

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.4 2016-17 Held on 13 Sept 2017
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Mr. Victor Riley	(VR)	Chairman, Headland VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mr. Kenneth Bradley	(KB)	Chairman, Parkvale VOC
Mr. Murray Stuart Craig	(MSG)	Vice-Chairman, Neo Horizon VOC
Mr. Darren Barton	(DRB)	Chairman, Parkridge VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Mr. Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Ms. Vivien Lau	(VL)	Chairlady, Greenvale VOC
Mr. Michael Law-Kun	(MLK)	Chairman, La Vista VOC
Mr. Ip Chiu Kwan	(ICK)	Vice-Chairman, Siena One VOC
Mr. Way Kwik	(WK)	Representative, Clubs
Ms. Elena Cheung	(EC)	Representative, Hotels
Mr. Vincent Chua	(CKC)	Representative, Registered Owner
Ms. Carmen Kwan	(CAK)	Representative, Registered Owner
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML
Mr. Patrick Ho	(PH)	Assistant Director, DBSML

Apologies:

Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Ms. Rosanna Chan	(RC)	Chairlady, Neo Horizon VOC
Mr. David Kwok	(DK)	Chairman, Amalfi VOC

Secretary:

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

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

Mr. W.S. Yau	(WSY)	Senior Manager, Contract Mgt. and Works, DBSML
Mrs. Polly Ho	(PO)	Executive Director, Certis Centurion Facility Company Ltd
Mr. Jimmy Chooi	(JYC)	Head of Operations, Certis Centurion Facility Company Ltd
Ms. Winnie Lau	(WL)	Certis Centurion Facility Company Ltd

Staff of City Management:

Mr. Wilson Chan	(WC)	Manager, Estate, DBSML
Mr. G. H. Koo	(GH)	Manager, Estate, DBSML
Mr. Samuel Ip	(SI)	Manager, Estate, DBSML
Mr. Kelvin Siu	(KS)	Assistant Manager, Estate, DBSML
Mr. W. K. Li	(WKL)	Assistant Manager, Security, DBSML

Observers:

Ms. Maggie Chan	Owner, Neo Horizon
Mr. David Ball	Owner, Headland
Mr. Estelle Davies	Owner, Parkvale

Mr. Lau Tak Chi	Owner, Siena 2
Mr. Christine Cheung	Owner, Positano
Mr. Kenneth Ip	Owner, Positano
Mr. Chan Yu San	Owner, Greenvale
Ms. Mo Mah Chun	Owner, Greenvale
Mr. Nick Flavell	Owner, Headland

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

1.0	Apologies Apologies received from JL, DK, RC Vivien Lau (VL), the Chairlady for Greenvale VOC, was welcome.	19.35
2.0	Presentation on Security Service by Certis Centurion Facility Company Ltd JYC, Head of Operations provided a detailed presentation on the current status of Security for Discovery Bay. The presentation included manpower information with recruitment initiatives; security risk assessment with recommendations; and Value Added Services. CYY referred to the manpower contract of 100 headcounts and the presentation which indicated a total manpower update of 153. CYY queried the accuracy of this figure and enquired about the stability of the guards noting the turnover rate was high. CYY said that the CM Management Team had experienced difficulty in coaching the security guards because there were always new guards. CYY asked about Certis' recruitment and tasked them with making a greater effort and stated the current manpower stability was unsatisfactory. CYY enquired about the minimum take home pay to determine if that was an issue. CYY cited the recent burglary as a typical example of the problem of irregular guards and stressed the need for stable security guards who were familiar with CCTV and tracking procedures. WL responded that the contract was for 100 personnel and Certis has a total of 120 full-time staff. Full-time was classed if they worked 126 days per month. There was also regular part-time staff who choose to work part-time hours but regularly worked 20 shifts per month. According to WL, these were considered stable security guards in Discovery Bay. WL agreed to work harder to reduce the part-time workers that had less than 20 shifts per month. CYY stressed that the 120 full-time staff's stability was questionable. WL said that the table included 12 staff that had resigned in the past three months, 7 were full-time and 5 were part-time and according to WL this demonstrated the effort taken to retain staff. WL then referred to the night shifts for Customer Services Center and the difficulty in getting personnel. WL went on to explain how they were working to remedy this and confirmed that one will be trained up to be a supervisor with increased pay of \$1000 per month. It had taken a lot of effort to convince even the middle shift to go to a night shift rotation and so they had also raised their salary by \$500.	

