

UP3259, Capital Hill Apartments
Executive Committee Meeting # 125
Wednesday 24-25 February, 2021.
at 30/23 State Circle, Forrest.

Minutes

(Reissued with minor date edits only, 4Mar21).

Invited Executive members: Paul Perkins (PP) 30/23, Chair, Karen Gassner (KG) 12/19, Secretary, Gaye McDermott (GM) 203/17, Horace Saducas (HS) 118/23. Peter Ford (PF) 115/21, Ricky Bolton, (RB) 20/21.

Apology : Kelly McMahon (MA), Managing Agent, on leave.

Chair PP opened meeting at 2.05pm, noting apology from Kelly McMahon, and foreshadowing late receipt of revised insurance renewal proposals during the meeting. Agenda items would be handled out of sequence to accommodate.

1. Minutes: ECM Meeting 124, 19 February 2021.

Resolution:

- a. Minutes of meeting 124 of 19 February 2021 be approved as circulated to members on 23 Feb 21 subject to minor wording amendments agreed.
- b. Approved Minutes be communicated to members and posted to CHA Webpage and Stratamax shared portal. MA to action.

2. Matters Arising:

a. Roof Contracts:

- a) Appointment of Patrick Roberts as Superintendent (PP late paper)
- b) Chris Kerin AS4905 conditions of Contract progress

Resolution: The proposal for architectural services by Patrick Roberts, dated 24 February and tabled at this meeting be approved; the proposal confirms his appointment as principal's superintendent for the Roofing projects with estimated project fees upper limit of \$5,000 plus gst.

b. Water Proofing Project

Resolution: Agreed to seek advice from Electrical contractor Wayne Taylor and Patrick Roberts as to impacts of Low voltage external light fittings embedded in external walls and parapets of balconies. Committee to consider further on report.

c. Other matters from ECM 124, item 10.

a) Shade Structure, #95, 6/17.

Resolution: Agreed that MA be asked to provide guidance to applicant and draw attention to CHA Rules, including need for formal application. Such advice should cover colour, size, shape and impact on neighbours amenity.

b) Carpet water damage #96, 208/21.

Resolution: Noted 6 Star Plumbing advice re LV external lighting fixture. Decision deferred Pending advice from Patrick Roberts.

- c) **Skirting water damage #86, 106/19:**
Resolution: Decision deferred further advice from MA.
- d) **Box Gutters inspection/ cleaning: #96 (part).**
Resolution: Agreed to accept Harold's Window Cleaning offer to undertake in lieu of solar panel cleaning, at same price, 3 March 2020.

3. Strata Insurance Renewal, effective 5 March 21.

Discussion of options was difficult due to delay in receipt of revised proposals reported at adjourned ECM124, 24 February 2021. Issues canvassed are summarised below:

"...Collective Insurance Brokers (CIB) provided a late revised proposal on 24 February during our executive meeting. Whilst declining to accept the no-increase undertaking for the intended 6 month renewal, it accepted our position that the Insurance valuation should remain that at 5 September 2020. It also reduced the CIB commission. CIB recommended the full year offer of \$55,888, +33% over the previous year. This compares favourably with their earlier offer of \$62,840 (+49%). A revised 6 monthly premium was also provided (\$28,726, +31% on previous 6 months), but not recommended due to likely further increases.

Our ongoing Hail claim and recent high residents water damage claim rates were cited as justifying the premium increase plus a further increase in the general excess to \$2,500 and a widening of definitions relating to the water claims excess of \$5,000.

In recognition of the cashflow impacts of the mid- year prepayment of the full 12 month cover, Premium Funding support was proposed to enable monthly payments in lieu. This involves a short term loan (9 months) from a third party, IQumulate Premium Funding Pty Limited (IQPF). Whilst relatively inexpensive at the current time (<\$4000), it requires approval by a General meeting. Rhonda Yates, manager of Bright-Duggan – Canberra, has advised that secure insurance cover for 30 days without additional cost can be secured on acceptance of the 12 month proposal, giving us time for required notice and gaining required owners approval at a Special General Meeting in late March. This will be a once only transaction with required 2021-22 funding included in the next AGM approved budget and Administrative Levy.

The full year renewal will increase the 2020-2021 Administrative Fund expense by between \$18,000 - \$30,000, given the combined impact of premium and new Legislation from 1 November 2020. However, the Cashflow impact of paying \$55,888 (against a budgeted \$21,000) in early March plus extra (unknown #, \$) excess payments and investigative costs, cannot be accommodated!

The executive committee has decided to recommend that owners approve the Premium Funding proposal on the basis of both low cost and avoidance of seeking increases in levy payments until the next Annual Budget and Annual General Meeting. Revised Budget forecasts will be made available for members information.

We have also resolved to expedite the too long delayed agreement with Our Strata Manager and CIB on written documentation of claims processing arrangements under the new legislative arrangements, effective from 1 November last. If necessary, independent advice will be sought....”.

Late documents tabled during discussion:

- a. “Revised Broker Advice...”, A Morrissey, Collective Insurance Brokers, (CIB), 24 Feb 21 at 2.15pm, email.
- b. “Revised Broker Advice...with Iqumulate Premium Funding Agreement proposal”, R. Allen, CIB, 24 Feb 21, at 4.06pm, email.
- c. “New Proposals 24 February 2021 (chair’s email: circulated to executive committee members after phone consultations with Bright-Duggan manager, Rhonda Yates after adjournment, 24 Feb 21.)

Meeting adjourned, at 4.15pm, to enable members to review documents above

Meeting reconvened , 9am, 25 Feb 21, with executive members approving the following:

Resolutions:

1. Note the revised insurance renewal proposals from Collective Insurance Brokers and supplementary Premium Funding Proposal, both dated 24 Feb 21, as well as verbal advice from Bright-Duggan Manager Rhonda Yates on 24 Feb 21.
2. Agree to the amended proposal including conditions for 12 months strata insurance coverage from 5 March 2021, subject to
3. Verification of secure cover as proposed for a month to enable approval by members in general meeting (RY, B-D).
4. Expedite agreement on claims processing arrangements under new legislation and documentation with B-D and CIB to enable communication to owners.
5. Authorise the calling of a special general meeting to seek members approvals for Increased insurance funding through the Premium Funding proposal dated 24 Feb 21. (RY, KMCM, B-D).

Note: All executive members emailed early am 25 Feb 21, agreeing to these resolutions after consideration of documents and clarifying advice referred to above. I then declared ECM 125 closed. This will enable transmittal to B-D (Rhonda Yates, Kelly McM, et al in CIB) for urgent implementation of necessary actions.

Meeting closed, 9.05am 25 Feb 21.

Paul J Perkins, Chair, Karen Gassner, Secretary. 25 Feb 21. (Reissued 4 Mar 21).