

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.3 2014-15 Held on 27 May 2015
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mr. James Heathe	(JH)	Chairman, Chianti VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Mr. Rene Buts	(RB)	Vice-Chairman, Greenvale VOC
Mr. Eddy Shen	(ES)	Chairman, Headland VOC
Mrs. Maggie Chan	(MC)	Chairlady, Neo Horizon VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Mrs. Alison Dack	(AD)	Chairlady, Siena One VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Dr. Lee Shiu	(LS)	Vice-Chairman, Amalfi VOC
Mr. Lau Man Kit	(LMK)	Vice-Chairman, Hillgrove VOC
Mr. Tony Cheng	(TC)	Representative, Registered Owner
Mr. Carl Chan	(CC)	Representative, Clubs
Mr. Vincent Chua	(CKC)	Director, DBSML
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

Apologies:

Mr. Colin Boshier	(CB)	Chairman, La Vista VOC
Mr. Kenneth Bradley	(KB)	Vice-Chairman, Parkvale VOC
Mr. Darren Barton	(DB)	Chairman, Parkridge VOC
Ms. Alberta Ng	(AN)	Representative, Registered Owner
Mr. Peter Chan	(PC)	Representative, Hotel
Mr. Paul Tough	(PT)	Representative, School
Champion Associates Ltd.	(CAL)	Chairman, Bijou Hamlet VOC

Secretary:

Mr. Kenneth Chan	(CYY)	Senior Manager, Estate, DBSML
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Assistant to Secretary:

Ms. Key Lam	(KL)	Asst. Manager, CR & Admin, DBSML
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By Invitation:

Mr. W.S. Yau	(WSY)	Senior Manager, Contract Mgt. and Works, DBSML
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Staff of City Management:

Mr. Wilson Chan	Manager, Estate, DBSML
Mr. G. H. Koo	Manager, Estate, DBSML
Mr. Alan Mak	Manager, Estate, DBSML
Mr. Daniel Ma	Manager, Estate, DBSML
Mr. Kenneth Kan	Manager, Estate, DBSML
Mr. Kelvin Siu	Assistant Manager, Estate, DBSML
Mr. Rudy Lai	Assistant Manager, Estate, DBSML

Observers:

Mr. Vic Riley	Owner, Midvale
Mr. Nigel Ried	Owner, Hillgrove
Mr. Dack	Owner, Siena One
Ms. Ana Maria Da Rocha	Owner, Parkridge

The Meeting was declared duly convened with the necessary quorum of Members present.

1	Apologies	19:30
	CYY informed Members that apologies had been received from CB of La Vista, KB of Parkvale, DB of Parkridge, AN Representative, Registered Owner, PC Representative of Hotel, PT Representative of School and CAL of Bijou Hamlet.	
2	Presentation on Security Services by Sino Security Services Limited	
2.1	Stephen Cheng, the General Manager of SSSL gave a short presentation. He briefed Members on the progress of recruitment of new staff, delivery of equipment ordered by SSSL as well as winter and summer uniform. For the monthly training plan spanning from June to September, the focus would be on crisis management, customer services, operations, crime prevention and anti-corruption respectively. After the recent site familiarization and a coordination meeting with Tung Chung Police, the Convener of COC Security Liaison Group and City Management (CM), SSSL would submit a risk assessment to CM by end of May.	
2.2	CYY urged Stephen Cheng to recruit the required number of staff soonest and reminded him of the penalties for manpower shortage in the service contract. Stephen Cheng thanked CYY for his reminder and reiterated that SSSL was pushing its recruitment drive.	
3	Confirmation of the Minutes of Previous Meeting (COC Meeting No.2 – 2014/2015)	19:49
3.1	CYY stated that comments had been received by AY and the draft minutes had been revised and sent to Members.	
3.2	AY said that the draft minutes recorded that the Road Fund had a \$22 million balance, but it should be \$5.6 million only based on her calculation. FKW advised that the \$22 million was under City Reserve Fund and suggested that the draft minutes be amended accordingly. RB objected by claiming that the amount of City Reserve Fund was not \$22 million.	
3.3	SM directed that the audio recording of the previous COC meeting should be checked so that the correct name of the fund and amount can be added as post meeting notes in the meeting minutes.	
4	Matters Arising - Interest Arising From Overdue Payments Payable by HKR from 2009/10 to 2013/14	19:55