	<p>WL assured COC that the salary table submitted in the tender submission showed all rankings and wages. WL assured members that no personnel were receiving lower salaries than committed. WL highlighted that there were 29 staff at a higher ranking than what was required because they had been there for some time. This costs an additional \$20K per month. CYY requested an average breakdown of minimum take home pay per ranking. WL agreed to provide this.</p> <p>AY requested a copy of the presentation. CYY confirmed it would be sent to all members.</p> <p>KB asked what the -6 for July for Parkvale Village meant. WL replied that 6 shifts were short due to the turnover of staff. CYY noted it was a total of 240 shifts and CYY confirmed this was monitored. KB asked that a risk assessment identify hot spots in Discovery Bay and WL confirmed that they would provide this. DRB noted Parkridge Village had seen a decrease in performance of security guards and asked what percentage were retained from the old contract. CYY replied two and agreed that they needed to improve. SM suggested that if there were more questions members could submit to CM.</p> <p>SM thanked JYC and WL for their presentation.</p> <p>CYY noted and welcomed the arrival of ICK as former Siena One chairlady Mrs. Alison Dack had informed CM that she has sold her property. Siena One VOC subsequently informed CM that ICK to be the acting chairperson of Siena One VOC for the time being. CYY also welcomed DRB.</p>	
3.0	<p>Confirmation of Minutes of Previous Meeting (No. 3 - 2016/2017)</p> <p>Comments received by AY, ER, KB and finalized on 14 August 2017. Proposed by BH and seconded by FC, the minutes of Meeting no. 3 was approved.</p>	20:02
4.0	Matters Arising From Previous Minutes	
4.1	<p>Claim for out-of-pocket expenses for carrying out the duty as Hillgrove VOC Chairman</p> <p>ER Stated that he had asked to develop the four points he had made at the previous meeting and that the Item title was only the last of them.</p> <p>He agreed that if CM wanted to talk about out of pocket expenses this was possible, but what he really wanted from CM was to know the progress on the recovery of the debt accumulating since 2003. This has been raised by VOC in November 2015 [Inform of my error 2014]. Interest was still being paid and independent legal advice recommended compound interest although CM disagreed. The cost of the legal advice was \$18K and ER would like CM to confirm if that amount would be reimbursed.</p> <p>He said the Hillgrove VOC view was that they should be charging compound interest, although CM disagreed. Legal advice, was sought independently, and that is what gave rise to the 'Out of Pocket Expense' - HK\$18,000 for 57 paragraphs of legal advice.</p>	

