

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.3 2016-17 Held on 10 May 2017
7:30pm at Siena Room, Club Siena

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
Ms. Rosanna Chan	(RC)	Chairlady, Neo Horizon 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
Mr. Niall Greenan	(NG)	Chairman, Greenvale VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Dr. Lee Shiu	(LS)	Vice-Chairman, Amalfi VOC
Mr. Michael Law-Kun	(MLK)	Chairman, La Vista VOC
Mr. Way Kwik	(WK)	Representative, Clubs
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:

Mr. James Heathe	(JH)	Chairman, Chianti VOC
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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
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Staff of City Management:

Mr. Daniel Ma	Manager, Estate, DBSML
Mr. Wilson Chan	Manager, Estate, DBSML
Mr. G. H. Koo	Manager, Estate, DBSML
Mr. Samuel Ip	Manager, Estate, DBSML
Mr. Steve Kwok	Manager, Estate, DBSML
Mr. Kelvin Siu	Assistant Manager, Estate, DBSML
Mr. Rudy Lai	Assistant Manager, Estate, DBSML
Mr. W. K. Li	Assistant Manager, Security, DBSML

Observers:

Ms. Maggie Chan	Owner, Neo Horizon
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The Meeting was declared duly convened with the necessary quorum of Members present.

1.0	Apologies Apologies received from JH.	19.35
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2.0	<p>Confirmation of Minutes of Previous Meeting (No. 2 2016/17 & Meeting on 23 March 2017)</p> <p>KR, AY, SM comments received and amendments made. Additional comments by AY received at 4:30pm on the day of the meeting. CYY proposed confirmation of minutes by email. CYY requested amendments should be submitted timely so enough notice was given for changes. AY proposed that when amendments were made additional time was needed to review final minutes and AY further suggested audio recording be available if requested. SM suggested 14 days' notice would be sufficient time for amendments, review and confirmation. FKW acknowledged AY request and confirmed CM would review comments and circulate minutes and if there was a dispute CM would arrange for member concerned to listen to the audio.</p> <p>CYY further clarified meeting minutes would be sent out 14 days prior to the next COC meeting for comments to be incorporated and any further information will need to be notified 7 days before. CYY confirmed if there were any disputes CM would work with committee members to listen to the audio again for the amendments. KB suggested the minutes and recording be made available to all COC members. RC agreed with KB.</p> <p>CYY will consider the suggestion and reply at a later date. In response to AY's latest comments CM will review and discuss further if there are any disputes before minutes are circulated for final endorsement.</p> <p>(Post Meeting Notes: The meeting minutes of No.2 2016/17 & the Meeting on 23 March 2017 were confirmed via email and posted out on 23 May 2017)</p>	
3.0	<p>Matters Arising from Previous Meeting</p> <p>Nil</p>	
4.0	COC Sub-Committees/Working Groups	19.40
4.1	<p>Finance Sub-Committee (COC Paper 547/17)</p> <p>FC referred to the meeting of 15th March 2017. FC shared that there was a discussion on the aging-analysis and members were encouraged to discuss with VOC managers to see if they wanted to change the debt collection procedure. FC explained that the interest, simple or compound basis, was still outstanding and subject to legal advice. FC reported that some members commented about the way interest was recorded in the accounts and requested it was should be entered on an accrual basis. FC requested that FKW consider this with the accounting department.</p> <p>FC highlighted that members raised the issue that the roads were being damaged by heavy vehicles and suggested there should be an additional charge of \$100, although it was agreed that this would be difficult to manage. FC confirmed however, that CM had agreed to study the possibility of introducing a third tier for vehicles over 10tonnes.</p> <p>FC mentioned the Big Picnic and reported that it was suggested that CM should encourage Big Picnic to generate more income instead of asking COC for sponsorship. FC enquired about the sponsorship paid and FKW confirmed it was \$150K. KB commented that he and</p>	