4.1	FC stated that he had not been able to confirm, due to the lack of an aging analysis, AY's figure of \$7 million of interest arising from overdue management fee payment payable by HKR. He asked whether HKR had paid interest on its late payments.	
4.2	TC replied that HKR had paid all the interest payable arising from late payment of management fee from the financial years ending in March 2009 to March 2014. The total amount of interest paid by HKR was \$61,468.	
4.3	FC expressed surprise that the figures quoted by AY and HKR were so drastically different. He asked CM to confirm if HKR had paid the overdue interest in full. FKW confirmed that HKR had paid the interest of outstanding management fee for the said period in full compliance with the Principal Deed.	
4.4	FC requested for proof of such confirmation. FKW responded that he would discuss with the Auditor KPMG to explore what proof could be provided. SM directed that this item be placed on the agenda of the next COC meeting.	
5	CM REPORT	20:09
5.1	<i>Upcoming Tenders</i>	
5.1.1	WSY reported on progress of the following tenders: – “WR2 defect rectification in major P&D plants in City areas” - the lowest quote was \$23,500 – “PM services for review on consultancy services for reviewing and improving communal facilities of P&D and sewage discharge system” - the lowest quote was \$50,000 per month (see paragraph 11 for further discussion) – “Replacement of Malfunctioned Modulating Float Valve in Potable Water Pumping Station at Siu Ho Wan” - the estimated cost was \$170,000 and the tender was closed on 27 May – “Maintenance on inclined lifts” - the estimated cost was \$34,000 per month and the tender would be closed on 4 June	
5.1.2	WSY reported that invitation for the following tenders would be issued in June: – “High pressure jetting services” – “Scaffolding work in all villages and City areas” – “Repair of DB Road bituminous covering near La Vista & DBIS”	
5.2	<i>COC Papers Endorsed (COC Paper 481/15)</i>	
5.2.1	Members noted the three papers endorsed by COC as set out in the paper.	
5.3	<i>Community Events</i>	
5.3.1	CYY reported that there was no serious flooding in DB during the heavy rainfall in the weekend of 23 May. This was attributed to preventive maintenance and installation of monitoring CCTVs at black	

	spots. AY said that there was flooding near No.1 Seahorse Lane. CYY undertook to investigate.	
5.3.2	CYY updated Members on the upcoming dragon boat races. He stated that the races would be held at Tai Pak Beach from 8am to 6pm on 20June. There were new sources of income for the event through renting the dragon boats to the Lamma Dragon Boat Race and local dragon boat teams.	
5.3.3	RB asked that the CM presentation be circulated prior to the COC meeting. CYY replied that the CM team would be very busy before each COC meeting and CM would try its best to see if it would be feasible to do so in future.	
6	Financial Sub-Committee (COC Paper 482/15)	20:18
6.1	MC highlighted the items in the COC paper. In response to AY's question on the funding arrangement of the modulating float valve replacement at Siu Ho Wan Pumping station, FKW replied that it would be dealt with in the next COC meeting.	
7	Environmental Protection Sub-Committee (EPSC)	20:20
7.1	FC reported on the following items: – Winston Cleaning Company would meet with restaurants in DB Plaza to discuss glass bottles recycling – EPSC was exploring feasibility of installing more time switches for lighting in DB – DBCSL's agreement to move recycle bins to more visible locations in DB North Plaza, and not to use plastic eggs in future Easter Egg Hunt events – Installation of upgraded and more drinking fountains	
7.2	FC said that EPSC had explored how to save paper through paperless meetings, but had not come up with a definite proposal. SM said that Midvale Village had implemented paperless meetings for the last 3 years. AY said that although she always asked for soft copies of documents, she received hard copies instead. CKC said that paperless meetings was a goal that CM would pursue.	
8	Sports and Leisure Sub-Committee	20:27
8.1	SM told Members that the DC sports area was near completion and it would soon be open. He said that the Education Bureau had confirmed its plan to build a school at area N4A in DB, but that the construction works were suspended and that the land was still under the custody of the government. He wished to hear Members' views on using the beach, Sienna Park and the open area opposite to Hillgrove Village for possible future sports and leisure projects.	
8.2	RB said that it was HKR's responsibility to build the school, not the Education Bureau. SM explained that his information was provided by the Catholic Diocese which was the nominated Sponsor Body of the future school. TC explained that the site was allocated to the Catholic	