	<p>ER asked again what progress was being made, firstly, with the recovery of the debt.</p> <p>FKW said that he disagreed that the legal fee was out of pocket expense, which he clarified.</p> <p>First, as mentioned in the previous meeting - although the DMC mentioned that a member shall be entitled to be reimbursed for out of pocket expenses, he did not think procurement of legal opinion is <i>Out of Pocket Expense</i> since <i>Out of Pocket Expense</i> means money paid directly for a necessary item by a person responsible to cover expense, not detailed by an agreement. Therefore, he said a reasonable person would think a legal fee is not a reasonable <i>Out of Pocket Expense</i>.</p> <p>Second Edwin's paper had mentioned there were, five solicitors [firms] the VOC had chosen one legal firm but the solicitor appointed to give the advice was not one of these five. City Management had no idea how this solicitor firm had been appointed. Even G.H., the Village Manager, had no idea as the problem had not been discussed at a VOC meeting and this was the first time he learned that the VOC members considered the City Management editing of the brief was unacceptable.</p> <p>FKW said that a legal brief was worked out with Nigel, a member of Hillgrove VOC, over two or three months, but noted that the legal advice obtained by ER made no reference to the brief. He had heard nothing from Nigel after the brief was finalized</p> <p>ER. asked FKW, what did not appear in the legal advice?</p> <p>FK replied "the legal brief" which he had worked out with Nigel for which ER had been copied. The legal advice did not mention this brief</p> <p>FKW. Third concerning the resolution itself. FKW read out the resolution :</p> <p><i>" The Chairman of Hillgrove Village to be reimbursed, against receipt, from the Village Reserve Fund or from the City Reserve Fund, as the case may be, for the cost of legal advice on the interpretation of the Principal DMC on the interest calculation to be applied to an outstanding debt."</i></p> <p><i>[refers to a paper 542/17 dealt with at COC meeting 22nd Feb 2017. 'Resolution to claim for out - of - pocket - expenses']</i></p> <p>FKW referred to the resolution and doubted that the COC had the power to make the resolution requesting the reimbursement of the legal costs from the Village Reserve Fund. FKW recalled that the COC members supported VOC to gain legal advice based on the assurance that no money would be spent from the City, therefore FKW concluded the money should not be reimbursed from the City fund and the motion should be struck out.</p> <p>ER requested the audio of that meeting adding that FK had said a great deal and that he could say a great deal about every point he</p>	
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	<p>made. He thought FK was changing quite a few things.</p> <p>He wished to mention one thing: There had been a resolution [in Hillgrove VOC] with unanimous agreement to do what they had done: to go with their own lawyer with their own brief to get an answer to a question that for months had not been agreed with City Management. They had been told [by the CM Village Manager] that they would have to go to the COC. At the COC the same resolution was supported.</p> <p>ER did not understand why the CM hadn't read and understood the DMC which stated compound interest should be charged. ER underlined that the amount outstanding was half a million dollars and asked again what progress had been made to recover the debt.</p> <p>FKW said it was a VOC issue and not a COC issue and contended the legal advice of compound interest was arguable. FKW also questioned why ER appointed a barrister rather than a conveyancing solicitor to seek legal advice.</p> <p>KB commented that the fundamental issue was the embarrassing lack of debt management on this particular debt. KB asked FC as the chairman of FSC what was being done about collecting the debt and if action had been taken through the appropriate channels. KB stressed that a debt that has been outstanding for 14 years must be collected. He went on to say that if they can't get the debt collected, for any reason, then they must be transparent. Irrespective of the interest calculation, he asked what was being done about the debt collection?</p> <p>FKW replied that in the FSC meeting, aging analysis report was submitted to monitor outstanding payments and then each VOC received the report for further discussion. FKW requested GH, the [Hillgrove] Village Manager, to comment.</p> <p>GH informed members of the details and history of the case.</p> <p>A long time ago the owners, joint tenants /owners, had not paid the renovation fee and shortly after they had registered a Memorandum of Charge. They had tried to contact the owners for a long time but, unfortunately, the owners were not in HK. He recalled that in the last two or three years, with the assistance of one of the VOC members, they had been in touch and had chased and pushed the owners for the debt and they promised us to pay, however, they have not. An internal application for further action has been made and we have quotes from the solicitors and the legal process is being prepared.</p>	
4.2	<p>Review on Tendering procedures by FSC</p> <p>FC referred to a previous COC meeting where there was a strong argument against the selection criteria, set before the interviews, for appointing the security contract. The security company was not the cheapest but selected due to combined performance and cost. A few members had argued that the cheapest should have been chosen and the criteria set were only for reference. In the FSC meeting it was discussed that the FSC would be interested in actively</p>	20:17