	<p>Parkvale Village Committee had objected to COC subsidizing these types of events and will continue to object to this. KB further suggested that the Finance Sub-Committee was not addressing major issues. For example, queries to RMS for their investigation and accounting errors that they signed off on.</p> <p>FC asked members to refer to the report submitted.</p> <p>AY noted that the aging analysis was dated 31st March 2016 and only referred to villages with no mention of clubs, schools etc. AY asked if the capital expenditure paid for the BMS system and the consultancy fee for the computer system, that was introduced in the last meeting, would have some overlapping. AY enquired if this was money being wasted and asked if there would be compensation. FC commented that he was not aware of any link. FKW supplemented the report and advised that from 1st April CM will use the accrual-basis rather than the cash basis for interest. FKW then responded to AY and advised that the aging analysis for the city had passed to the Finance Sub-committee and a copy could be requested from them. FKW assured AY there would be no overlapping with the BMS system which was for alarm monitoring and property management system as they were totally different systems.</p> <p>AY asked if the systems could be integrated to make life easier for the staff. FKW replied that the BMS was monitored by customer service centre and not the Estate Staff. If the Estate staff were required to monitor the BMS, additional set up was needed and this was another issue to be considered.</p>	
4.2	<p>Environmental Protection Sub-Committee</p> <p>VR reported that the recycling day was successful and VR thanked all those that took part. VR presented a slideshow highlighting the activities. VR highlighted a gadget stall ER ran which provided interest and entertainment to the spectators. VR also shared that CM were providing a lot of support with their environmental initiatives and VR referred to an environmental award that CM won.</p> <p>FKW shared CM joined HK Awards for Environmental Excellence and out of 1400 applications CM were awarded a certificate of merit and the ceremony was held last Friday. FKW assured members CM would continue to strive for a greener Discovery Bay.</p> <p>ER informed members he had no formal connection with the company but was the link to the organization. ER stated his aim was to highlight solutions for environmental lighting.</p> <p>KB enquired if the committee had considered drawing up charters for members to sign to agree to consume less. VR had not heard about any international groups but responded that there were ideas to expand the lack of use of plastics. BH commented that in 2019 the government would introduce charging on garbage bags which should reduce the volume drastically. KB noted that in sub-communities in the US people had signed charters and there had been a reduction in plastic. NG pointed out that when the government does introduce the charge there was hope that there would be an individual charge to encourage individual responsibility and not on an estate basis.</p>	19.50

4.3	<p>Sports and Leisure Sub-Committee</p> <p>SM reported his resignation from the Sub-committee due to new work commitments.</p> <p>CYY presented on the DB North sports pitch block bookings which was required for regular users. The available booking period was from 1st August 2017 – 31 July 2018 and the application deadline was before 5th May. All applications are collected and any clashes were considered for a lot draw. The result was confirmed to all applicants by 19th May and the signing of the block booking agreement was scheduled for 2nd June 2017.</p> <p>CYY explained the criteria for block booking was a one-year contract with committed hours and all payments are made one month in advance. An additional criterion was that DB residents were major users. CYY referred to the booking time clashes that involved five groups and noted that in the past groups had worked out between themselves and resolved clashes. So far, clashes had been resolved except for Monday/Tuesday 4-6pm between HK Dragons and Brazilian Football Academy who were insisting on a draw. Both participants would attend on Friday 12th May to attend the draw. CYY explained that regular users had expressed they are unhappy with this arrangement and hence views were sought from the committee.</p> <p>To provide members with background information on the history of the organizations including previous arrangements, CYY advised that some groups had priority given to DB residents.</p> <p>Various groups offer different activities, age groups, target market, and fees charged. Although some of the organizers were not DB residents, they were open to DB residents to book. CYY advised members that DB Tigers and DB Smashers were seeking to resolve their clash by moving the public session.</p> <p>CYY requested approval from the COC members for the public session to be moved and to seek members' suggestions and comments regarding the clashes and draw process.</p> <p>NG asked if DB Pirates and Brazilian Football Academy were both profit making organizations and questioned if the coaches were paid. CYY was unsure and agreed to check. NG understood DB Pirates was not run as a profit-making business even though it was technically a company. MLK shared that DB Pirates was formed by parents and would be surprised if the coaches were paid. KB commented that DB Pirates were a big organization with a lot of money involved. KB suggested the draw was the only fair option.</p> <p>KR asked how well the public sessions were utilized and suggested the focus should be on DB residents and support for those organizations with more attendance. SM considered the request to move the public session as fair. AY agreed with KR that DB residents should have priorities. AY reported that complaints were received from the different groups and AY said newly established organizations should not have the same rating as the long term clubs. SM clarified the issue was the clash between two groups.</p>	19.59