	Diocese for running an ordinary primary cum secondary school. However, the project was put on hold due to the shrinking student population in recent years. With the COC's permission, SM would contact the Education Bureau to further explore possible temporary use of the school site.	
8.3	LMK objected to using the open space opposite to Hillgrove Village for sports or leisure purpose because of noise concern. He added that Hillgrove residents were already suffering from noises originated from the Recreation Club.	
9	Security Liaison Group	20:40
9.1	FC gave an update on the following issues: – 3 Centurion security guards were arrested for allegedly beating a young boy in the Piazza. They were put on bail while the Police was seeking legal advice – decreasing crime rate of about 27% – recent burglary cases in which CCTV and vigilance had proved to be the keys in combating the crime – the case in which a young man ran out from his home and bumped into a moving golf cart	
10	Senior Citizens Working Group (SCWG) (COC Paper 483/15)	20:45
10.1	JL reported that the pilot scheme of installing priority seats for the elderly and residents in need at 5 locations in DB proposed by SCWG had been well received by residents. Hence, SCWG proposed to install one priority seat in each village by using the City Reserve Fund. With each seat costing \$3,500, the total cost for 17 villages would be \$59,500.	
10.2	RB considered that the installation cost should be borne by individual villages. However, BH wanted the cost to be met by City Fund as Peninsula Village had already installed a number of seats by using village fund.	
10.3	JL proposed and FC seconded the motion. The motion was carried based on following voting results: In favour – MC, FC, BH, KR, AD, JH, LMK, LS, JL, ES Against – RB Abstain – SM, AY	
11	Road System and Utility Review Working Group	20:51
11.1	SM clarified that the Road System and Utility Review Working Group was set up to help advise the COC to put out a tender. He asked Members what they thought the working group should do.	
11.2	JH suggested that the working group should only focus on the road surface repair in order to simplify the working group's mandate and to make its work clearer.	

