

ST FRANCIS APARTMENTS BODY CORPORATE 83055

2015 Annual General Meeting Minutes

Date: Tuesday, 8th December 2015
Time: 13:00 (1pm)
Venue: All Accounted For Boardroom, Level 1, 271-277 Willis Street, Te Aro, Wellington

1. Welcome and introduction of key personnel.
2. Registration of attendees and confirmation of quorum including proxies.

PRESENT: As per attendance list, **40** owners were present in person or by proxy representing **62.5%** of the present quorum.

- | | |
|--------------------|---|
| - Aleck Yee | Units 1B & 1C |
| - Rachel Allardice | Units 1E, 3A, 3F, 4A, 6F, 7A, 7B, 7E, 7F, 8A, 8B, 8D, 8E, 8F & 9A |
| - Murray Cole | Units 2C, 4D, 5B, 6C, 6G & 8C |
| - Henry De Graaf | Unit 4G |
| - John Hamilton | Unit 5C & 5G |
| - Scott Bellingham | Unit 6E |
| - Grace Garnham | Unit 9E |

Proxies

- | | |
|----------------------|---|
| - David Pender (POA) | Units 1A, 2A, 2D, 2E, 3G, 5D, 6B, 6D, 7C, 7D & 7G |
| - Vince Parmar | Unit 4E |
| - Anna Smith | Unit G1 |

Other

- | | |
|-------------------|-------------------------------|
| - Benjamin Duflou | CBCS – Body Corporate Manager |
| - Shayne Thurston | CBCS – Body Corporate Manager |

3. Apologies.

John Sproat	Unit 6B
Chris van Ryn	Unit 9E
Jayesh & Manisha Mora	Unit 4F
Janice Allen	Unit 2B

Motion 1: That the apologies be accepted.

Moved: Rachael Allardice **Seconded:** Aleck Yee

MOTION CARRIED

4. Confirmation of 2014 Annual General Meeting minutes.

Confirmation of Minutes of previous Annual General Meeting held 24th September 2014.
Signed Minutes received from Chairperson Aleck Yee.

Motion 2: That the minutes of the AGM held on 24th of September 2014 are confirmed as a true and accurate record of the meeting.

Moved: Scott Bellingham **Seconded:** Aleck Yee

MOTION CARRIED

5. Matters arising from previous meeting.

- Seismic Investigations
- Water Ingress & Building Facade
- Common Area Refurbishment

Agreed that issues would be fully addressed as discussed the Building Managers Report and conducted our panel discussion

6. Body Corporate Committee report, provided by Chairperson.

Verbal report provided by Aleck Yee. Key points:

Facade & Loose Tiles

6 monthly abseils being undertaken by Goleman's to check for loose tiles, with last one Oct 15. Goleman's will remove loose tiles. A couple of tiles were removed during last inspection. Body Corporate still needs to agree solution with Heritage NZ around temporary replacement of removed tiles, though have agreement to remove at present.

Water Ingress

Continuing issue, without diagnose of main areas of water penetration, despite receiving a number of reports. Aleck Yee described water ingress repairs he had carried out within his unit. This included how he removed a window in his unit, added flashing and resealed in 2010. Aleck also described that in 2011 he had applied negative pressure plastering.

Aleck added that John Hamilton had undertaken reports (free) and noted moisture on 8th and 9th floor. Aleck further added that the Body Corporate needs to view roof, butynol and decks to further investigate if main water ingress is from the roof.

Aleck commented that the Long Term Maintenance Plan was completed by Prendos with the aid of the last plan completed by Campbell Pope and with input from The Building Intelligence Group (TBIG), Scott Bellingham and himself.

Commented that most of the outstanding body corporate levies had been paid.

Aleck commented that the corridors had been started and need to be finished. Aleck added he would like see the rest of the corridors completed by the end of 2016, so it that the corridors do not age differently and that helps with leasing.

Aleck commented that \$30k had been saved with the insurance again this year and thanked Scott for this dealings with Rothbury Wilkinson's.

Questions to the Chairperson

Discussion around corridors, including cost and issues that arose with level 7 & 8. Murray Cole asked cost to complete the remaining corridors, to which Scott said that based on information from TBIG, the cost was expected to be around \$22,000+gst per floor, subject to any unexpected issues (such as leaks and electrical works).

Murray Cole suggested we should look at using a forensic plumber he had previously used, Smoking Joe McAndrew. Murray to provide the plumbers contact details.

Murray requested a written report prior to the Annual General Meeting. Aleck will provide written report for the 2016 Annual general Meeting.

Motion 3: That the Body Corporate Committee's verbal report be accepted and entered into the records of the Body Corporate.

