

## THE TEA STORE BODY CORPORATE 87855

### 2015 Annual General Meeting Agenda (s89, Unit Titles Act 2010)

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**Date:** Thursday 2<sup>nd</sup> July 2015  
**Time:** 18:00 (6pm)  
**Venue:** Complete Body Corp Solutions Offices  
All Accounted For Boardroom  
1<sup>st</sup> Floor, 271-277 Willis Street  
Te Aro, Wellington

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

**PRESENT:** As per attendance list, **11** owners were present in person or by proxy representing **57.8%** of the Body Corporate. Quorum was achieved.

Jason Walker	Unit 2
Corinne Labone	Unit 4
Braedon McPhee	Unit 7
Ben Schofield	Unit 8
Claire Murphy	Unit 10
Christopher & Sharon Martin	Unit 11
Leigh & Christopher Graham	Units 12 & 13

#### Proxies

- Rebecca Briscoe for Units 5 & 14 (Anthony & Julia Briscoe)
- Sharon Martin for Unit 1 (Shane Joyce)

#### Other

- Ben Duflou (Complete Body Corp Solutions Ltd – Body Corporate Manager)
- Shayne Thurston (Complete Body Corp Solutions Ltd – Body Corporate Manager)
- Helen Young (Complete Body Corp Solutions Ltd)

3. Apologies.

#### Apologies Received

- Anthony & Julia Briscoe (Egmont St Investment Ltd) Units 5 & 14
- John Carter (Tea Store Investments Ltd) Unit 16.
- Shane Joyce Unit 1.

**Moved:** Leigh Graham / **Seconded:** Sharon Martin

**MOTION CARRIED**

4. Confirmation of 2014 AGM Minutes.

Minutes of the Previous Annual General Meeting held on 24 July 2014 (A copy of the Minutes was attached to the Notice of Intention to hold an AGM on 2 July 2015) and Matters Arising from the Minutes (Not included in other Agenda items) Consideration of the following Motion.

**Motion 1:** That the minutes of the Annual General Meeting held on 24 July 2014 be accepted as a true and correct record of that meeting.

**Moved:** Chris Graham / **Seconded:** Corrine Labone

**MOTION CARRIED**

5. Financial Statements to 31 March 2015.

Financial Year to 31 March 2015 (The Financial Report to 31 March 2015 and Draft 2015/2016 Budget was attached to the Notice of Intention to hold an AGM on 2 July 2015).

Discussion around funding for initial earthquake strengthening costs. Braedon advised that they were in the region of \$250k to \$650k and as a result the strengthening project has been put on hold pending a second options study (to be discussed further under agenda item 12).

**Motion 7:** That the Accounts for the year to 31 March 2015 be accepted.

**Moved:** Jason Walker / **Seconded:** Rebecca Briscoe

**MOTION CARRIED**

6. Matters arising from previous meeting.

- Earthquake strengthening. To be discussed under agenda item 12.
- Long term maintenance fund. To be discussed under agenda item 13.

7. Chair's 2015 report, provided by Chairperson.

*The year just gone began with the receipt of Silvester Clark's earthquake strengthening plan. The quantity surveyor estimated that the cost of the strengthening plan would be over \$8 million for the Tea Store and the Bond Store buildings.*

*This was followed by some joint meetings of the owners of the Tea and Bond Stores. It took us a while to absorb this news and realise the seriousness of the financial situation which we are in.*

*Gus and Sally from the Bond Store and I put together an information pack and some financial calculations and sent this out to you in April. This was followed shortly after by a survey put together by Chris from the Bond Store.*

*I provided some comments on the survey results in my email last month. Some of the questions in the survey were overtaken by events as the Bond Store have now decided not to do anything for some time. However, we can still explore some options on our own.*

*The Tea Store Committee met last month and decided that our next step should be to obtain a quote for a new earthquake strengthening plan for the Tea Store only, and from a new engineer. This will help us determine if we really are wedded to the Bond Store and will also give us the perspective of a different engineer. The AGM will include a resolution asking for approval to spend an amount for this purpose.*

*In other news, we have appointed a new body corporate secretary, Shayne Thurston of Complete Body Corporate Solutions (CBCS). I am looking forward to working with Shayne and CBCS. I hope that with their help we will be able to greatly improve the management of our building.*

*Looking ahead I would like to look for ways of reducing expenditure and building up our earthquake strengthening reserve. We have made one step towards this with the appointment of CBCS. As well as promising to provide a high quality of service, CBCS' fees are also very competitive. Hopefully, CBCS will also be able to review some contracts and suggest some changes that will save us money elsewhere too.*

*Braedon McPhee*

Braedon read out the above report. Braedon thanked Jason for the work he has done on earthquake strengthening. He mentioned that any issues be directed to Complete Body Corp Solutions.