11.3	BH suggested redefining all village roads as City roads. FKW pointed out that this was infeasible because for Phase 1 to 10, only passageways were shown in DMC plans without definition. From Phase 11 onward, passageways in villages were well defined as village common areas.	
11.4	FC said that the working group was formed based on the suggestion from Mr Kenneth Bradley. Since he was not present at the COC meeting, FC asked if the COC could defer the discussion to the next meeting.	
11.5	RB suggested that the working group should look at the pipes only as it would be inexpensive and easy by using CCTV survey. WSY explained that CCTV survey was good for drainage pipes only because they were straight and ran between accessible manholes. It would be difficult to get into sewage pipes and water supply pipes because they bent and had limited access. Consultant to be recruited would be tasked to advise on the effective and practical ways to survey these pipes.	
11.6	FKW pointed out that the working group was formed based on endorsement of the COC to study the road system and utilities underneath as a whole. It was unfortunate that some Members had recently expressed different views to revise the scope of works based on surveys conducted years ago. CM could carry out the work piece by piece as suggested by some Members, but the cost effectiveness would become doubtful. Furthermore, to carry out the work based on previous survey reports would not be comprehensive because the drainage pipes were not covered in the previous survey, not to mention that its contents might be outdated. The estimated consultancy and Project Management fees of \$3M + 0.75M were not only for road surfacing but would also cover underground utilities. That said, FKW agreed to defer the discussion to next meeting since most Members who gave comments on the scope of works previously were absent at the present meeting.	
11.7	JH suggested that this issue be discussed again in the COC meeting to be held after the next meeting. He expected that more Members would be absent from the next COC meeting as it would be held in summer.	
11.8	SM agreed to JH's suggestion. Resolution sought under agenda item 7.2 would be put on hold and CM would request the tenderers for the PM service to extend the validity period of their quotes.	
12	ITEMS FOR DISCUSSION	21:17
12.1	<i>Resolution of Appointing Contractor for Defect Rectification Upon WR2 Electrical Inspection in Plumbing & Drainage Plant Rooms (COC Paper T1131/15)</i>	
12.1.1	JH proposed and AD seconded the motion as set out in the paper. The motion was carried based on the following voting results: In favour - MC, FC, BH, KR, AD, JH, TC, CC, LS, JL and ES Against - RB Abstain - AY, SM, LMK	

12.2	<i>Objection for Passing the Maintenance Fee, Electricity and Other Associated Costs of the Inclined Lift to the Discovery Bay City Owners' Fund (COC Paper 485/15)</i>	21:20
12.2.1	AY said that the installation of the inclined lift was initiated by HKR and the COC was not consulted. CM should not take up the maintenance costs of the inclined lift because: – HKR was required to develop the Lot according to the MLP and that the Building Plan No. 2/9176/08 recorded that the Inclined Lift was part of the Transport Interchange in Area N2 – Under the Approval Letter which formed part of the Conditions, HKR might not assign, parted with the possession or disposed of Area N2 except as a whole – Page 14 of the PDMC stated that HKR should “cause and ensure that the manager shall manage the City in accordance with the Conditions”. No undivided shares had been allocated to the Inclined Lift in the Sub-DMC. However, undivided shares had been allocated to Village Common Areas and Facilities – It was therefore the duty of CM to act in the interest of all the owners, uphold the Conditions, and to declare the designation of the Inclined Lift as a City Common Facility in the Amalfi Sub-DMC invalid	
12.2.2	FKW responded that: – the Sub-DMC of Amalfi showed that the Incline Lift was defined as City Common Area and Facility and the Sub-DMC had been approved by the Director of Lands – Clauses 8F, 8G, and 8L in Section 1 of the Principal Deed stipulated that the Registered Owner had the right to allocate and re-allocate undivided shares to City Common Areas at any time as he wished to do so – the Approval Letter allowed the Sub-DMC in respect of the whole or a part thereof should contain an allocation to the Common Areas or Facilities for the common use and benefit of owners for the time being. Hence, all the related documents should be looked at more closely and as a whole – CM had no right to declare the designation of the Inclined Lift as City Common Areas invalid	
12.2.3	TC said that since a complaint had been formally lodged with the Lands Department, he suggested that the COC should withhold its discussion until the Lands Department had completed its investigation. AY requested CM to put the maintenance charge of the Inclined Lift in suspense account but was rejected by FKW.	
12.3	<i>Amateur Musicians request for a place in DB for Rehearsal on a Regular Basis</i>	21:27
12.3.1	BH reported that some musicians in DB looking for free rehearsal venues had approached her. She commented that there was a lot done for sports in DB but that there was not enough done for the arts. She asked if there were any free spaces for the musicians to practise for a few hours per week.	