	<p>CYY referred to the presentation that highlighted not only the number of groups but also the type of activities. The initial pitch design was to cater for different activities including cricket, rugby and baseball. CYY further asked for the age range to be considered. Although priority should be given to DB residents, it was noted that there were no specific statements by the groups related to priority for DB residents. Cold calls by CM staff further established that non-DB residents were able to register. CYY said future regular checks by CM staff on the pitch would help determine DB resident usage and form a basis for next year's criteria.</p> <p>AY suggested the clubs were asked to declare how many were DB residents. SM reminded members the clash was between two clubs. KB responded that DB Pirates had a number of non-residents and agreed with CYY's approach to make the draw and check for next year.</p> <p>SM confirmed it was agreed by COC members to determine clash by ballot and move public session as requested. It was noted that it should be revisited next year.</p>	
4.4	<p>Security Liaison Group</p> <p>BH reported there were two traffic accidents on 17th March and 30th March which were still under investigation. They involved a young girl hit by a police vehicle in front of S.K.H. Wei Lun Primary School, and a young boy whose foot was run over by a golf cart driver.</p> <p>BH updated members on a joint training between in-house security and the police about how to apprehend suspects.</p> <p>BH related details about a burglary on 30th March in Seabird Lane and a report was made to the police. CYY provided further updated information about the case. According to the police, CCTV enabled the police to track activities and identify the three suspects. They were then able to arrest two of the suspects on HK side because of another burglary. CYY highlighted the importance of CCTV coverage.</p> <p>AY commented on the very low statistic of bicycle theft; 001 and because of the number of complaints AY receives, AY questioned if people reported thefts to the police. AY asked if there was anyway CM could encourage residents to report missing bicycles to the police as the crime was increasing. CYY responded that CM does ask residents to report incidents to the police but often residents do not. CYY further explained that CM continues to work with the police to promote regular campaigns that raise awareness and to advise bicycle owners to store bikes securely.</p> <p>NG asked if the police had a regular time slot for DB residents so that people can report incidents in DB rather than in Tung Chung. BH confirmed the police station in DB is manned near the ferry pier. NG requested the public are reminded of this. CYY agreed to relay the message to the police.</p> <p>FC shared that in Siena Two there was a bicycle storage service and encouraged other villages to do the same. BH advised that the police had informed her that many of the bikes were unlocked and so</p>	20.13

	<p>residents should be encouraged to lock their bikes. CYY stated that the joint drill exercise in April between the police and security, mentioned by BH, will continue.</p>	
4.5	<p>Senior Citizens Working Group (COC Paper 550/17)</p> <p>JL referred to a survey carried out in 2015 that showed 360 households of senior residents in DB with 510 senior citizens. JL reported that the recent 2017 survey showed 590 households and registered 813 senior citizens; 300 more seniors. JL said that only 100 recognized themselves as over 70 years. JL suggested a better survey to better serve the citizens.</p> <p>JL informed members that a trip will take place on 24th May 2017 to Tin Hau temple, with lunch and a visit to the organic farm. This is sponsored by LOVE.together@DB. Registration is now open. JL appealed for even more consideration of the senior citizens.</p> <p>JL informed members that the renovation of multi-purpose hall will be further extended in June which will affect two events over 2 days. JL asked for members support to continue to hire the Community Centre. SM confirmed support.</p>	20.24
4.6	<p>Taxi Drop Off Point Working Group</p> <p>CYY advised James Heathe and Colin Bosher had drafted a letter to the Commissioner of Transport for members' comments. After which the letter will be signed by Chairman and sent.</p> <p>SM noted no objections from members.</p>	20.28
5.0	<p>Items for Discussion</p> <p>SM noted a change in the order of discussion.</p>	
5.1	<p>Tendering Procedures – Motion: To resolve to invite HKR's Internal Audit Department to look into the tendering system of City Management in order to strengthen the internal control system.</p> <p>AY requested a motion to pass the above. AY noted that the current system was established 10 years ago and suggested an independent party review the whole system. AY suggested HKR internal audit department to initiate the study.</p> <p>CYY advised the paper was received on the day of the meeting.</p> <p>CKC commented that the paper referred to the security tender system which involved CM staff and COC members. CKC stated HKR was not in a position to carry out an audit on a process which involved third parties. CKC confirmed that any action that related directly to CM staff would be considered. AY clarified the motion was to review the whole tender system.</p> <p>KB commented that it was a good idea to review procedures and stated that cleaning and security contracts were on average 40% of every village's expenditure budget. KB said AY's paper was not a criticism rather a suggestion to improve the process. KB highlighted that HKR's Internal Audit Department had a good reputation in Hong Kong and doubted they would be able to take this particular job as</p>	20.30