Moved: Rachel Allardice **Seconded:** Scott Bellingham

MOTION CARRIED

7. Building Manager's Report (as per attached report).

Ben Duflou explains circulated last week (4th December 2015). Copy of contents below

Asbestos

Asbestos tiles were found on the roof of the lift motor room, under the extraction fan system. See asbestos laboratory results showing the three (3) types of material. Quotes have been received for the removal of, however we are looking at sealing the tiles.

Abseil Surveys & Façade Works

Due to some of the tiles on the exterior façade failing, in the interest of public safety of residents and pedestrians, several abseil surveys have been carried out on the building. The focus of these surveys has been to identify areas of deterioration, remove loose materials, and produce photographic reports. Attached are the latest reports from Goleman's. The latest survey and report was completed in October 2015.

Water Ingress

Water ingress into the building is thought to be the main issue concerning the building and its integrity. This in turn is causing the steel window frames to rust and therefore causing the mortar and tiles to come away from the building. Several reports have been submitted by different parties to identify the areas of concern and to determine the best way to remedy the issue/s. The photos below were taken in unit 1B/C.

Window Frame Replacement

It has been found that the original steel window frames in the building (see photos attached) have begun to rust which in turn has caused the mortar and external façade tiles to push away from the building. See attached for letter from Ian Bowman, as well as an opinion from Achilles Botes of King & Dawson.

Other Operational Items

The building had its annual fire alarm survey, as well as the testing of the fire extinguishers, carried out by Wormald and, with the replacement of several in unit extinguishers, no areas of concern were noted. The building has a current warrant of fitness and is fully insured.

Supporting Documents:

- Goleman Report 2014
- Ian Bowman Letter 2014
- Goleman Report 2015
- Asbestos Analysis 2015
- King & Dawson Letter 2015
- Moisture Tests levels 8 & 9– John Hamilton

Scott Bellingham talked the Body Corporate through the above report.

Asbestos

System on top of lift motor room resting on asbestos tiles – Quotes to remove or could seal, as tile fibres are dangerous. Sealing is the most cost effective, but still require maintenance. The tiles are located in secure area behind 3 locked doors, so no members of public could access. Scott currently awaiting cost for sealing tiles.

Abseil survey and façade works.

Golemans – engaged after previous contractors, Abseil Access, failed to deliver on requirements. Scott passed around tile that had been removed from building to highlight weight of the tile and reinforce the potential danger to public. The Body Corporate Committee was looking at six monthly for abseil surveys. Golemans are contracted on a survey by survey basis, not a long-term contract.

Water Ingress

Scott explained the photos on the report and how the historic steel frames are pushing the windows out and also in bull nose of building. Talked about the leak inside Marks retail unit on the ground floor.

Assumption that the major water ingress is from the roof and decks on level 9, but not sure. John Hamilton agrees. Scott states the white materials marks on the tiles show the water is existing the building façade as well.

Scott commented that extra pipe was added under balconies to take more water away. There were some issues with original plumbing from the level 9 additions. Feeling is that a combination of roof/decks leaks, window leaks, sliders and areas not having been properly sealed in the past are water ingress issues. It is just locating them all that's the biggest problem for the Body Corporate.

Discussions around looking at Dawson & King and HBC options and where to start. Agreement to further investigate the roof/deck on level 9, no agreement of which process to use however. BC Committee to decide.

Annual fire alarm extinguisher survey carried out across the entire building, including each unit. Everything ok. 2 replaced.

Scott confirmed the Building has a current warrant of fitness and is fully insured.

Motion 4: That the Building Managers report be accepted and entered into the records of the Body Corporate.

Moved: John Hamilton **Seconded:** Aleck Yee

MOTION CARRIED

8. Election of Body Corporate Chairperson.

A nomination had been received for Aleck Yee, Units 1B & 1C. A call for any other nominations was requested. No others were forthcoming.

Motion 5: That **Aleck Yee** is duly elected as Chairperson until the next held AGM of the Body Corporate.

Aleck Yee was elected as Chairperson.

MOTION CARRIED

Alec brings up he would like some compensation for doing BC work – its about 2 hours per week. To be discussed within the finance part of the meeting.

9. Election of Body Corporate Committee.

Motion 6: That the Body Corporate Committee's members be set at a maximum of seven (7) members, with a quorum set at four (4) members.

Moved: David Pender **Seconded:** Rachel Allardice

MOTION CARRIED

Nominations received for the following members

Grace Garnham	Unit 9E
Scott Bellingham	Unit 6E
David Pender	Unit 1E & others
Rachel Allardice	Unit 9A & others
Aleck Yee	Unit 1B & 1C
John Hamilton	Units 5C & 5G
Lawrence Chiu	Unit 3B

Discussion around whether voting was required. Body Corporate agreed that voting to be carried out by ballot. CBCS prepared ballot paper and passed around.

