Unit Titles (Management) Act 2011 – Form 1

NOTICE OF REDUCED QUORUM DECISIONS

Part A Details of reduced quorum decisions†

A1 The Owners - Units Plan No 3259

A2 Annual General Meeting

Date (or dates) of the Annual General Meeting at which the reduced quorum decision (or decisions) was made - 16 October 2018

Tick applicable box, or both boxes if applicable:

☑ **Regularly convened**
The general meeting was regularly convened (not following any adjournment under UTMA s 3.9(3) or (6)(a), part 3.1, schedule 3).

☐ **Convened after adjournment**
The general meeting was convened following an adjournment or adjournments (under UTMA s 3.9(3) or (6)(a), part 3.1, schedule 3).

A3 Reduced quorum decisions

[*If there is insufficient space here, tick* ☐ *and attach details to the notice*]

Date of decision	Full text of reduced quorum decision
16 October 2018	AGM Minutes Attached.

A4 Owners Corporation declaration

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

17 October 2018

THE OWNERS - UNITS PLAN No. 3259 Common Seal

† In this notice, **UTMA** means the Unit Titles (Management) Act 2011.

NOTICE OF REDUCED QUORUM DECISIONS

Part B General Information

B1 *What is a reduced quorum decision?*

- *A reduced quorum decision is a decision of a general meeting of the Owners Corporation made while a quorum (a reduced quorum) smaller than a standard quorum was present.*
- *A standard quorum is those people entitled to vote (on the motion) in relation to not less than ½ the total number of units (see UTMA s 3.9 (1) (a), part 3.1, schedule 3).*

There are 2 types of reduced quorum decision, requiring different reduced quorums.
Reduced quorum decisions made at regularly-convened general meetings

- *If, within ½ an hour after a motion arises for consideration at a general meeting that has been regularly convened, a standard quorum for the motion (see above) is not present a reduced quorum decision may be made if a reduced quorum (see next point) is then present for consideration of the motion (UTMA s 3.9 (2), part 3.1, schedule 3).*
- *At a regularly-convened general meeting, a reduced quorum means 2 or more people present at the meeting and entitled to vote on the motion (UTMA s 3.9 (2), part 3.1, schedule 3).*
- *A reduced quorum is also sufficient to make decisions on any later motions arising at the meeting. Any such later decisions made while only a reduced quorum was present are also reduced quorum decisions (UTMA s 3.9 (2), part 3.1, schedule 3).*

Reduced quorum decisions—adjournment following quorum trouble

- *If, within ½ an hour after a motion arises for consideration at a general meeting that has been regularly convened, neither a standard quorum for the motion (see above) nor a reduced quorum (see above) is present, the meeting is adjourned to the following week at the same place and time (UTMA s 3.9 (3), part 3.1, schedule 3). The meeting may also decide to adjourn even if a reduced quorum is present (UTMA s 3.9 (5), part 3.1, schedule 3).*
- *If, within ½ an hour after a motion arises for consideration at a general meeting convened following such an adjournment, a standard quorum for the motion is not present, a reduced quorum decision may be made if there is a reduced quorum made up by anyone then present and entitled to vote (even if that is only a single voter) (UTMA s 3.9 (6) (a), part 3.1, schedule 3).*

Such a reduced quorum (of anyone present and entitled to vote) is also sufficient to make decisions on any later motions arising at the meeting. Any such later decisions made while only a reduced quorum was present are also reduced quorum decisions (UTA s 3.9 (6) (a), part 3.1, schedule 3).

B2 *When does a reduced quorum decision take effect?*

- *A reduced-quorum decision takes effect 28 days after the date of the decision (the decision's date of effect) (UTMA s 3.11 (1), part 3.1, schedule 3).*
- *However, this does not apply if the decision is disallowed, confirmed by a standard quorum general meeting or revoked (see below) (UTMA s 3.11 (3) – (5), part 3.1, schedule 3)*

B3 *How may reduced quorum decisions be disallowed?*
Reduced quorum decisions may be disallowed by petition (UTMA, s 3.11 (3), part 3.1, schedule 3). The petition must—

(i) state the resolution or resolutions to which it applies; and
(ii) be signed by a majority of persons entitled to vote at a general meeting of the Owners Corporation (a person may sign whether or not he or she attended the meeting); and
(iii) be given to the Owners Corporation before the decision's date of effect (see B2 above).