	<p>their schedule is set one year in advance and there were a lot of competing requests. KB recommended asking the Chairman of the Finance Sub-committee to ask the external auditor RMS to do a consultant job to review the tender process and identify how it could be improved to the satisfaction of CM and COC members. KB agreed with CKC and AY and noted that the logistics could be improved and RMS external auditors would do a good job.</p> <p>SM asked if AY was prepared to reword her paper. AY expressed reservations about the external auditor being allowed to take on this particular job. AY agreed with KB that there should be an independent party to review the system and procedure. AY clarified her role was to make the recommendation based on her observation.</p> <p>SM asked AY to consider rewording her paper to invite independent auditors. AY agreed. BH asked for an estimate of the cost but KB did not know. BH enquired if the audit involved the investigation of individuals and KB said no it was an audit of the process only.</p> <p>FC agreed with AY and referred to a photo sent by AY which in FC's opinion gave the impression that there was some collusion going on which was considered very alarming. FC felt a better control system was important. FC expressed that the resolution had not gone far enough and needed to address possible misbehavior. FC continued that those that advocate for transparency on behalf of CM may not themselves be transparent. FC requested the resolution be reworded to include, but not limited to, COC members during the tendering process. KB reiterated the audit relates to the tender process only and asked FC not to expand the item into a contentious area. FC argued there should be behavior guidelines for participants. AY repeated the motion and pointed out that no parties were mentioned and clarified the purpose was to improve the system not to attack individuals. FC disagreed and insisted the wording targeted CM and the internal control system and should include COC members and working group members etc. AY disagreed and stated that all accountants would understand the internal control system and reiterated the aim was to strengthen the system and not target individuals. AY again advised that auditors and CPAs would understand. FC stated he was not an accountant rather a financial analyzer and clarified that he would only agree with the resolution if the wording included COC members.</p> <p>KB suggested the tender process was wide enough and counseled FC to discuss further with the Finance Sub-committee.</p> <p>MLK agreed that the resolution was tight enough and should be kept straight forward. MLK noted that if necessary a new motion should be introduced but not to mix it up with the existing resolution.</p> <p>SM asked AY to agree to edit her motion. AY agreed to amend to "To resolve to invite an independent auditor to look into the tendering system of City Management in order to strengthen the internal control system".</p> <p>VR objected to the motion and whilst agreed with KB that systems should be reviewed, was not happy with spending money on an auditor.</p>	
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	<p>CYY reminded COC members, in his role as the Secretary, there was an agreement with consensus, that all motion papers should be submitted seven days in advance. CYY advised that the paper was sent today. CM had not had time to review and comment. CYY reminded members that there were a number of COC procedures and guidelines that were not being followed by members and asked if these should be reviewed also. CYY expressed concern over speculated rumors that CM staff had meetings with contractors and potential tenderers which was not true. CYY insisted if there was to be a review of an internal control system then all process systems should be reviewed. CYY shared that it was difficult to function properly as Secretary if COC procedures and guidelines were not adhered to.</p> <p>SM informed members he did not have a chance to read the paper and asked who would own the motion if it was agreed. KB referred to CYY's comments and agreed that the motion did not follow correct procedure and should therefore not be discussed tonight. KB acknowledged VR's objection and assured VR he does not want to waste money. KB suggested FC discuss at the next Finance Sub-committee meeting and prepare a paper and VR attends that meeting. SM agreed that FC can discuss at their next Sub-committee meeting. AY commented that the motion was put forward with the intention of an agreement to discuss and prepare the paper later. AY was satisfied with further discussion and did not mind who took ownership as long as the system could be improved. AY acknowledged the different systems and guidelines but requested a start is made with the tendering system in consideration of the huge amount of money involved.</p> <p>BM also agreed that there was a need to follow procedure.</p> <p>SM asked if there were any objections to pass the motion to the Finance Sub-committee to be formulated and put forward. There were no objections. FC commented that a motion that was submitted late should not have been put at the top of the agenda. SM agreed and apologized for this. CYY asked for agreement that the seven day rule for submitting COC papers for motion still stood. SM agreed.</p>	
5.2	<p>Security Tender (COC Paper T1353/17)</p> <p>CYY reminded members that the new assessment ratio endorsed by COC members, 60% tender price and 40% interview performance was carried out, and all tenderers were informed. CYY referred to item 11 and item 12 on the paper and explained that the company Certis Centurion offered a different tender price according to the tender record. This was because Centurion had added on additional special overtime costs in three villages. The other tenders did not submit the same so the figures were recalculated. This was further clarified at the price negotiating meeting with Centurion. As to Item 18, the comparison with current contract sum was a 28% increase. CYY reminded members the initial estimate was a very conservative number, and it should also be noted the tender price included two additional headcounts for CSC.</p> <p>CYY explained that after a negotiation meeting with Centurion and with COC members present, they came back with a best offer with</p>	20.52