12.3.2	TC responded that he would seek more information from BH after the meeting before checking with the schools in DB on whether they could provide suitable venues free of charge.	
12.4	<i>Recycling Plan for Abandoned Bicycles, as proposed by Crossroads Foundation</i>	21:30
12.4.1	SM told Members that he had received a request from Crossroads Foundation asking “Would Discovery Bay Services Management Limited be willing to partner with Crossroads Foundation in providing discarded bicycles that will impact the lives of so many around the world?”. SM reiterated that he had no affiliation with the Foundation. To his understanding, the Foundation was a Hong Kong based non-profit organization which received and repaired old bicycles and then donated them to those in need around the world. SM sought Members’ permission for tasking CM to look into this matter further.	
12.4.2	CYY explained the established procedures for dealing with abandoned bicycles in DB which were very time consuming. CM needed to report to the Police for record before actual disposal of the bicycles. He suggested that the COC waited until CM had looked into the legal aspects before deciding on whether to entertain the Foundation’s request.	
12.4.3	BH said that the Foundation was an excellent charity and stressed that taking up social responsibility would be good for the image of DB.	
12.4.4	JH expressed support for the idea. He asked CYY what the Police’s view on the legality of the donation was. CYY replied that he was still awaiting response from the Police. <i>ES and AD were excused at 21:40 and 21:48 respectively.</i>	
12.5	<i>Management Units Allocated to DB North Properties, Particularly the Hotel (COC Paper 484/15)</i>	21:59
12.5.1	AY stated that CM had under calculated the number of Management Units (MU) allocated to HKR’s hotel and hence the hotel had not paid the amount of management fee payable in full. Her grounds were set out below: – According to the PDMC, MUs were supposed to be allocated on the basis of one MU per 10 sq. m. of “GBA” of a unit, whether residential or commercial. “GBA” was defined in the PDMC to include all the area of a building, from outside wall to outside wall, including the floors below ground. “GBA” as defined in the PDMC allowed none of the green feature, mechanical services and other gross floor area concessions approved by the Building Authority – A review of the building plans for the hotel showed that the “GBA” of the hotel was approximately 35,245 sq. m., which would require that 3,525 MU be allocated to the hotel. Thus, with only 2,600 MU allocated, HKR had been under-paying its share of the management expenses of the City – The 2,600 MU was derived from the current draft Master Plan for DB, which allowed up to 26,000 sq. m. “gross building area” for the	

	hotel and no more. The term “gross building area” was defined in the Approval Letter for the development of DB North dated 28.2.2000. The definition of “gross building area” recognized the concessions granted by the Building Authority – The term of “GBA” from the PDMC was not used in the Master Plan nor in the Approval Letter. Likewise, the term “gross building area” was not used in the PDMC. It was incorrect to use the 26,000 sq. m. “gross building area” from the Master Plan as the basis for allocating MU	
12.5.2	AY said that CM should immediately take steps to recover the underpayment of management fee from HKR with respect to the hotel and other affected properties, including interest at the rate stipulated in the PDMC. Also, CM should revise the share of City expenses in the draft 2015-16 budget for all villages, HKR properties and the commercial center and adjust the proposed management fees accordingly.	
12.5.3	FKW asked AY if she had clarified the meaning of “GBA” in the building plan. He explained that: – He would circulate papers to show that exempted gross floor areas in Chianti were not taken into account when calculating the “GBA” and the Authorized Person (AP) certified that MUs were allocated on the basis of 1 unit per 10 sq.m. of the gross floor areas – An “Open Letter” was served by a former COC Member claiming that the disregarded areas at La Vista were added back for the calculation of MU. With reference to the building plan, the disregarded areas were not included in the MU allocation – It was consistent with residential development that exempted and disregarded gross floor areas of hotel were not included in the MU allocation	
12.5.4	FC asked if there was any substantiation of CM’s views and whether the COC should get an independent body to look into the matter. AY suggested that an independent auditor could look into the matter. TC responded that HKR was fed up with the fishing exercises played by a habitual complainant. Initially, the habitual complainant challenged the commencing date for charging hotel with management fee. After failing that, the habitual complainant changed to challenge the number of MU allocated to hotel. As one of the owners paying management fee, HKR objected to wasting any more money for getting an independent body to look this matter.	
12.5.5	AY asked FKW whether the certificates were signed by the AP under oath when presenting to the Lands Department. FKW replied that he was not in a position to answer the question as he was not the AP. Since the open letter was addressed to the Auditor KPMG, FKW would discuss with KPMG to see whether KPMG would respond. FK advised that the documents that he brought to the meeting were copyrighted by HKR and he could not provide copies to members. RB commented that they were available from the Buildings Department.	
12.6	<i>Functions Organized at the Beach</i>	22:03

