUTIVE COMMITTEE MEETING No 104**

14th September, 2018 at 6.00 p.m.

Apartment 205/19

Minutes

Present: David Campbell (DC), Chairman and Secretary; Peter Ford (PF), Treasurer, 115/21; Terry Gassner (TG), 12/19; Richard Heaney (RH), 28/23; Horace Saducas (HS), 118/23. Paul Perkins (PP), 30/23

1. Background

This meeting was a special one with four particular matters on the agenda:

- a. the draft agenda for the 2018 AGM;
- b. the budget for 2018/19 and related levies;
- c. the Strata Management Agreement with City Strata; and
- d. transition to the post-AGM Executive Committee and attendant matters.

2. AGM Agenda

DC and PF met with the MA on 10th September to discuss next year's budget and related matters, following which City Strata produced a draft agenda for the forthcoming AGM. The Committee decided on the following amendments to the draft:

- a. Inclusion of reports by both Chairman and Treasurer
- b. Motion 3, concerning Audit, should read "That the Owners Corporation notes that the Executive Committee intends to obtain an audit ..."
- c. The following be added to Motion 4 concerning the Strata Management Contract ", but with the rates increasing by \$10 per unit per year (i.e., by \$630 annually).

The Committee noted that under Matters Arising from the Minutes of the 2017 AGM, there needed to be clarification of the policy for the Sinking Fund's Term Deposit(s). Rather than seeking "the best daily interest rate available", the consideration should simply be the "best interest rate available," thus providing a desired flexibility. Further, the accounts should properly be in an "Approved Deposit taking Institution (ADI)". Motion 7 could be amended by adding "... and that the Owners Corporations authorise the Executive Committee to invest an appropriate portion of Sinking Fund money in term deposit accounts in an Approved Deposit-taking Institution (ADI)."

3. Budget and Related Matters

After lengthy consideration the Committee endorsed the proposed 2018/19 budget, specifically the proposed expenditure from both the Administrative Fund and the Sinking Fund and their related levies. A principal concern had been the

adequacy of the Sinking Fund levy. It was agreed that the Sinking Fund should be a priority for the incoming Committee, possibly bringing forward the mandatory five-year review as the inadequacies of the present plan have been frequently noted in earlier Committee meetings.

4. Strata Management Agreement

The Management Fee needs to include the rate increase at paragraph 2.c above. The Committee endorsed the proposed agreement with City Strata.

The agreed services to be provided are the same as for the current agreement apart from the GST matter referred to below. The significant change is moving from a single year contract to a three-yearly one, an arrangement that provides certainty to both parties.

The service listed in Schedule A - "GST related activities (including BAS preparation and lodgement)" - should appear in Attachment A (Agreed Services), not Attachment B (Additional Services). GST is a fundamental matter.

Noting that the new Agreement would expire in September 2021, the Committee will need to consider the subsequent arrangements about six months prior in case any significant matters have to be negotiated with the Strata Manager well before the 2021 AGM.

5. Transitional Arrangements

The Committee appreciates that the departure of the long-serving DC and the reduced activity of the equally long-serving HS will require significant adjustment to the way the Executive Committee operates. Some of this has already taken place with RH, for example, taking over the Communications Room functions from HS and understudying PF as Treasurer.

PP led a discussion about the creation of a Grounds and Works Committee to include invited members from the wider field of Owners to maximise engagement of skills and to share the workload. The Committee endorsed the concept together with the creation of an Owners Advisory (or Reference) Group with the particular aim of more closely engaging the non-resident owners.

An obvious and critically important task for the new Committee will be the appointment of the statutory positions of Chairman, Secretary and Treasurer. The agenda for the first Executive Committee meeting after the AGM should also include an initial allocation of many specific responsibilities (for example, editing the web site and liaising with the Landscaping contractor), liaison with the MA, and a calendar of activities (such as contract reviews). The requirements for an Audit and a Sinking Fund review have been earlier mentioned.

The Committee agreed that, pending decisions by the incoming Committee, PP, together with the outgoing Chairman/Secretary should lead on developing and implementing the transitional arrangements.

6. **Way Ahead**

DC and RH will meet with the MA this coming week to finalise the Management Agreement to be put the owners together with the AGM agenda itself which, it is intended, will be mailed out to owners no later than 19th September.

The transitional arrangements will be further explored at the next routine Executive Committee meeting.

Next Meeting.

Monday, 1st October, 2018, in Apartment 205/19.

D.J. Campbell.
Chairman

15th September, 2018