	<p>three options: Option One 1.5% discount. Option Two 2% discount with criteria of waiving the shortage penalty for 3 months. Option Three 3.01 % with a six month waiver of shortage penalty. CYY explained the penalty clause was set up with an escalating penalty rate which means if the shortage of headcount is more than 2% of the total number of that month it will escalate to an additional penalty percentage. Option Three 3.01% with a six month waiver.</p> <p>CYY advised members that based on the revised assessment system endorsed by the COC members, CM recommended Centurion be awarded the contract as among all the other tenderers they were given the highest score (97/100) by the Tender Interview Panel.</p> <p>CYY noted item 20 and asked members to decide which option to take. CYY clarified this was for the city budget and the village budget would go back to members' VOCs to discuss further the ranking and numbers of staff but the contract must be with Centurion. CYY added the amount for Option One would be 6.5M and included petrol car and defibrillators. CYY advised that if COC members choose Option Three all villages must adhere to Option Three.</p> <p>KB thanked BH and everyone on the tender committee for their efforts. KB noted the price should be a rising percentage and said Option Three was the best deal. VR agreed with KB and noted that the firm had plenty of experience. BH also agreed with Option Three. FC also agreed with Option Three and suggested CYY go back to Centurion and negotiate for a better deal of the waiver. CYY stated he would be in negotiation with Centurion and reminded COC members and observers to keep the discussion confidential. CYY assured members of further negotiation and requested members' endorsement of paper.</p> <p>SM clarified there were two issues: item 19, any objections to Centurion winning the contract and item 20, which option to choose.</p> <p>AY considered the lowest cost to be the most important and commented that higher money for their security guard would keep retention rate higher. AY said she did not believe in negotiation because even though the presentation was good it was the person that performed the duties. AY objected to item 19. ER agreed with AY and added the Centurion presentation was very polished. ER said the second tenderer could not pay more for their security people in the budget and had previously suffered because of that. ER voted for lowest cost. BH commented that if the cost was the main deciding factor we should have put the percentage cost higher and said it was not possible to change the rules after. KB agreed with BH. NG noted it was a guideline not a rule, however KB and SM disagreed with NG and said it was an agreed rule. NG argued it was a guideline and there was a difference. FKW commented that some COC members had already deviated the agreed scoring system, so what was the purpose of asking CM to review the tendering procedure.</p> <p>CYY responded that before the commencement of the interview all panel members were briefed of the 60/40 ratio as agreed by COC members at the last COC meeting. CYY reminded members that</p>	
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	<p>information had already been given to members that there was an in-house security team and a company was simply needed to recruit appropriate and adequate manpower. CM would train and monitor them. NG shared that at the previous COC meeting the vote was to change the weighting system not the same as adopting that as the only criteria. SM said the agreement was made and was a done deal.</p> <p>ER asked how much the other company needed to drop the price and why they were not given the chance for another interview or evaluation.</p> <p>CYY reiterated the need to follow the agreed procedure. FC reminded members it was FC's suggestion of 60/40 and AY's suggestion of 50/50.</p> <p>MLK suggested a change of 70/30 next time.</p> <p>SM asked for voting on the two items.</p> <p>Item 19: BH proposed, seconded by KB In favour :FC, BH, KR, KB, MLK,JL, LS VR, CKC, CAK, WK,PH, FKW Against :AY, RC Abstain :ER, NG, SM</p> <p>Item 20 Option 3 KB proposed In favour :FC, BH, KR, ER, NG, KB, MLK,JL, VR, CKC, CAK,WK, PH, FKW Against :Nil Abstain : AY, RC, SM</p> <p>CYY addressed an earlier remark made by a member suggesting that information may have been leaked to a contractor because the contractor gave a good reply. CYY objected to this and assured members that standard questions were asked at the tender interview similar to a previous exercise the year before and therefore any contractor that has previously tendered would have an idea of what would be asked.</p> <p>CYY referred to the Declaration of Interest, motion and resolution of conduct agreed by all committee members a couple of years ago. CYY explained that the DOI prohibited and refrained members from releasing information to other parties other than COC members and any financial information could not be sent out. CYY advised that a member sent out this information and therefore they were in breach of the DOI. CYY informed members that in order to adhere to the resolution that member should be excluded from duty for one year.</p> <p>RC responded and asked for CYY to admit if there was any contact with ISS Pan Asia before the tender interview. RC suggested there was a relationship with an employee of the company. CYY clarified there was an ex-employee now General Manager of the security firm ISS. CYY stated he himself has no contact with the employee four months prior to the interview. CYY further stated that in making such statement, he did not represent all of CM staff and repeated that CYY personally had no contact.</p>	