12.6.1	AY said that due to the noise and disturbance caused during events held on the beach, many residents were becoming annoyed at the scale of the events. She appealed to HKR to make these commercial activities smaller, at a more convenient time and provide enough transportation so as to reduce the disturbances to DB residents.	
12.6.2	TC responded that HKR complied with all legal requirements when organizing events on the beach. He understood that officials from the Environmental Protection Department (EPD) did come to DB both before and during the Easter Egg Hunt event in response to complaints made by Beach residents. Since HKR did not receive any warning from EPD, it proved that HKR had not breached any legal requirements.	
12.6.3	TC stressed that he would not allow any resident to disrupt the events organized legally on the beach. He quoted an incident in which the Police was urged to prosecute a Beach resident who disrupted the Easter Egg Hunt event two years ago and the resident was subsequently bound over in court.	
12.6.4	AY stated that having customers or residents arrested did not help promote the idea of harmonious living in DB. TC expressed surprise to hear such a comment from someone who made all sorts of reports to the Police all the time. He stressed that nobody should be allowed to take law into their own hands and he would continue to urge the Police to prosecute offenders.	
12.6.5	In response to KR's comments that many DB families needed to wait a long time for the bus during the recent Easter Egg Hunt event, TC stated that HKR would strive to make better transport arrangements when organizing events in the future.	
12.7	<i>Easy Access for Those in Need at the Bus Terminus Near DB Plaza</i>	22:11
12.7.1	AY asked that a ramp be built at the bus terminus to help aid residents in need, and make their travel experience easier.	
12.7.2	CKC said that a similar request had actually been made in the last PLG meeting and he had asked the bus company to explore the feasibility and report back to the PLG.	
13	AOB	22:14
13.1	JH proposed that no COC meetings should be scheduled for July in future due to the fact that many members were away during that time. CYY replied that meetings for the current term COC had already been scheduled. Hence, JH could raise this matter when the new term of COC commenced in December.	
13.2	JH pointed that it was impossible to enforce an existing Sub-DMC clause which allowed a "reasonable" number of pets to be kept in each unit. He asked what could be done to solve this issue. RB suggested	

	that JH could introduce a village rule to solve the issue. FKW advised that instead of seeking to define what the reasonable number should be, CM would look into the consequence if excessive number of pets were kept, i.e. whether nuisance was created. Currently, CM was applying for an injunction order to remove the dogs in a unit which were causing nuisance over the past year in Chianti.	
13.3	JH asked whether the anti-crash barrier next to the bus stop at the bottom of Chianti could be removed in order to widen the pavement. FKW responded that the barrier was installed in accordance with the relevant traffic regulations and hence there must be strong justifications before the barrier could be removed. He recalled that there was a discussion at a previous Chianti VOC meeting that the lawn be paved for widening the pedestrian pavement. He considered the issue should be dealt with at Chianti VOC level.	
13.4	In response to BH's request regarding the long outstanding repair to the drinking fountain at the Piazza, TC agreed to relay her concerns to the management of Piazza.	
14	Date of Next Meeting – 22nd July 2015 The next COC meeting will be held on 22 July. The meeting was adjourned at 22:30 hours.	22:30

Chairman