

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.3 2017-18 Held on 30 May 2018
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. Simon Minshall	(SMS)	Vice-Chairman, Parkvale VOC
Mr. Murray Stuart Craig	(MSG)	Vice-Chairman, Neo Horizon VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mr. Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Ms. Vivien Lau	(VL)	Chairlady, Greenvale VOC
Mr. Lee Shiu	(LS)	Vice-Chairman, Amalfi VOC
Mr. Michael Law-Kun	(MLK)	Chairman, La Vista VOC
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Mr. Darren Barton	(DRB)	Chairman, Parkridge VOC
Mrs. Kathy Lui-Landheer	(KYL)	Chairlady, Chianti VOC
Mr. Way Kwik	(WK)	Representative, Clubs
Ms. Elena Cheung	(EC)	Representative, Hotels
Mr. Vincent Chua	(CKC)	Representative, Registered Owner
Ms. Beatrice Lee	(BL)	Representative, Registered Owner
Mr. Patrick Ho	(PH)	Assistant Director, DBSML
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

Apologies:

Mr. Christopher Chung	(CC)	Chairman, Siena One VOC
Mr. Kenneth Bradley	(KB)	Chairman, Parkvale 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
Mr. Michael Yau	(MY)	Director of Operations, Certis Centurion
Mr. Andy Hsu	(AH)	Head of Sales, Certis Centurion
Ms. Ng Siew Peng	(NSP)	Head of Operations, Certis Centurion
Mr. Paul Lee	(PL)	Area Operations Manager, Certis Centurion
Mr Pang Chun Pui	(PCP)	Operations Manager, Certis Centurion

Staff of City Management:

Mr. Wilson Chan	Manager, Estate, DBSML
Mr. Samuel Ip	Manager, Estate, DBSML
Mr. Brian Lau	Assistant Manager, Estate, DBSML
Mr. Kelvin Siu	Manager, Estate, DBSML
Mr. W. K. Li	Assistant Manager, Security, DBSML

Observers:

Ms. Ana M. Da Rocha	Owner, Parkridge
Mr. Antony Snow	Owner, Positano
Ms. Aurora, Lynda	Owner, Beach
Mr. Nigel Reid	Owner, Hillgrove

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

1.0	Apologies Apologies received from CC and KB.	19.31
2.0	<p>Confirmation of Minutes of Previous Meeting (No. 2 2017/2018) Meeting minutes edited and circulated on 23 May 2018. AY referred to item 7.3 and said she had excused herself from the meeting discussion of this item but her name was included in the final resolution. This was noted and minutes were approved subject to the amendment that 'AY' be replaced by 'GL'. Proposed by FC, seconded by ER.</p> <p>CYY referred to a complaint made by a member claiming that CM was in breach of the DMC regulation for not posting the COC meeting agenda publically within seven days, and in breach of the BMO. However, CYY clarified that the DMC stipulates seven days in advance to members only and it was not a requirement to post publically, even though CM staff do post on the village noticeboards. The BMO required fourteen days' notice and was for incorporate owners IO but not an owners committee. CYY told members CM staff had been reminded to ensure the agenda was posted with seven days' notice even though it was not a requirement under the DMC.</p>	
3.0	<p>Review of Security Service of the 1st Year Contract – Certis Centurion Facility Company Ltd and renewal of 2nd Year Service Contract CYY introduced those representing Certis Centurion. The Head of Operations Ms. Ng Siew Peng, Head of Sales Mr. Andy Hsu, Area Operations Manager Mr. Paul Lee and Director of Operations Department Mr. Michael Yau.</p> <p>AH introduced his colleagues and MY gave a presentation to members which highlighted the various awards received in 2017 and various compliments from DB residents. MY also proposed introducing new artificial intelligence technology and talked about various ways this would enhance their existing security services to better serve the community. MY updated members regarding existing manpower services and reported that the attrition rate had dropped due to improved working conditions and more incentives to work in Discovery Bay. MY added that they were actively engaged in recruitment and with the new initiatives Certis were confident these ramped up efforts would also attract younger talent. MY thanked members for listening.</p> <p>CYY responded with disappointment in the presentation which primarily focused on manpower when the purpose of the presentation was to provide a review of the last twelve-months and what had been encountered. CYY added that this was not the place to try to sell software. CYY referred to the manpower recruitment slide which showed total manpower required was 133 and the total actual manpower was 144 however, CYY clarified that in the past eleven months there were actually only 92 permanent guards and a large number of part-timers. CYY said that complaints received were primarily about the stability of the guards but this had not been addressed in the presentation. CYY added that the recruitment of ICs was very important as they provide a core service to</p>	