Motion 7: That Grace Garnham, Scott Bellingham, David Pender, Rachel Allardice, Aleck Yee & Lawrence Chiu of the Body Corporate be duly elected as members of the Body Corporate Committee, until the next held AGM of the Body Corporate.

The above members in the motion were elected to the Body Corporate Committee by ballot.

10.Method of Contracting.

Discussions around the point that a Body Corporate may not enter into an obligation (a contract or other enforceable obligation whether written or oral) without the Body Corporate's approval by ordinary resolution as per Sec 108 & 109 of the Unit Titles Act 2010 and Sec 17 & 22 of the Unit Titles Regulations 2011. It is not practical to call for an ordinary resolution for every non-urgent job (the exemption is given for urgent work).

It was agreed that it would be practical to be able to enter into obligations with approval from the building manager and as long as they relate to and fall within the approved budget for the year.

It was agreed that it would be practical to be able to enter into obligations without further approval, as long as they relate to and fall within the approved budget for the year.

Report from Body Corporate Committee on Delegation

No issues have been encountered by the delegation of contracting to the Body Corporate Committee. All invoices have been paid in a timely matter, with the exception of an invoice to Traditional Stone Restoration that was under dispute due to the disagreement around the work that had been undertaken and the information that was expected to be provided to the Body Corporate. This has now been resolved and settled.

The Body Corporate expenses have been within largely within budget (exception maintenance cost, above budget by \$2.2k due to some additional costs around façade and water ingress investigations).

Savings have been generated during the 2015 due to lower insurance costs (\$23.5k), professional fees (\$7.6k) and fire compliance costs (\$3.8k)

11.Financial Statements.

2015 financial statements and results discussed.

- Significant saving on insurance due to lower rates, consistent with what have been seeing with other buildings around Wellington.
- Significant spending on the corridor upgrade, and investigations on the exterior tiles/water ingress (\$282k). Resulted in reducing the LTMF fund to NIL. Currently long term maintenance provision at \$120k as at 30 Nov 2015.
- Cash at bank as a result was down by \$178k from last year at \$69.5k. Cash current sitting at \$179.6k, rebuilding.
- Outstanding levies were down by \$4k year of year, but have now fallen to \$30k as a result of settlement with Aviex Investments Ltd (owner of 6 units).
- Query about what makes up the \$30k – Ben Duflou explains only 3-4 owners make up the balance. Ben further explained how the enforcement process works. Ongoing dialogue with outstanding owners.

Motion 8: That the financial statements are accepted as a true and accurate record of the financial position of the Body Corporate for the financial year ending 31 March 2015.

Moved: Rachel Allardice **Seconded:** Aleck Yee

MOTION CARRIED

12. Presentation of 2015/2016 Budget.

Discussions around the budget for the year 1 October 2015 to 30 September 2016. Key impacts slightly higher LTMF levies, in accordance with Prendos report.

Conversation around chairperson's honorarium – \$ to Aleck Yee for extra work. Aleck currently spending at least two hours per week on body corporate matters. Body Corporate advised that \$5k had been provided for within the Budget for honorarium. Level of honorarium to be revisited in 2016.

Discussions around Building manager being reimbursed for extra time on long term maintenance projects which are outside the building managers role. Agreement that hours for Scott Bellingham to be tracked and revisit next year. Scott to keep diary.

Motion 9: That the Operating Budget for the year ended 30 September 2016 is approved.

Moved: Murray Cole **Seconded:** Aleck Yee

MOTION CARRIED

13. Long Term Maintenance Plan

Aleck Yee spoke to the Long Term Maintenance Plan (LTMP) prepared by Prendos, that had been sent to the Body Corporate prior to the Annual General Meeting.

Corridors

Discussions around the corridors costs. Aleck wants to negotiate on amount if all done at once. Price in within the LTMP is dependent on there being no unexpected. John Hamilton added that the spend was significant over the next couple of years and suggested that one to two per annum might be a better option. Scott added that completing the corridors in one go would keep the total costs down and was easier to manage from the building management perspective, particularly moving owner occupiers around the building.

Façade & Fiancé Tiles

Discussions around the façade work required. Scott Bellingham explained that the façade tiles are handmade and there are only a handful of people globally who can makes the tiles. Discussions with the WCC and Heritage NZ have indicated that they are going to require tiles must be like for like, IE: they must be clay. We can use other materials as temporary options, such polystyrene. But these are only interim solutions Scott comments that the longer we leave it the more expensive the process will become. The expected costs at present is likely to \$3-4 million.