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	<p>CYY highlighted the sensitive nature of the information, and reminded Interview Panel Members that the figures (i.e. all tender prices) needed to be counter checked to ensure they were correct before the numbers were then released. CYY said that it was very embarrassing to have the figures released early and diminished the bargaining power.</p> <p>BH said if there was a collusion she doubted someone would meet on the terrace of Pacific Coffee.</p> <p>RC asked that the first question regarding the relationship between GH Koo and service vendor be explained and a copy of the audio be available. RC also referred to the DOI which RC was asked to sign without understanding and claimed therefore it was not legal. RC disagreed with CYY's intention to evict RC and argued CYY does not have the power. RC further argued that the contract price was revealed by CYY in an email so it was not confidential.</p> <p>CYY responded that all members were welcome to listen to the audio. He further clarified that the DOI was endorsed four years ago and was in practice for all COC sub committees. CYY acknowledged a deficiency in English may hinder understanding of an A4 sized document but not in the deficiency of wisdom. CYY argued time was given to all members to understand the document. CYY continued that the figures would have been released on Wednesday but the information was sent out by RC on the Sunday evening, the day after the tender interview day. CYY then had to send an email to RC stating the extent of the problem and the consequences.</p> <p>KB agreed with CYY and confirmed RC had breached the fundamental right of confidentiality. KB advised a motion to suspend RC from COC. RC argued against the legal validity of the letter and suggested a lawyer was contacted. RC insisted the letter was not received previously and CYY had a duty to prove there was no contact with the company and the audio record was not available.</p> <p>AY suggested the DOI was translated in Chinese.</p> <p>BH noted that members should not sign documents they do not understand. NG responded that whilst RC thought her action was right in this case it was wrong and advised RC as new to the COC to give careful consideration before action is taken. In the question that RC may be given short time to sign the DOI, FKW noted CM sent a similar DOI to RC when Neo-Horizon set up a working group. FKW said that RC did not sign the DOI and was not therefore allowed to join the group.</p> <p>SM suggested RC was not excluded from the next tender and help was given to RC to understand procedures.</p> <p>AY noted there should be a manual for newcomers and counseled this should now be prepared. SM agreed. CYY replied that for all newly joined COC members there was a meeting to review items and procedures and RC had been contacted three times to arrange a briefing session. In the end, RC opted for a brief discussion over the phone.</p>	
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5.5	<p>Appointment of Contractor for Tree Risk Assessment (COC Paper T1349/17)</p> <p>FKW referred to the paper and requested COC members to approve appointment of contractor. NG raised an objection referring to the recent pruning of the trees outside the Greens and questioned if they needed to be included in the assessment. FKW clarified pruning was a different treatment and the risk assessment would be carried out by a different contractor.</p> <p>SM noted the proposal was to appoint Lap Shun and asked COC members for any objections. There were no objections therefore Lap Shun was approved.</p>	21.42
5.6	<p>Confirmation of Replacement Valuation Cost prepared by the appointed Surveyor AON for Property All Risk Insurance (COC Paper T1351/17)</p> <p>FKW referred to the paper and requested COC members to accept the report on the replacement valuation cost prepared by the surveyor AON.</p> <p>SM noted no comments and no objections. FKW advised that the broker AON would then proceed with the Insurance tender with new replacement cost and only the insurance companies that passed the assessment by AON would be invited for tendering.</p>	21.44
5.7	<p>Cleaning Service Contract Renewal (COC Paper T1350/17)</p> <p>FKW referred to the paper and reported on the CM performance assessment that was carried out. CM would like to renew the 2nd year of the 2-year contract with Winson Cleaning Service Co Ltd and is seeking COC member's approval.</p> <p>SM noted no comments and no objections.</p>	21.47
5.8	<p>Distribution of Estate Managers costs in Discovery Bay (COC Paper 549/17)</p> <p>NG shared that after reviewing the way estate managers' costs were distributed it was determined as illogical, unfair and random. For some villages the costs were generally charged on a manual basis but all villages were charged a percentage of the managers costs directly according to the management units allocated. NG acknowledged villages have different costs and responsibilities. NG explained a smaller village would have more requirements of the manager proportional to their management time, for example time to attend VOC meetings etc., but in NG's opinion the system did not appear to have any logic. Another example was cited; Greenvale village manager was solely responsible for the village with some city duties. CM estimated that 30% of manager costs would be charged to Greenvale Village. However after 1st April 2017 the manager took care of Neo-Horizon but there had been no adjustment to the amount being paid by Greenvale Village. NG referred to Siena Two B which was four times the size of Siena Two A but Siena Two A was paying 30% of the manager's cost. In comparison Bijou Hamlet is paying a lot less.</p> <p>NG would like to see the system changed. NG clarified there were no objections to paying for a manager's time but objected to subsidizing</p>	21.49