	<p>participating in the review and finalizing of the tendering procedures, which could be the same or different to the existing one. FC stressed that once the procedure was agreed it should not be changed otherwise there could be accusations of favouring a particular contractor.</p> <p>SM asked if that was the agreement of the FSC and FC replied yes. KB noted that the minutes of the FSC meeting recorded that the sub-committee followed FKW's recommendation to commit to discuss at the next meeting. FC confirmed that FSC had agreed to discuss the review of the tendering process. DRB said that if the procedure was fixed there would no reason to bring it to a vote. FC disagreed and explained the COC would still be required to rubber-stamp the final decision after the panel of interviewers had made their recommendation. DRB argued it was misleading to use the term Rubber Stamp and commented that COC's rules were made by COC so they could be overturned and changed. DRB explained that if it was voted to change the voting system after the tender that should be allowed. FC agreed theoretically but argued there would be a lot of challenges. DRB said we are open to challenges because a lot of people feel we favoured one particular tenderer with the security contract. CYY commented that as previously discussed if the committee prefer to accept the lowest bidder, there would be no need for a working group to do the qualification interview which would save a lot of time.</p> <p>ER referred to the Hillgrove situation that had initially been brought up by FC. ER said the working-group worked hard at the interviews and followed the marking procedure and in the end decided they weren't comfortable with the lowest scoring contractors and felt comfortable with the third, however were told by CM there would be problems and challenges. ER with another member went to the ICAC who reviewed the minutes and said if there was a clear decision from the VOC there would not be a problem. DRB highlighted that committees do a valuable job in bringing recommendations to the COC which is then approved or not approved; we do not Rubber Stamp. FC said he had not known the COC to overturn the recommendation of the working-group concluding the rubber-stamp system worked because the COC established the working criteria for the working-group to follow. KB said it was unfortunate that FC used the expression 'rubber-stamping' and emphasized the phenomenally good job working-groups have done over the years in putting together the tendering document and effort in the selection exercise. KB stated all working-groups were aware the final decision was made by the COC and there was always opportunity for opposition. KB claimed that changing the rules after a tendering exercise was nonsense and suggested the expression 'rubber-stamping' was not used.</p> <p>CYY reiterated that once the two-envelope and scoring system was in place it cannot be changed.</p> <p>BH agreed and noted the criteria, established by the COC, was agreed and followed and only after the result was announced was there a request to change the rules. BH repeated rules were there to stop collusion and should be respected. DRB asked how many firms were invited for price negotiation and contended that a bigger price variation from the lowest tenderer could have resulted in their point score for price being so much increased that they won overall. CYY countered that the point was not how many contractors were invited.</p>	
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	<p>DRB said it was exactly about how many firms had been invited for price negotiation. CYY said that the rules for the procedure had been agreed and communicated to all members involved. CYY said that if the committee tonight felt that the COC should make the final decision, he recommended that the next tendering exercise be a simple COC voting procedure.</p> <p>AY referred to her previous concerns regarding the internal system of the tendering procedure that had been observed. AY was concerned with the handling of the custody of the tendering box and segregation of the duties among CM staff. AY expressed her concern that no relevant documentation on this issue had been received. AY reiterated segregation and line of authorization was the most important duty but no guidelines were set by CM. AY restated she was not arguing about the tendering system but requested proper guidelines for the internal CM system.</p> <p>KB noted that the logistic points made by AY were sensible and would be followed up in FSC in conjunction with CM.</p>	
5.0	CM Report	20:31
5.1	<p>Upcoming Tenders</p> <p>WSY referred to the table in the presentation detailing the tender description, cost and status. WSY went on to discuss the five tenders which were: item 1) rewinding motor to pump no. 3 of sewage pump room 3. which was a previously quoted item in the awarded contract. 2) Supply and installation of anchorage points for fall arrest system on slopes along Discovery Bay Road. WSY noted this item would be discussed in detail in item 7.2. for members' resolution. 3) Examination and certification services on lifting appliance, air compressors and anchorage points. 4) WR2 defect rectification in Sewage Pumping Station No. 3, both of which were under analysis, and finally item 5) Replacement of damaged street light SP44 near the junction of Seabee Lane and Discovery Bay Road. The item was for members' consensus according to the submitted paper COC T1408/17.</p> <p>WSY told members there were five new tenders scheduled to be sent out in the next three months as outlined in the presentation table. 1) Replacement of deteriorated water pump no. 2 at Water Treatment Plant. 2) Construction of new standpipe piezometer for substitution of blocked "SP6" on dam of reservoir. 3) Routine maintenance services on water pumps. 4) Reinstatement of flushing water supply ring circuit near Seabird Lane, and replacement of defective flushing water isolating vale near Seahorse Lane No. 2. and finally 5) Dam monitoring services.</p> <p>CYY welcomed MSG</p>	
5.3	<p>Community Events</p> <p>CYY reported that the 10K run would be held on Saturday 11th November and expected 600 participants. The Junior Challenge, renamed <i>Uncle Russ Coffee Adventure</i>, would be held on Sunday 19th November. CYY mentioned they were both organized by local residents.</p>	
5.4	<p>Green Lifestyle Committee Update</p> <p>FKW reported that the Food Waste Recycling Pilot Scheme had a</p>	