B4 *How may reduced quorum decisions be confirmed?*

- *A reduced-quorum decision may be confirmed by a general meeting of the Owners Corporation held before the decision's date of effect (see B2 above).*
- *For the confirmation to be valid, a standard quorum must be present when the confirmation motion is considered at the later general meeting (see B1 above).*
- *If a decision is confirmed, it takes effect from the date of the later general meeting whether or not a petition is given to the Owners (UTMA s 3.11 (4), part 3.1, schedule 3).*

B5 *How may reduced quorum decisions be revoked?*

- *A reduced-quorum decision may be revoked by a general meeting of the Owners Corporation held at any time, whether or not the decision has earlier been confirmed.*
- *A revocation is valid whether a standard quorum or a reduced quorum is present when the revocation motion is considered (see B1 above; UTMA s 3.11 (5), part 3.1, schedule 3).*

To the Owners of Units Plan 3259 Capital Hill Apartments

17-23 State Circle FORREST ACT

MINUTES OF THE ANNUAL GENERAL MEETING

Held:	**16 October 2018**		
Time:	**6.00 pm**		
Place:	**Eastlake Football Club, 3 Oxley Street Griffith**		
Present:	**D Miller**	**Lot 11**	
	T & K Gassner	**Lot 12**	
	P Nicholl	**Lot 13**	
	D Drinkwater	**Lot 22**	
	M & K Piotrowski	**Lot 23**	
	R & J Heaney	**Lot 28**	
	P & J Perkins	**Lot 30**	
	I Campbell	**Lot 33**	
	S Chambers	**Lot 36**	
	P & J Hodge	**Lot 39**	
	B & Y Crowe	**Lot 40**	
	P & G Ford	**Lot 46**	
	B & S Cronk	**Lot 48**	
	H & A Saducas	**Lot 49**	
	G & E Bowcock	**Lot 50**	
	G McDermott	**Lot 56**	
	D Campbell	**Lot 58**	
	Tony Stevens	**City Strata Management**	
Proxies:	**L Wright**	**Lot 3**	**in favour of S Chambers**
	T Bourne	**Lot 26**	**in favour of H Saducas**
	M Tecsy & S Sitko	**Lot 32**	**in favour of Chairperson**
	D Hyslop & J Graham	**Lot 42**	**in favour of Chairperson**
	D Timbs	**Lot 44**	**in favour of Chairperson**
	W & B Young	**Lot 51**	**in favour of Chairperson**
	M Warren – Smith	**Lot 52**	**in favour of H Saducas**
	T & J Frommer	**Lot 54**	**in favour of Chairperson**
	A & P Hughes	**Lot 62**	**in favour of Chair Agreed to all motions**

As a quorum was not present the meeting proceeded with a Reduced Quorum.

Owners are advised that under Schedule 3 (3.11 (1) & (3)) of the Unit Titles (Management) Act 2011, Reduced Quorum Decisions take effect 28 days after the date of this meeting. A reduced quorum decision is only disallowed if within 28 days after the decision was made, the Owners Corporation is given a petition requiring that the decision be disallowed signed by a majority of people entitled to vote.

The meeting opened at 6.30 pm.

1. **D Campbell chaired the meeting.**
2. **Acceptance of Proxy Votes was noted and confirmed.**

3. **Minutes of Previous Annual General Meeting**

Motion 1: That the minutes of the previous Annual General Meeting are confirmed.

CARRIED

4. **Matters arising from those minutes.**

The Chairman reported that all nine motions carried at the meeting had been implemented. In addition, five items that had been raised under General Business had been dealt with by the Executive Committee. The items were: planter boxes, irrigation, window cleaning, OH&S and the state of the basement floor.