**Motion 2:** That the Chairperson's report be accepted and entered into the records of the Body Corporate.

**Moved:** Claire Murphy/ **Seconded:** Ben Schofield

**MOTION CARRIED**

8. Election of Body Corporate Chairperson.

Braedon McPhee (Unit 7) nominated as body corporate chairperson by Jason Darian (Unit 2)

Braedon McPhee elected as Body Corporate Chairperson.

**Motion 3:** That Braedon McPhee of Unit 7 is duly elected as Chairperson until the next held AGM of the Body Corporate.

**MOTION CARRIED**

9. Election of Body Corporate Committee.

Braedon McPhee (Unit 7), Jason Walker (Unit 2), Julia Briscoe (Units 5 & 14), Chris Graham (Units 12 & 13), Claire Murphy (Unit 10), Ben Schofield (Unit 8) and Sharon Martin (Unit 11) were all self-nominated as body corporate committee members.

**Motion 4:** That the above named people be formed as the new Body Corporate Committee until the next held AGM of the Body Corporate.

**MOTION CARRIED**

10. Method of Contracting.

Discussions around the fact 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 without further approval, as long as they relate to and fall within the approved budget for the year.

Braedon added that he believed there would however be some challenges over the next five years as the body corporate work their way through the strengthening issues.

**Motion 10:** That the Body Corporate delegate all powers and duties of the Body Corporate (s108, Unit Titles Act 2010) and the Chairperson (s11, Unit Titles Regulations 2011) to the Body Corporate Committee with the exception of duties listed in s108(2) of the Unit Titles Act 2010 and the power of appointment of Body Corporate Managers. That the Body Corporate Committee report annually on this delegation and that this delegation remain in effect until such times as rescinded by the Body Corporate. This does not apply to contracts of more than two (2) years in length, unless passed by ordinary resolution.

**Moved:** Sharon Martin / **Seconded:** Jason Walker

**MOTION CARRIED**

11. Presentation of 2015/2016 Budget.

Discussions around the budget for the year ended 1 April 2015 to 31 March 2016. No proposed increase in levies for the 2015/2016 budget. Braedon stated that the long term maintenance fund was well funded at present and suggested to the body corporate that savings could be utilised to fund second engineering report for strengthening.

Ben Duflou confirmed that given CBCS had not prepared the 2015/2016 budget, CBCS would look through the expenditure and detail and identify further potential savings. Ben Duflou also confirmed the bank account details would not change and that they didn't appear to be much of an issue with levy arrears.

**Motion 8:** That the 2015/2016 budget be approved and that the levies per unit based on the Ownership Interests, formerly the Unit Entitlements, as prescribed by the Unit Title Plan be payable in monthly instalments in advance on the first day of each month by automatic payment to the BC's bank account.

**Moved:** Chris Graham / **Seconded:** Jason Walker

**MOTION CARRIED**

**Motion 9:** That where the monthly instalment is not paid by the due date 10% interest in accordance with Section 128 of the Unit Titles Act 2010 and the BC Manager's administration charges will be added to the amounts owing.

Discussions around the fact this motion was voted on and passed last year, no need to revote this year.

Leigh wanted to check if automatic payments are correct; she mention that quite a few people had incorrect details for their automatic payments. Ben Duflou advised that our approach is to invoice everyone. If anyone is behind, then a statement will be sent to them, then follow up by a phone call.

Braedon recommended having a report so we can keep track of things. Ben Duflou advised that CBCS will provide a quarterly report to the committee.

## 12. Earthquake Strengthening

Braedon talks to strengthening and advised that we should get a new perspective with regards to identifying an alternative method of earthquake strengthening, with a view coming up with a lower cost option. Previous report carried out by Silvester Clark was a shared plan with the "Bond Store". Jason mentioned that the Bond Store have decided to do nothing until 2018/2019.

Discussions around looking to engage alternative engineers. Initial discussions have focused on a wall cable plus steel.

Leigh suggests that The Tea Store do something alone and separate the buildings. Braedon mentioned that the Bond store might get some benefit from strengthening the shared wall. Braedon added that while we need to get '34%' legally, it would not make sense doing unless got to at least 64%.

Discussions around what potential costs might be to get building to level unit owners would be able to sell if they wanted to. Also discussions around how some older buildings have gotten to 100% plus and answer is around cross bracing and structural elements, mainly in wooden buildings.

Braedon said engineering reports commission have confirmed that the Tea Store building needs strengthening. Discussions on addressing the shared wall with the Bond Store, which if strengthened may improve the building to such a degree that further strengthening might not be required to have the building no longer classified as earthquake prone.

Discussions then focused on obtaining certainty for owners and potential unit purchases. If an engineer can provide a report stating that by spending X, then the building can get to X% of code, current unit owners then have an option to sell their units if they needed to. A potential purchaser would have some clarity around potential costs. Motion to obtain new earthquake strengthening report and plan to be voted on – motion 15.