	<p>50% operation cost subsidy for a period of 2 years. The renewal application for the next 2 years was now due and FKW informed members that the EPD had invited CM to consider buying the decomposer at \$0 cost.</p> <p>Under the subsidy, FKW advised that CM was required to submit monthly reports to the EPD for the total weight of food waste collection compost produced. A quarterly report was sent to ECF regarding the use of compost to analyze residents' food waste habits, and an audited expenditure report was also submitted. FKW further stated that educational activities and seminars were held to promote the initiative. FKW provided a detailed breakdown of operation cost including staff and the amount of subsidy, and operation costs for buying and maintaining the decomposer. FKW recommended to COC members that CM purchase the decomposer.</p>	
5.5	<p>Update on Other Services</p> <p>CYY advised members that the DB Octopus Card had over 2000 users registered with over 7000 cards, and this was expected to increase once the privileges were in effect from 1st October 2017.</p> <p>CYY updated members on the bus terminus enhancement. CYY stated that after permission of erection of site hoardings in DB main road from the government was granted, the pedestrian and bicycle paths were adjusted to allow for the installation of the safety hoarding. CYY then referred to the old footbridge by Watsons which would be removed and the trees along the safety hoarding would later be removed to make way for the entrance of the new bus terminus. As to the site area along Plaza Lane, CYY continued that after discussion with the landscape manager it was considered that the five <i>Khaya Senegalensis</i> trees would also be removed and recycled as tables and chairs for the community.</p> <p>KB asked about the latest position on the improvement of the gas pipe safety which was referred to in the latest CM report. WSY replied there was no update but CM would follow up with the supplier. KB then referred to the tenders in progress and specifically item no. 5 the replacement of damaged street lighting. KB commented that often there was no time to check tender bids and more and more contractors were submitting ridiculous bids because they were not interested in the job. KB asked what was the point of inviting them to bid. Referring to item no. 5 KB said often COC members were not experienced to ask detailed engineering questions but in this case ER was an expert in lighting and had expressed his concerns on the high cost. KB asked CM if the lowest bid had been analyzed and what was the basis of the justification for price. KB suggested CM confer with ER to get his proven expert advice to ensure it was cost effective. WSY responded that the tender had been carried out according to the established procedure. From memory there were two competitive tenders received and reported that often the price was compared with similar work done. For this case, compared with that at PCO/PRO about two years ago. KB suggested breakdown to labour and material costs so the price could be negotiated.</p> <p>AY stated that in the previous meeting CM mentioned the process was passed by negative vetting which meant that if nothing was said it was automatically granted to the lowest bidder. AY did not think this item was particularly expensive but said there were other expensive items and most COC members were not experienced in</p>	