5. **Financial report**

***Motion 2**: That the financial statements be accepted as presented for the period 01 September 2017 to 31 August 2018.*

CARRIED

6. **Executive Committee Reports**

The Chair David Campbell and Treasurer Peter Ford presented their report to the meeting and attached to the minutes is a copy of each report.

7. **Audit**

***Motion 3:** That the Owners Corporation authorise the Executive Committee to obtain an audit for the 2017/2018 financial year for presentation at the next Annual General Meeting.*

CARRIED

8. **Strata Management Contract**

***Motion 4: Ordinary Resolution:** That the Owners Corporation for Units Plan 3259 agrees to reappoint City Strata Management as the Owners Corporation Manager for the next three years, in accordance with the same terms as were set out in the original contract. The contract amount has increased by $10.00 per unit since last year i.e. $630.00 annually with no further increase for the next three – year contract.*

CARRIED

9. **Insurance**

Owners were informed that the existing insurance cover is held through CHU as follows:

Policy No	**46244**
Renewal Date	**05 September 2019**
BUILDING	$44,100,000.00
PUBLIC LIABILITY	$20,000,000.00
OFFICE BEARERS	$500,000.00
COMMON AREA CONTENTS	$524,914.00
FIDELITY GUARANTEE	$100,000.00
LOSS OF RENT	$6,615,000.00
VOLUNTARY WORKERS	200,000/2,000
WORKERS COMPENSATION	SELECTED
GOV. AUDIT COSTS	$25,000.00
LOT OWNERS FIXTURES	$250,000.00
WH&S BREACHES	$100,000.00

LEGAL DEFENCE EXP.	$50,000.00
PAINT BENEFIT	INCLUDED
FLOOD	SELECTED

Excess $300 each claim plus as per policy wording

Last valuation date 19 June 2017

The Managing Agent advises that the Owners Corporation's insurance only covers the building and public liability claims that occur on the common property. The Owners Corporation's insurance does not cover contents items such as carpet, curtains and light fittings. All Owners may wish to consider having their own contents insurance as well as public liability insurance within their own unit entitlement.

Motion 5 *That the level of insurance be adjusted upon renewal in consultation with the Executive Committee.*

CARRIED

10. Expenditure

Motion 6: *That the proposed Administrative Fund Expenditure Budget of $219,890 plus GST for the period 01 September 2018 to 31 August 2019 be accepted.*

CARRIED

Motion 7: *That the proposed Sinking Fund Expenditure Budget of $30,000 plus GST for the period 01 September 2018 to 31 August 2019 be accepted.*

CARRIED

Motion 8: *That the Owners Corporations authorises the Executive Committee to invest an appropriate portion of Sinking Fund money into a term deposit account in an Approved Deposit – taking Institution (ADI)at the interest rate available.*

CARRIED

11. Levies

Motion 9: *That the Owners Corporation determines an Administrative Fund Levy of $190,000 plus GST for the 2018/2019 year, to be contributed in accordance with unit entitlements. Payment to be made over 2 periods paid in advance on 01 December 2018, 01 June 2019.*

CARRIED

Motion 10: *That the Owners Corporation determines a Sinking Fund Levy of $100,000 plus GST for the 2018/2019 year, to be contributed in accordance with unit entitlements. Payment to be made over 2 periods paid in advance on 01 December 2018, 01 June 2019.*

CARRIED

All Levy Payments must be received within 28 days of the due date. If payment is not received within 28 days of the due date, interest charges will accrue from the due date of the applicable period.

12. Executive Committee

Under the Unit Titles (Management) Act 2011, it is legislated that the Executive Committee has a Chair, Secretary and Treasurer for the 12-month period, with the position of Chair

having casting voting rights. These positions are elected at the first formal meeting of the Executive Committee following the Annual General Meeting.

