

A suggested way forward

Basic idea of the way forward: 1. Fix all identified problems at one go, even if fixing the problems result in losses to SPs. 2. Introduce Checks and Balances and 3. Plan for the future.

1. Fix all identified problems at one go:

A. Accept that mistakes have been made, do not cry over spilled milk and



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continue to take actions to prolong the pain, hoping that it will improve. It will not, and can get far worse. When the pain gets worse, it will be SPs who will suffer. Therefore, accept the pain now, and get it out of the way.

B. Fix the main problem immediately, i.e. to implement the decision of the High Court to dismantle the awnings, AND compensate the 14th floor Residents. Do not even imagine that if there is a 90% resolution, that the problem will go away, it will not. After having gone to STB and High Court, the

Appellant is unlikely to let go of the matter so easily.

C. Compensate the 14th floor Residents, do not even dream of trying to get a lawyer to argue our way out. The Judgements of the STB and High Court are clear enough.

D. Leave the problem of the gates, aircon compressors and shoe racks till the next AGM, the matter is not urgent.

2. *Introduce Checks and Balances:* To appoint a Managing Agent from a reputable firm, the MA must be accredited to The Association of Property and Facility Managers or the Association of Strata Managers, both of which are recognized by the BCA. MAs have an accreditation to worry about, and thus there is less likelihood they will be a party to any wrongdoing. In addition, MAs have professional indemnity insurance, if there is any wrongdoing that leads to litigation, there is a likelihood their insurance will respond, and SPs will be spared the expenses. The MA will ensure the Council follows the law, the MA in turn is regulated by their Association and by BCA.



3. *The future:* The High Court states that there have been abuses by Councils, past and present. To accept responsibility, at the next AGM, all



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Council Members should not offer themselves for reelection and a brand-new council should be appointed. It is interesting to note that since 2008 at least 50 units have changed hands at BP. Based on today's property prices, to be able to afford the units, these new SPs must be senior professional people or in senior management positions. We must encourage as many of these new residents as possible to volunteer to serve. But changing the Council is a MUST. If we cannot have a full council of 15, we should make do with 7 or 8, and

there should be no problem operating with a reduced number with a

professional MA in our ranks. We must act quickly; we cannot afford to continue to receive reports of activities that don't follow the law.

4. The way forward, detailed actions:

A. Resolution on Costs under section 38 of BMSMA. As

indicated, the immediate total cost could be in the region of \$330,000. Endorse the proposal and authorize the

expenditure. *REASON: The damage is done, even though the Council had*

*failed to obtain
SPs approval
before the
expenses were
incurred, the
MCST is still
obligated to pay.
The Council
failed the SPs,*

*but since the Council was elected by SPs, we get the result of
the quality of our choice. Although it is painful, we MUST take
the loss, and move on
with our lives.*



**B. Resolution
authorizing the
retention of awnings**

Since the resolution is introduced by the 14th floor, it will proceed for a vote. I urge as many SPs as possible to vote

against the resolution, we must ensure that the resolution does not even secure 50% of the votes. *REASON: As I had mentioned elsewhere in this website, a YES vote or a NO vote will not bring the problem to an end, the problem will be escalated to the next level. If the adoption of the resolution does not solve the problem once and for all, there is no point adopting the resolution. As it is worded, the resolution is grossly unfair to many SPs. Without a 90% resolution, it also means all affected 14th floor SPs will have to dismantle their awnings. SPs should let it be, and suffer the consequences, as explained at item C below.*

C. Enter into negotiations with SPs of 14th floor on the amount of

compensation that

MCST must pay.

The negotiation meetings with SPs should include a Managing Agent, and I strongly urge MCST not



to engage a lawyer for this purpose, or even to suggest that they do not need to pay compensation. In my opinion, the comments of the STB and the High Court are clear enough. The compensation will again have to be paid by SPs.

D. Hire a Managing Agent from a reputable firm. The Managing Agent can be hired on a **normal basis** (in which case they will take over the management and admin of the MCST), on an **enhanced basis** (in which case the MA will also take over the position of Chairman, Secretary and Treasurer of the MCST, in addition to the management and admin). Or alternatively the MA can be retained on a **limited basis**, in

which case the management and admin will continue in the present manner, but the MA will attend all Council meetings, AGMs and EOGMs, oversee the management and admin and all matters that involves SPs (particularly if there is a need for interpretation of the BMSMA). It is possible to negotiate with the MA appointed to ensure that existing staff are retained.

E. The next AGM of the MCST to proceed in the usual

manner, provided the negotiations with 14th floor residents



Gardens@Bullion: Beach spider lily

are completed and the appointment of a MA finalized, otherwise the AGM can be postponed by up to 3 months. The AGM to consider and vote on

1. the compensation recommendations

(for affected 14th floor units). **2. A**

resolution to be introduced that

channels 100% of SP contributions to the

management fund, none for sinking fund. *(NOTE: MCST needs to find the funds to pay its legal costs, the cost awards and compensation for 14th floor units. Our funds are locked up in the sinking fund, but we cannot touch these for the payment of legal fees. But the MCST general fund can borrow the money from a bank, using our funds in the sinking fund as collateral. And after the AGM, we channel all our contributions to*

management fund, and the management fund makes periodic payments to the bank, until the loan is fully repaid. In this manner, we do not have to burden existing SPs, but it should be noted that we will not be increasing sinking fund monies for a few quarters. **3. At the AGM, all existing Council Members are to step down,** and a new Council to be elected.

F. After the AGM, the new Council should embark on the development of new 90% resolutions, with the help of Managing Agent, these

resolutions allow SPs with existing gates, fixed shoe cabinets, aircon compressors etc located on common property to retain them, AND allowing SPs who desire to install new gates and shoe cabinets etc to be allowed to do so, based on a standard design. Residents of 14th floor should also be allowed to construct awnings, based on standard design. A new EOGM to be called to pass the new resolutions, with support from all SPs.



Hopefully, with dismantling of all 14th floor awnings, the payment of compensation, and the new resolutions identified at item F, the issues facing the MCST could be a thing of the past.