	<p>these fields. AY said previously COC had expert project teams to screen the process and provide expert advice to CM. AY suggested COC consider setting up project teams to go through these items proposed by CM rather than by negative vetting.</p> <p>ER responded that he would have been happy to work on this project and would have objected as the price was outrageous. WSY replied that the enquiries from ER had been received and a response was being compiled to be circulated to ER and all COC members.</p> <p>DRB agreed with KB's concerns and reiterated the need to ensure the lowest bid was value for money. DRB did not think comparing previous price was an effective way of ensuring the price was fair. WSY responded that CM can only collect data information from previous jobs to make a cost comparison.</p> <p>VR asked why WSY's team was not replacing the street lights and commented the cost of aluminum was very cheap. WSY replied that this particular job was 12M high and therefore it was more suited to a contractor. VR suspected WSY was passing on the responsibility and liability to others. WSY repeated the lighting was too high and would require additional equipment and experienced staff for installation.</p> <p>MLK commented costs were not always understood but when there was expertise on the COC, their view should be taken into account. If it didn't make sense it should be revisited. SM confirmed that any expertise should be taken into account prior to the tender. KB presumed there was a breakdown of the costs, however WSY said the amount involved did not require a detailed breakdown but assured members this information could be requested.</p> <p>FKW asked members to agree to the purchase of the decomposer at \$0 cost. DRB asked if \$4000 was more than we were currently paying. FKW replied the amount currently paid under the subsidized system, and the amount to be paid if the decomposer was purchased was the difference of \$4000. FKW said every two years the organization must apply for the subsidy but EPD has recommended CM to buy the decomposer.</p> <p>VL asked what was the result in the past two years. FKW answered that the capacity was 100kg per day to be used for gardening compost. 200 households had participated in the pilot scheme and FKW remarked that COC had agreed to purchase an additional decomposer because it was popular and successful. VR mentioned if the decomposer broke down we could maintain it quickly but if it belonged to the government it would take time.</p> <p>SM noted no objections from Members present.</p> <p>DRB said that with the Octopus card there was a 20% discount on the ferry, but that this discount was bigger on the T-Card. FC disagreed and said the Octopus discount was bigger than the T-Card. FC was quite sure DRB had made a mistake in his calculation. DRB replied that one of them had certainly made a mistake with the calculation. DRB said that if his calculations were correct, the ferry company would make considerable more revenue by having people switch to Octopus cards. VL asked if the DB Octopus card would replace the T-Card in the long run. CKC assured members the T-Card would be kept for frequent travelers but non-residents. It was</p>	
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	noted there was also discount on the buses. CKC urged members to encourage villages to apply for the DB Octopus. BH said there was also a discount on the bus by using a registered Octopus.	
6.0	COC Sub-Committees / Working Groups	
6.1	<p>Finance Sub-Committee (COC Paper 554/17)</p> <p>FC referred members to review the minutes submitted. FC added that according to the aging analysis CM did not waive the right to waive any charges. FSC were generally in agreement and would work with CM. FC updated members that in Siena Two the aging report was received quarterly and was discussed with the estate manager to raise any problems. The receivable situation was very healthy and FC encouraged all villages to do the same. FC referred to the outstanding debt cases that were mentioned and highlighted with quarterly reviews similar cases would be very low. For non-residential areas FC asked that CM would bring to this committee any waiving of non-trivial charges.</p> <p>FC asked COC members to comment on whether FSC should review village and city quarterly accounts to ensure VOCs are being run efficiently. FC asked FKW to brief members on the audit report. FC enquired as the development of Area 10b had been withdrawn and there were no issues with Area 6f, should a working group be reactivated. Finally, FC referred to road usage fees and explained that third tier charges for heavy vehicles was still under discussion and members would be updated at the next meeting.</p> <p>KB objected to FSC reviewing village quarterly accounts and said villages should look after their own accounts, in particular as the membership of FSC fluctuated and would be too much work.</p> <p>ER asked what should be done with villages that are not running their accounts very well. KB responded that village owners should be proactive and be asking questions. ER enquired how to communicate to village owners and cited the sitting VOC and Chairman who appeared to have privileged opportunities to address questions. KB reiterated that owners should ask informed questions. VR agreed the village finances should be managed by the villages.</p> <p>MSG referred to the situation in Neo-Horizon where there was objection to the budget for the past three years because of how DB Management had been spending the money. MSG asked what was the recourse when there was disagreement on how the Village was running. VR suggested forming a relationship with the management and having constructive dialogue. MSG reiterated their budget had been misused for far too long and noted a serious objection. SM advised everyone to answer the request by FC.</p> <p>AY disagreed that FSC should review village accounts and suggested all villages have one accountant to review their village accounts. AY quoted item 3.1 on the FSC minutes where the Post Meeting Note cited Sub-Clause 40, Clause B, Section IV which empowers the Manager “To do all such other things as are reasonably incidental to the management of the City in accordance with the Conditions or for the common benefit of the Owners.” She suggested FKW had not reviewed what this really meant. AY said it referred to capital letter “Owners”, which included all owners and</p>	