	<p>other villages. NG enquired about Samuel Ip and asked if there were additional city duties and if so argued that the costs should not be covered by the village. NG requested a fair system that was reviewed when there were changes and asked CM to justify their system.</p> <p>FKW replied that Samuel Ip had no city duties, so his cost was fully paid by villages concerned. FKW advised if CM considered the user pay principal and Mr. Wilson Chan should charge Greenvale Village point 7 and not point 3 for his heavy involvement in the renovation work. FKW further explained Mr. Wilson Chan had attended 18 meetings from July 2016 to February 2017 which showed he was deeply engaged in Greenvale management. Having said so, FKW said CM did not consider it feasible to use the user pay principle for allocation of cost of managers unless there was a timesheet for managers to complete which may not be efficient and the accuracy would be questioned by members. FKW referred to cost allocation and said CM looked at total site staff costs, for example staff costs was \$1.4M for Peninsula and Greenvale was only \$900K. FKW considered that there was no perfect solution on the manager's cost allocation to villages and recommended that managers record time spent on city duties and the balance charged to the villages according to management units allocated, noting that the village workload may fluctuate, in particular during the renovation exercise. FKW stated CM was open to suggestions and comments from COC members.</p> <p>NG replied that there was no objection to pay for time spent working in the village. NG argued that Mr. Wilson Chan was not spending 100% of his time in the village and therefore Greenvale Village should not be paying 100% of his wages. NG would also like justification regarding Siena Two A under the system and other villages. NG requested a fair system to be used. KB disagreed with calculation since the share of all managers' costs by villages, and the direct charge of a manager's cost to the village were different. JL clarified Mr. Wilson Chan spent less than 2 hours with the elderly, was well organized and delegated to his sub-ordinates Flora and Winnie who were doing a good job. NG highlighted that Flora and Winnie were also Greenvale Village staff.</p> <p>SM asked for resolution of the issue. NG had no objection with the suggestion of timesheets. FKW explained the manager would be asked to complete a timesheet for city duties, which were clarified as anything other than village duties, and the balance of time would be charged to the village. FC stated that this should be investigated further and justification should be given for the current system before any proposal for change was made. JL noted that the managers change. KB proposed FKW do calculations and then advise NG for follow up with COC members.</p> <p>AY agreed with NG analysis and noted large discrepancies between Greenvale and Bijou Hamlet which AY considered alarming. AY expressed reservation about charging most of the costs to the city and questioned what all the large team of staff did. AY queried who paid for CKC and CKC replied he was paid solely by HKR. AY suggested there was conflict of interest. AY asked CM to consider the system and doubted on the accuracy of timesheets. FKW asked</p>	
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	for three-four months to implement system and requested mutual trust when the time sheet was used as this was just a matter of cost allocation and CM would not benefit by the change.	
5.9	<p>Tender Award for WR2 Electrical Inspection in Sewage Pumping Station No. 3 (COC Paper T1328/17) WSY referred to the paper and asked members to award contract of inspections to lowest bidder San Lik.</p> <p>SM noted no comments and no objection to awarding contract to San Lik, and Contractor All Risk Insurance will be arranged by CM.</p>	22.13
5.3	<p>CM to confirm whether management units and undivided shares will be allocated to Phase 16 on the basis of GBA AY reported on the above referencing Mr Andrew Burns' presentation and AY asked HKR/ CM to confirm the allocation.</p> <p>FKW responded that Phase 16 was part of the village Amalfi and the calculation would follow the same principal of phase 14 and phase 15 to be fair to owners of Amalfi village. AY commented that it may be fair to Amalfi owners but it was not fair to all the owners of Discovery Bay. NG asked on what calculation the principal was based. FKW replied that he was not in a position to answer that question as it was the architect who made the calculation. NG asked that the question should be asked to the architect to ensure the DMC had been complied with. FKW stated that there will not be any further response on this particular topic.</p> <p>AY asked for CM/HKR to confirm if the current calculation was correct according to the principal DMC and requested it was recorded in the minutes. CKC replied that this information was already given in previous COC meeting. CKC asked for Secretary of COC to follow up after the meeting. AY requested again which minutes and item number CYY was referring to so that her records were correct. CYY acknowledged minutes dating back to year 2000 had been sent and AY again asked for clarification on which meeting date and item clause.</p> <p>BH suggested that all the time spent by CM on this issue should be allocated to Beach village and no other villages. AY replied she was doing this for the good of Discovery Bay. BH acknowledged that by asking for a lot of extra information it should be allocated to the Beach village so there was fair allocation of time. AY restated her request is valid and should not be on a time-cost basis because it benefits all owners of Discovery Bay. FC disagreed and said that there would be a large amount of money that would need to be paid by Siena Two and so according to Mr. Burns' opinion the benefit was not for the new villages. KB suggested it was in the COC meeting No. 15.</p> <p>AY noted she would review all the minutes in her free time.</p>	22.15
5.4	<p>Safety of the LPG pipes and responsibility for maintenance of the network ER reported that there has been good progress. FKW noted that CM had clarified the maintenance responsibility of the pipe in the</p>	