Motion 11: *That the Owners Corporation of Units Plan 3259 agrees to appoint 3-7 Owners to form the Executive Committee until the next Annual General Meeting, with election of those members to take place at this meeting.*

CARRIED

Nomination of executive committee members were then called for:

P Ford
T Gassner
R Heaney
G McDermott
P Perkins
H Saducas
Plus 1 vacancy

The above Owners were then elected, with no objections received, to be the Executive Committee members for Capital Hill Apartments, until the next AGM.

General Business

Mr Peter Hodge moved a vote of thanks for the outgoing Chairman David Campbell and this was carried by acclaim. David was grateful for the gesture but stressed his was not a solo effort and that the entire Committee was always involved.

There being no further business the meeting concluded at 7.05 pm

AGM 2018 - Chairman's Report

We are now ten years old but, today, Capital Hill Apartments are, quite literally, better than new. Nevertheless, the challenge for us is to age gracefully even though this won't come cheap. One instance of what I mean is the maintenance of our trees. The older and larger they grow, the more - and more expensive - will become their pruning.

At last year's AGM, five owners were elected by you for the Executive Committee. Since then, the Committed appointed two more, Richard Heaney and Paul Perkins to bring us up to the prescribed ceiling of seven. These two have already made full contributions and I find it hard to think how we got on without them. As has been the practice from the very beginning of our occupancy, the Executive Committee of the Owners Corporation has met every month over the past year. Comprehensive Minutes of these meetings are placed on our web site, usually within 24 hours and News items of important incidents or developments are regularly and frequently also posted on the web site. A lot goes on with our property and all parties ought to keep themselves informed of our collective investment that is worth well over $40 million.

This time last year, we said that 2017-18 would be busy and so it has proved to be. The installation of solar panels was a major undertaking with complications at every turn. Pop-up sprinklers on the lawns and verges were likewise not without their traumas. So, too were repairs to the roofs and extending the CCTV coverage. Even without those major distractions, it would have been a busy twelve months. As you might know, we administer 20-odd contracts for the maintenance of the Apartments and about a third of these each year need to be critically reviewed and either re-let or awarded elsewhere after further competition. I'm pleased to report that we again ended the financial year in good shape despite the punishment to both our Administrative and Sinking Funds. The Treasurer will speak to these matters separately.

Looking ahead, 2019 should be a quiet year compared to the last two. But having said that, I've made similar predictions in the past and have usually been wrong. Something unexpected always crops up: failure of the garage door or a burst fire main or an attempted break-in, for instance. Only a couple of weeks ago, we were caught by surprise with a balcony drain completely blocked by a build-up of some calcium deposits, and the garage door intercom failed. We can expect more of those; again, they're a function of age. In the years ahead,

we know we will have to confront all manner of challenges ranging from the rusting out of the big blue garbage bins to a catastrophic failure of the hot water furnaces. But I have no doubt the Committee on the day will be up to all this. They've got a solid record of achievement.

On a personal note and as I intimated last year I shall not be standing again for election to the Executive Committee. I've been involved on and off (actually far more on than off) from the very beginning and it is time, at the ten-year mark, to step aside and let someone else have the fun.

With one notable and most welcome exception, the call for volunteers for the Committee hasn't exactly seen my telephone jumping off the hook, which is disappointing. Planning for transition to the new Committee – whomever they may be – began a month ago and good progress has been made but there is still much more to be done. I don't imagine the transition will be without its obstacles and you may see a little slowing down of decision making and activity in the short term. You will again be called upon for assistance, no doubt; please respond generously. The poor response to our call for volunteers so far is not encouraging and I don't delude myself in this regard.

Jumping ahead of the Agenda, we're expecting Paul Perkins to take up the leadership of the Executive Committee, at least on interim basis. He's looking to establish, amongst other arrangements, an Owners' Advisory Group to assist the Committee in various ways. The details of this concept will unfold at the Committee's next scheduled meeting on 5th November and you will be kept fully informed through the normal channels.