	<p>lead and coach the guards to do a proper job. It was highlighted that Certis had two vacancies for ICs that they had not managed to recruit for.</p> <p>NSP thanked CYY for feedback and agreed that there was room for improvement so effort was being made to encourage part-time staff to shift to full-time. Additionally, Certis had implemented financial incentives to encourage staff to work more shifts. In response to the vacancies of ICs , NSP advised members that they were assessing the performance of existing personnel for career progression and possible promotion. Externally Certis would continue to focus on the recruitment as presented. CYY stressed the importance of recruiting permanent ICs and asked for a commitment to a timeframe. NSP suggested mid-June.</p> <p>CYY once again stressed the importance of the IC and referred to the Customer Service Centre where an SO1 had been recommended for promotion to Chief Security Officer (CSO) and if there were permanent ICs in all other villages they would be able to support their teammates. CYY encouraged members to try the CSC hotline on tel: 365 12345 and see the quality of service, due to the upgrade of the customer service officer and the stability of the workforce. CY stressed the importance of having ICs for every department and village to bring stability and an improved service.</p> <p>AY remarked on the increase in traffic and enquired about traffic management. NSP replied there had been an increase in the number of headcounts for traffic direction and to regulate flow of traffic. NSP would follow-up with CM for a review of traffic enforcement procedures.</p> <p>SM thanked Certis Centurion and they left the meeting.</p> <p>CYY referred to the renewal of the second-year contract and explained the overall contract sum was less than 1% interest. CYY reminded members that Almalfi and Chianti were under a different contract. CYY proposed the motion to renew the final year of the 2-year contract.</p> <p>Proposed by CM, seconded by JL In favour: FC, BH, KR, ER, VL, DRB, AY, SMS, MLK, JL, LS, VR, representatives from Clubs , Hotel and HKR Against: nil Abstain: KYL, SM, representatives from City Management Motion passed.</p>	
4.0	Matters Arising / Items Carried Forward from Previous Meeting	20:07
4.1	<p>Lands Tribunal Case LDBM 254/2017: Application for an order relating to full set of books of accounts for the year ended 31 March 2017 including the Trial Balance, Income & Expenditure Account, Balance Sheet, Ledger, Sub-Ledgers and supporting vouchers be produced by DBSML for inspection.</p> <p>AY updated members that an application to list for hearing in the Lands Tribunal had been filed and served to CM, and awaiting a trial date.</p>	
4.2	Organization Chart: Could CM produce the organization chart with annual remunerations (nine months' actual till 31 December 2017 and forecast for the 1st quarter of 2018) on	20:08