	Finance Sub-Committee with a record of the discussion in the minutes.	
6.0	CM Update CYY advised that CM will circulate the report and highlighted that the Dragon Boat Races will be held on Sunday 28 May 2017.	
7.0	AOB	
7.4	<p>Claim for out of pocket expenses for carrying out the duty as Hillgrove VOC</p> <p>The Hillgrove, VOC held a meeting last night [11th May] to review the situation on our long outstanding debt - this has been brought up in this committee .</p> <p>The single matter of the LONG OUTSTANDING DEBT can now be seen in 4 parts.</p> <p>1st The debt has still not been recovered</p> <p>There is still no explanation for the many years without the debt being collected</p> <p>Particularly worrying is the fact that the debt was registered at the Land Registry many years ago, when it was still small.</p> <p>2nd Through our local Manager we are being told that the continued delay in the debt recovery is now due to the VOC refusal to agree that CM apply simple interest to calculate the debt.</p> <p>3rd It was necessary to have a legal opinion .</p> <p>CM did not allow Hillgrove VOC to give the brief as had been agreed at the COC . Once again CM tended to blame the VOC for a delay in seeking the legal opinion because we would not agree to CM's amendments (sabotage) of our brief to the lawyer.</p> <p>I {ER} took the decision to seek a legal opinion independently:to have an answer to protect myself and the VOC from a legal challenge from any owner for not recovering all monies due, if we agreed with CM's argument - I believe CM argument is still that 'it has been their practice'</p> <p>Legal counsels opinion supports compound interest</p> <p>4th Legal counsel required payment and I [ER]paid the 18,000 HKD cost - out of pocket.</p> <p>CM, (through our local manager) is refusing to reimburse the</p>	

	<p>Chairman for out of pocket expenses according to the DMC</p> <p>ER referred to a meeting on May 11th 2016 where the COC members agreed Hillgrove Village would pay for legal opinion related to the DMC to determine if debt should be paid by simple or compound interest. ER advised that there was legal assurance that it should be compound interest. ER explained that the long outstanding debt had not been recovered by CM. ER said CM had accused Hillgrove VOC of not entitling the reimbursement of \$18,000 cost in legal fees. ER requested that payment for such out-of-pocket expense is made out of the village fund, or legal action through the Small Claims court may be considered.</p> <p>FKW stated that the legal advice produced by ER concluded that the calculation of compound interest was arguable. ER replied that this is normal practice for a counsel. FKW advised ER to look at the definition of out of pocket expense before any legal action at Small Claims Tribunal is taken against CM.</p> <p>SM thanked everyone for attending and closed the meeting.</p>	
	Next COC Meeting is scheduled for 23 August 2017	