Braedon stated that below motion is historical and that can continue to defer.

**Motion 11:** That owners resolve to further defer the payment date/s for the Special Levy of \$660,000 to fund the earthquake strengthening of the building and to consider/decide on the new date/s for payment at the next General Meeting.

**Moved:** Jason Walker / **Seconded:** Claire Murphy

**MOTION CARRIED**

13. Long-term maintenance planning and funding.

Discussions around long term maintenance and that most maintenance continue to be deferred until the Body Corporate has certainty around earthquake strengthening process.

**Motion 12:** That the maintenance as follows as provided for in the Long Term Maintenance Plan as approved at the 2013 Annual General Meeting which was to be completed in 2014/2015 be deferred until after the building has been earthquake strengthened: Floor coverings - wash and re-polyurethane the timber floors at an estimated cost of \$1,413.

**Moved:** Chris Martin / **Seconded:** Leigh Graham

**MOTION CARRIED**

**Motion 13:** That the maintenance as follows as provided for in the Long Term Maintenance Plan as approved at the 2013 Annual General Meeting deferred until after the building has been earthquake strengthened:

- Exterior lighting - Replace floodlight bulbs (5 of) at an estimated cost of \$2,500 - Interior painting
- Paint interior doors, walls, and ceilings at an estimated cost of \$4,116
- Interior lighting - Replace interior lights at an estimated cost of \$4,900.

**Moved:** Jason Walker / **Seconded:** Chris Graham

**MOTION CARRIED**

**Motion 14:** That the funding of the Long Term Maintenance Plan be funded with effect from 1 April 2015.

This is part of the budget process.

**MOTION WITHDRAWN**

Chris Martin asked if we had paid Silvester Clark. Braedon confirmed body corporate had paid \$8,000 to Silvester Clark.

**Motion 15:** That the Body Corporate Committee obtain a quote for a new earthquake strengthening plan for the Tea Store only, from a new engineer and be approved to engage the new engineer if the quote is less than \$30,000, with the funds from the long term maintenance funds utilised to pay for the engineering costs.

**Moved:** Sharon Martin / **Seconded:** Claire Murphy

**MOTION CARRIED**

14. Insurance.

Insurance renewal is due 31 August 2015. CBCS will obtain quotes from, August Insurance Brokers, Marsh & AON

Braedon requested that office holders insurance be put in place. Ben Duflou described the current market, stating there is increased competition in the market. There are a number of players in the European market helping to drive premiums down.

Braedon asked how the Body Corporate felt about earthquake risk. Corrine said we knew the risk but cannot do anything else around getting coverage.

Ben Duflou advised that we can get an updated valuation and it could cost anywhere between \$700 to \$1200.

**Motion 16:** That a new insurance valuation be arranged and undertaken by the Body Corporate Committee, in conjunction with the Body Corporate Manager on a bi-annual basis, as required by the current or new insurance provider.

**Moved:** Chris Graham / **Seconded:** Chris Martin

**MOTION CARRIED**

15. Audit of accounts.

Discussion around the potential cost of audit (\$2.5k to \$3k), that the financial statements are extremely transparent now and that Complete Body Corp Solutions Ltd can make electronic copies of documentation available.

**Motion 17:** That no auditor be appointed for the financial year to 31 March 2016.

**Moved:** Leigh Graham / **Seconded:** Sharon Martin

**MOTION CARRIED**

16. Common Area Maintenance Matters.

- Unit 6 leak – Discussions around potential leak in unit 6. CBCS to investigate.
- External Vine – Sharon advised that there is vine coming into the building. The vine is from the neighbours and can go through cracks, bricks. CBCS to investigate and identify solution.

17. General Business & Next meeting

Carparks - Jason mentioned that people are parking in the wrong car parks, he has an electronic map with the car parks mapped. Discussions around that the numbering on the car parks is confusing. Also that there is no signage on car parks and no towing company has been able to access the parks. CBCS to investigate getting car park numbers painted on the ground.

Discussions around the renting of car parks to people not resident in the building. No problem with that, but contact information to be provided to CBCS. CBCS to provide standard form to be completed by unit owners.

Discussions around getting the access codes changed. CBCS to investigate potential options.

Action:

- Get a sign stating that it is private car park and that unauthorised vehicles will be towed.
- Find a towing company, with a small towing vehicle.
- Get a quote for painting the ground with correct numbers.

Meridian Energy

Claire received a phone call from Meridian about upgrading meters and needs access to the building. Ben Duflou advised Claire to forward the email to CBCS and we will deal with it

FOBS

Ben Duflou will check if the fobs/access cards work then we can pass it on. Braedon would like a fob.

Body Corporate Managers for The Tea Store

Paul Crew is no longer the Body Corporate Manager for The Tea Store, CBCS Ltd have taken over. All queries directed to CBCS.

18. Closing.

Meeting closed at 7.37