	<p>questioned how waiving interest on default payments would be beneficial to the owners. AY then referred to 3.2 ageing of City receivable which AY suggested was not prepared or reviewed by a qualified accountant because there was no cross check of the aging analysis HKR Group total of \$424k to the management accounts' debtor due from HKR of \$1,710K and they do not tally with a difference more than \$1.2M. AY concluded the aging analysis was wrong in including the management fee only was misleading.</p> <p>FC responded that FSC was asked for the aging analysis of the management fees only and disagreed with AY that the report was wrong. FC did agree to ask for another report for other receivables. AY stated that the analysis was wrong in the concept of accounting as debtor should include all the debts due including amounts charged for services provided by CM to HKR Group. There was nothing called management fee aging analysis. She asked for the aging of the difference of some \$1.2M.</p> <p>FC mentioned perhaps the wrong question was asked of the aging analysis of management fee, and that there was an accountant representing AY's village on the committee.</p> <p>KB suggested MSG send concerns to the FSC and they can review. FC referred to the waiving of charges and agreed with AY that CM should not have the right to waive interest charges. FC suggested CM work with VOCs to decide such issues as there might be special circumstances. FC strongly requested CM bring to this to the COC any intention to waive interest or fee charges. FKW will consider and report back to the FSC. KB commented that it should be left to VOC and CM but also noted there are situations when it is sensible for CM to waive the interest if that clinched the payment of the outstanding principal. KB argued for flexibility.</p> <p>AY counselled caution in these matters and reminded members that it was clearly stated in the DMC that it cannot be done. The rule was clear and any owner could challenge the decision and as volunteers in this position COC members would be held personally liable.</p> <p>FC enquired about the audit report. FKW replied that CM met with RSM last week. In order to avoid from the accusation of buying legal advice and to clarify if they were obligated to answer questions of individual owners, RSM had been told to solicit the legal advice themselves. On the other hand, RSM was satisfied with all information provided by CM but will require more time to review all the documents. The audit report will not be ready by the end of September but may require an additional month. RSM had provided their timesheet for additional work caused by the accusation. KB commented when the tender report came, RSM were the cheapest and KB noted there would be questions, not allegations, rather questions framed in an unfortunate way. KB estimated an additional bill of \$150K.</p> <p>SM asked about the revised terms of reference under annex one and asked for this to be highlighted. FKW replied the committee reviewed the terms of reference a few years ago and made a revision about miscellaneous to make it more clear.</p> <p>BH referred to item 7.0 and recommended members should be banned for a minimum of three or five years, not one year. FKW proposed this should be discussed when the new FSC was formed.</p>	
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	<p>AY commented that it was good to have the letters to the auditor as they pointed out certain areas that had been talked about for years and once and for all they would be cleared.</p>	
6.2	<p>Environmental Protection Sub-Committee</p> <p>VR reported the next EPSC meeting would take place on 19th September at 1830. VR shared there would be a beach clean-up at Nim Shue Wan on 16th September followed by a forum on 23rd September from 2-4pm. FC elaborated on the forum as a series of events organized by WWF, DB Green and Plastic Free Seas promoting a clean DB.</p> <p>VR asked about the sinking ship and requested CM to update members on the status. SM advised that there was no report from CM. VR was concerned that the ship was leaking and spreading bunker fuel. AY updated members that she had spoken to the Marine Department. They had tried to get the boat to float but failed and that was why they were still close to the Marina Club. AY requested that CM and COC members join together to urge the government and owners to get rid of the ship. AY said the Marine Department had assured her the fuel was sealed inside the ship and the leakage was very little. AY warned if there was another typhoon or very hot weather it could spark a fire and as it was near a residential area and the petrol station it could be a disaster. AY suggested writing a letter to speed up the cleaning.</p> <p>CKC responded on behalf of HKR and stated the incident occurred on 23rd August and HKR were the first party to contact the police and the Marine Department. CKC praised the Marina Club Manager who did a very good job at accommodating the ship's crew. In the past three weeks the ferry staff have monitored closely the progress in liaison with the Marine Department. The Marine Department had now advised that they plan to close off the sea area to facilitate the sinking of the boat. CKC said their ferry staff would circulate to all COC members an updated report detailing action that had been done in the past three weeks, and the proposed follow-up action.</p>	21:28
6.3	<p>Sports and Leisure Sub-Committee</p> <p>Instead of electing the new Convener for this Working Group in the remaining term, CYY informed members there was one item outstanding for the committee which related to the outdoor play equipment. This would be followed up at the next COC meeting.</p> <p>SM and BH reminded CM that the outdoor equipment was promised regardless of whether the parking space was allocated. BH also enquired on the status of the parking space. CKC assured members HKR would be happy to donate or sponsor the fitness equipment once a space had been allocated. CYY confirmed that HKR's application to Lands Department for the parking lot request was still in process and suggested the COC to write a letter to speed up the process. CYY proposed to draft a letter for the Chairman to endorse.</p>	21:36
6.4	<p>Security Liaison Group</p> <p>BH reported the security liaison meeting with police was held on 11 July 2017. There was a home security roadshow in the South Plaza on 13 August 2017 and information pertaining to residents' building security had been displayed throughout lobbies. BH noted there</p>	21:40