Scott confirmed that there are 5-6 different types of tiles on the building. There are 4 wires at each corner onto steel rods, then cemented behind and grouted in place. Putting on using traditional method will be difficult.

Water ingress and windows.

Ben Duflou talks about there being specific items in the operational budget for 2015/2016 for water ingress investigation work (as opposed to more reports on where water is coming from, actually trying to fix it) and undertaking a pilot window in one of the units. The funding for these two mini-projects is available without increasing operational levies due to insurance to savings.

Review of LTMP

Aleck added Prendos suggestion that the LTMP be reviewed annually, due to the issues faced by the Body Corporate.

Discussions around specific LTMP motions.

Original motions be that Chairperson and Building manager be jointly responsible for carrying out the below works in each of the motions. Murray Cole suggested that one other Body Corporate Committee member should be involved as well. Hence motions were amended to incorporate three members of the committee.

Questions and discussions around why entire committee review and be responsible for works carried out. View was that body corporate needed to minute certain action items to ensure they happen, as the view was that there had been very little action in over the last ten years to rectify issues, such as water ingress.

Ben Duflou confirms that these items benefited the entire body corporate and protected everyone from the forthcoming health and safety regulations, as we can be seen to be proactively resolving issues.

First motion voted one, amended wording to include three members of the committee.

Motion 10: That water ingress investigations continued to be carried out during the period covered by the Operating Budget to fully utilise the budget amount set, if necessary and that the Chairperson, Building Manager and one other Body Corporate Committee Member be given the combined responsibility and authority to best determine how the funds are spent and that the amount may, if necessary and budget is available, be augmented by repair and maintenance budget.

Moved: Rachel Allardice **Seconded:** David Pender

MOTION CARRIED

John Hamilton & Murray Cole opposed.

Discussions around Body Corporate obtaining legal advice with regards to liability exposure from falling debris. Murray Cole asked is erecting a sign would be sufficient. Generally feeling was that would be unlikely to satisfy the courts.

Motion 11: That the Body Corporate Committee take legal advice as to liability and penalty exposure resulting from potential loose external terracotta tiles falling from the building onto public thoroughfares and consider and recommend to the Body Corporate practical measures to protect the public from falling tiles during the time it takes to remediate the issue.

Moved: Aleck Yee **Seconded:** Scott Bellingham

MOTION CARRIED

Discussions around the window pilot project and benefits it would bring to the Body Corporate around currently unknown issues with replacing windows.

Motion 12: That the Chairperson, Building Manager and one other member of the Body Corporate Committee be severally authorised and instructed to contract on behalf of the Body Corporate with Refurb Plus Limited or LT McGuinness Limited, at the option of the Chairperson, the removal of one window within Apartment 2F, the removal of the original rusted window frame and the replacement of that window with a new window frame, sound proofed and thermally broken and with a design in accordance with the original Mitchell and Mitchell plans of the building and within the budget allocated.

Moved: Rachel Murray **Seconded:** Murray Cole

MOTION CARRIED

Motion 13: That the updated long term maintenance plan as prepared by Prendos New Zealand Ltd (Wgtn) for the 15 year period covering 2015 to 2030 be approved.

Moved: Aleck Yee **Seconded:** Rachel Allardice

MOTION CARRIED

John Hamilton opposed.

Motion 14: That the Chairperson, Building Manager and one other Body Corporate Committee Member be severally authorised and instructed to complete the refurbishment of the common areas of the building, including the corridors, lift cars, foyer and external entry, as and when sufficient funds are available, as confirmed by the financial position and forecasts, for the proposed work or part of it.

Moved: Murray Cole **Seconded:** Rachel Allardice

MOTION CARRIED

John Hamilton and Lawrence Chiu leaves meeting at 2.29pm.

Motion 15: That the updated long term maintenance fund levy for the year ended 30 September 2016 be approved.

Moved: Aleck Yee **Seconded:** Scott Bellingham

MOTION CARRIED

14. Insurance.

Ben Duflou provided a brief overview of the insurance situation in New Zealand at the moment. Premiums starting to come back, mainly due to increased capacity/competition in the market (offshore in particular). Seismic rating of 35% for the building will continue to limit future insurance savings.

Discussions around building insurance requirements and whether a new insurance valuation was required. We will need one for the next insurance renewal (March 2016). Estimated costs around \$1,000.

Motion 16: That a new insurance valuation be arranged and undertake by the Building Manager if required, in conjunction with the Body Corporate Manager.