Let me conclude by thanking the present Committee and our Managing Agent for their dedicated and constant efforts throughout this past year. We have a complex little business here, one that turns over almost $1,000 a day and much is involved. We owe the team a considerable debt of gratitude. And thank you, too, for your support over the years and for your attendance tonight although, as usual, it's a deplorable fact that we couldn't gather a quorum.

TREASURER'S REPORT
UP3259 CAPITAL HILL APARTMENTS
AGM 16 OCTOBER 2018

At 1 September, 2017, the start of our financial year, the Administrative Fund stood at $198,575.36 and the Sinking Fund at $155,199.81. At 31 August, 2018, the corresponding figures are $69,538.72 and $187,596.69.

Expenditure in 2017/18

The Administrative Fund budget for the last financial year was $218,210 and expenditure a very satisfactory $214,691.74. However, as can be seen from the financial statements, expenditure on line items varied greatly and I draw your attention to three areas of expenditure.

First is electricity. The installation of solar panels has substantially reduced costs. Thanks also to substantial work on behalf of the committee by Paul Perkins and Horrie Saducas to get a better deal from ActewAGL, expenditure has been kept at $9,250, well within the allocation of $13,000.

Next is the roofing expenditure of $11,261. This covered leak and flashing repairs, ventilation and safety certification work.

Finally, expenditure on water usage was $36,078 against an allocation of $28,000. Even before this figure became available, increasing costs caused the Committee some concern and the reasons are under examination. One reason is that our water consumption has exceeded a point where unit charges are substantially raised. With irrigation works now installed, this will be an issue for continuing examination by the incoming Executive Committee.

Expenditure from the Sinking Fund over the financial year was $133,849.43. By its very nature, Sinking Fund expenditure over the period of our Sinking Fund Plan may vary substantially from year to year. However, the Plan does set out notional annualised budgets and, as shown in the financial statements, the annualised budget for 2017/18 was $74,396. By this measure, expenditure was well in excess of what was anticipated when the current Plan was adopted in 2016.

The largest items in Sinking Fund expenditure were $54,896 for the solar system and $44,818 for the irrigation system.

The costs of the solar system were originally intended to be recovered through two special levies at six monthly intervals as agreed at the Extraordinary General Meeting that was held on 11 May, 2017 but, on further consideration and acting on the advice

of our Managing Agent, we recommended to the subsequent Annual General Meeting that the cost be covered by a transfer of $65,000 from the Administrative Fund to the Sinking Fund without the need for the special levies. This was accepted.

When this decision is taken into account, Sinking Fund expenditure is close to that of the annualised budget. However, as has been foreshadowed in Executive Committee minutes, there is some concern that the current Sinking Fund Plan, which is due for review in 2021, is inadequate in its coverage and may also need adjustment to ensure that the projected expenditure on particular items accurately reflects replacement costs. This is an issue for consideration by the incoming Committee. The review is likely to lead to an increase in Sinking Fund levies and it may be appropriate to carry it out soon rather than wait until 2021.

After 10 years of operation, the Executive Committee has decided as a matter of fiscal prudence to have an independent auditor undertake a review of our financial and banking arrangements.

Budgeting for 2018/19

Last year's levy of $150,000 for the Administrative Fund was supplemented by reserves to cover the budget of $218,210. Looking ahead, the Administrative Budget for this financial year is $219,890, which requires a modest increase over last year's levy.

Last year's considerable expenditure from the Sinking Fund has been absorbed and the Sinking Fund levy will remain the same. Legislation requires that any expenditure from the Sinking Fund must be in accordance with the Sinking Fund Plan but that the plan may be amended by ordinary resolution. During the year, work was carried out on roofing defects and a report obtained to the effect that more substantial and expensive work will be required at some indeterminate time in the future. For this reason, Motion 7 seeks authorisation for the expenditure of $30,000 should it become necessary during the year.

In the result, our recommendations are for an Administrative Fund levy of $190,000 and a Sinking Fund levy of $100,000 each to be contributed in accordance with unit entitlements.