	<p>were 4 traffic accidents in June, 0 people injured in May and June, and 8 minor traffic complaints. CYY related an incident that happened on 1st September 2017. Previously there had been some burglary cases in commercial shops including Peony Restaurant and Paizzano Pizzeria. When viewing the CCTV a security guard noticed a suspicious person and immediately notified their Security Head who subsequently called the police and provided them with the CCTV image of the suspect. The police arrived and within 30mins the suspect was arrested and cash was recovered. This case had now been taken over by the police. CYY highlighted again the effectiveness of CCTV cameras and the importance of stable security guards. CYY urged all members to install CCTV in their villages.</p> <p>ER reported an incident he was directly involved in when a Chinese man, unable to speak English approached him with a black backpack that he had found. ER could not see any security guards in the plaza and went to the ferry pier to register it as lost property but they were uncooperative. Finally, it was dealt with but had delayed the man for 45 minutes. ER emphasized you cannot judge people by their appearance.</p> <p>WKL clarified that the indecent assault was related to phone harassment.</p>	
6.5	<p>Senior Citizens Working Group</p> <p>No report was received from JL.</p>	21:48
6.6	<p>Taxi Drop Off Point Working Group</p> <p>CYY circulated a letter regarding the response from Transport Department and there was no further update. KB enquired about the letter and CYY confirmed the Transport Department rejected the request. FKW updated Members that JH sent a letter to explore the possibility of providing a taxi drop-off point in PCO/PRO. The Transport Department viewed that the road in PCO/PRO was unnamed access road that were prohibited to have taxi within that area. FKW said the working group could look at another location along the designated taxi route. BH confirmed that it made sense to try to find another solution.</p>	
7.0	Items for Discussion	21:52
7.1	<p>Presentation from the Big Picnic Organizer (COC Paper 555/17)</p> <p>The organizer, Mr. Nick Flavell, gave a presentation detailing the financial breakdown from last year and the estimated financial costs for 2017. The organizers asked COC members to sponsor the Big Picnic \$100,000 in advance and a further \$50,000 as an option to underwrite the Big Picnic if for some unforeseen reason the Big Picnic lost money. The organizer revealed it had been difficult to get complete sponsorship and extra costs were incurred due to extra government regulations for tent and stage construction on the beach. The organizer shared that the charities supported by the event were Plastic Free Seas, Kely Support and Sunnyside Club.</p> <p>KB understood underwriting a deficit after an event but Big Picnic was asking for money in advance which raised accountability issues. KB therefore objected to the motion. KB also requested that the closing band did not complain about the condition of having to close at 21:30hrs. The organizer assured members they would adhere to</p>	

	<p>the new times. FC shared that at their VOC the majority view was in support of underwriting the deficit.</p> <p>CYY reminded members any amended motion needed to be sent to the committee three days in advance. KB argued a letter was only received and the motion only appeared in the agenda. AY pointed out that CM secretariat staff of not doing their job properly and told members she was a Chartered Secretary qualified in HK and UK and said she asked that motion be put in the agenda, but was replied by CM that such a practice was to accede to her request. AY said three days in advance was not fair. CYY repeated what had been agreed at last COC meeting. KB argued that the motion was not issued with the letter. SM ruled that the wording can be changed because it was not owned by anyone.</p> <p>KB proposed the motion to be to ask COC members to sponsor the Big Picnic by agreeing to underwrite the event up to HK\$150,000 payable on receipt of the audited accounts.</p> <p>SM asked if there were any objections to the change to amend the motion. Proposed amendment by KB and seconded by MLK.</p> <p>In favour: FC, BH , KR, ER, DRB, MSG, MLK, VR, Representatives from clubs, hotel , CM and HKR Against: nil Abstain: VL, AY, KB, ICK, SM</p> <p>The change of motion is confirmed.</p> <p>SM then asked for the motion to be granted. Proposed by KB and seconded by MLK</p> <p>In favour: FC, BH , KR, ER, DRB, MSG, MLK, VR, Representatives from clubs, hotel , CM and HKR Against: VL, ICK Abstain: AY, KB, SM</p> <p>Motion confirmed.</p>	
7.2	<p>Appointment of Contractor for Anchorage Points to Fall Arrest System on Slopes at City Area (the Work) (COC Paper T1395/17)</p> <p>WSY requested members to approve the award of the contract for the Work to Realfit Engineering Ltd at an amount of \$52K. KB supported the proposal in view of its worker safety dimension. DRB asked about other works and price comparison. WSY provided some figures and confirmed the cost was reasonable.</p> <p>The motion was seconded by KB In favour: FC, BH, ER, VL, DRB, ICK , MSG, AY, KB, MLK, VR, Representatives from clubs, hotel , CM and HKR Against: nil Abstain: KR, SM</p> <p>Motion confirmed.</p> <p>CYY referred to item 8.1 and since the agenda item had been delayed in several meetings and counter suggested the response from HKR could be sent to members by email and could be discussed at the next COC meeting if needed. AY asked to move item 8.6 to the next City Management Report because it related to</p>	

	<p>procedure.</p> <p>CYY advised members of the Christmas Party on Monday 18th December.</p> <p>SM closed the meeting at 22:10 and the next COC meeting was scheduled for Wednesday 18th October 2017.</p>	
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Chairman