Moved: Murray Cole **Seconded:** Aleck Yee

MOTION CARRIED

15.Audit of accounts.

Discussions around the various options the Body Corporate could adopt with regards to verification of the information contained within the financial statements and the approximate costs associated with each option.

Motion 17: That the Body Corporate agrees not to audit or review the financial statements at the end of the current financial year.

Moved: Murray Cole **Seconded:** Anna Smith

MOTION CARRIED

16.Common Area Maintenance Matters.

These were covered in the Building Manager's report. No other matters were raised.

17.General Business.

No other matters of general business were raised.

18.Closing. At 2.45pm

MOTIONS

Ordinary Resolution: For an Ordinary Resolution to pass, 51% of eligible voters who vote on the resolution must vote in favour of the resolution (50% or more for a poll vote).

Special Resolution: For a Special Resolution to pass, 75% of eligible voters who vote on the resolution must vote in favour of the resolution (75% or more for a poll vote).

	Motion	Type of Resolution Ordinary / Special	Vote For (Yes) Against (No)
1	That the apologies are accepted.	Ordinary	Yes
2	That the minutes of the AGM held on Wednesday, 26 th of September 2014 be confirmed as a true and accurate record of the meeting.	Ordinary	Yes
3	That the Body Corporate Committee's report be accepted and entered into the records of the Body Corporate.	Ordinary	Yes
4	That the Building Managers report be accepted and entered into the records of the Body Corporate.	Ordinary	Yes
5	That Aleck Yee of Units 1B & 1C be duly elected as Chairperson until the next held AGM of the Body Corporate.	Ordinary	Yes
6	That the Body Corporate Committee's members be set at a maximum of seven (7) members, with a quorum set at four (4) members.	Ordinary	Yes
7	That the below named people be formed as the new Body Corporate Committee until the next held AGM of the Body Corporate. <div style="display: flex; justify-content: space-between;"> <div>Grace Garnham</div> <div>Unit 9E</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Scott Bellingham</div> <div>Unit 6E</div> </div> <div style="display: flex; justify-content: space-between;"> <div>David Pender</div> <div>Unit 1E & others</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Rachel Allardice</div> <div>Unit 9A & others</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Aleck Yee</div> <div>Unit 1B & 1C</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Lawrence Chiu</div> <div>Unit 3B</div> </div>	Ordinary	Yes
8	That the financial statements be accepted as a true and accurate record of the financial position of the Body Corporate for the financial year ending 31 March 2015.	Ordinary	Yes
9	That the Operating Budget for the year ended 30 September 2016 be approved.	Ordinary	Yes
9a	That the Operating Budget for the year ended 30 September 2016 be approved with the following amendments:	Ordinary	Not Required

MOTIONS Continue

10	That water ingress investigations continued to be carried out during the period covered by the Operating Budget to fully utilise the budget amount set, if necessary and that the Chairperson, Building Manager and one other Body Corporate Committee Member be given the joint responsibility and authority to best determine how the funds are spent and that the amount may, if necessary and budget is available, be augmented by repair and maintenance budget.	Ordinary	Yes
11	That the Body Corporate Committee take legal advice as to liability and penalty exposure resulting from loose external terracotta tiles falling from the building onto public thoroughfares and consider and recommend to the Body Corporate practical measures to protect the public from falling tiles during the time it takes to remediate the issue.	Ordinary	Yes
12	That the Chairperson, Building Manager and one other Body Corporate Committee member be severally authorised and instructed to contract on behalf of the Body Corporate with Refurb Plus Limited or LT McGuinness Limited, at the option of the Chairperson, the removal of one window within Apartment 2F, the removal of the original rusted window frame and the replacement of that window with a new window frame, sound proofed and thermally broken and with a design in accordance with the original Mitchell and Mitchell plans of the building and within the budget allocated.	Ordinary	Yes
13	That the updated long term maintenance plan as prepared by Prendos New Zealand Ltd (Wgtn) for the 15 year period covering 2015 to 2030 be approved.	Ordinary	Yes
14	That the Chairperson, Building Manager and one Body Corporate committee member be severally authorised and instructed to complete the refurbishment of the common areas of the building, including the corridors, lift cars, foyer and external entry, as and when sufficient funds are available, as confirmed by the financial position and forecasts, for the proposed work or part of it.	Ordinary	Yes
15	That the updated long term maintenance fund levy for the year ended 30 September 2016 be approved.	Ordinary	Yes
16	That a new insurance valuation be arranged and undertake by the Building manager if required, in conjunction with the Body Corporate Manager.	Ordinary	Yes
17	That the Body Corporate agrees not to audit or review the financial statements at the end of the current financial year.	Special	Yes