	<p>departmental basis?</p> <p>AY said staff costs of \$41M warranted seeing an organization chart and requested to see a copy.</p> <p>Considering that AY had already made an application to the Lands Tribunal, FKW asked if it was a legal requirement for CM to produce.</p> <p>AY replied it was a separate issue and was a legitimate right for all owners to see the organization chart. AY highlighted transparency, professionalism, accountability and good governance and stated there should be no need to ask for a court order.</p> <p>FKW acknowledged the request however stated that as AY had filed an application to the courts regarding the accounts, CM would be prudent in their consideration of the request as it was not a legal requirement. AY reminded members that this item was put in the agenda earlier in the year and opinioned the organization chart was not relevant to the request for the accounts and reiterated \$41M was a significant amount. AY questioned all the paperwork that CM produced and asked if not producing the chart was a punishment because she had started litigation against CM. AY suggested CM was now declining all her requests for information that was vital for DB.</p> <p>DRB asked if FKW was refusing but FKW said CM was not refusing but would like to think about it.</p> <p>SM suggested the item was left on the agenda.</p>	
4.3	<p>Declaration of Interest: Could the Secretary disclose the Register and state those who have and those have not made the declaration.</p> <p>AY requested CM to disclose the Declaration of Interest for inspection. SM asked members if anyone would object to the names being shown on screen. There was no objection. KYL asked for clarity on the form before signing. SM explained that the declaration form should be specific for tenders at this present time. KYL formally submitted signed form. MLK and DRB said they did not have the form. SM asked for forms to be distributed to all village chairpersons. CYY agreed.</p> <p>AY commented that it was a very preliminary form and suggested two level declarations. AY explained the practice in Beach Village whereby all VOC members signed the bottom of the form and AY signed in the presence of the Vice-Chair, who also countersigned, and this ensured accountability to VOC.</p>	20:13
5.0	CM Report	20:19
5.1	<p>Upcoming Tenders</p> <p>WSY reported on 1) the resolution, at this meeting, for tender award on the patch road repair in city areas including Parkvale Drive, as well as the cleaning services 2) Member's review of tender document for the concrete repair and associated works 3) the re-tendering for condition survey to the underground water supply mains 4) tender in progress for the provision of casual labour for the landscape department, and 5) tenders returned for the Insurance Tender and a report to be prepared by the broker AON.</p>	

5.2	COC Papers Endorsed (COC Paper 576/18) WSY confirmed the paper had been endorsed for the Water Tanks Cleansing Works in Discovery Bay.	
5.3	Community Events Dragon Boat Race 2018 – CYY advised there were six additional teams this year including the Filipino Dynamo Dragon Boat Team, two teams of Discovery Bay domestic helpers, sponsored by HKR. There were twenty-seven practice sessions thanks to the collaboration of Lantau Boat Club and DB Pirates. There was a total \$208K cash sponsorship this year compared to \$173K last year which was also sponsored by Red Bull. This year there would be a special Fathers' Race with Kayak rolling at 12noon. So far there were eighteen families enrolled.	
5.4	Biennial City Management Services Survey CYY informed members that the survey period was from October 2017 to March 2018. It was a simplified form with thirty questions instead of previous hundred to attract more responses. There was 58% more responses than last time. The overall rating of below average was 0.5% and CYY presented in detail the comments by residents. The responses to those comments of respective villages will be presented in more detail by each manager to the VOCs.	
	Sharing of Hillgrove Village Small Claim Case Ruling for Future Reference FKW referred to the ruling against the claimant, regarding the Hillgrove Village claim which dismissed the request for a review of judgment. Details of which were outlined in Annex 1 and 2. FKW explained the core of the argument as the interpretation of Clause 15 which states that <i>"No remuneration shall be payable to the committee or any member thereof but such members shall be entitled to be reimbursed for all out of pocket expenses necessarily incurred in carrying out their duties."</i> FKW went on to summarize the case for members' information and future reference. FKW clarified reimbursement and quoted from the judgment <i>"If the seeking of legal advice is within the duty of the claimant as a COC member he does not need any COC or VOC resolutions to act. If it is beyond the scope of the claimant's duty, the COC or VOC resolutions cannot assist the claimant for the reason that the COC or VOC cannot as a matter of law resolve to act in contravention of the Principal DMC or sub-DMC."</i> FKW continued <i>"The defendant is not required to consult or seek the advice of the COC or all other owners on how to manage Discovery Bay. The defendant has full and unrestricted authority to demand and collect and receive money payable by owners, so whether to charge simple interest or compound interest is not something the COC or all other owners need to "deal with" the defendant."</i> FKW went on to quote <i>"Each owner of course can have his own interpretation and his own opinion on whether the defendant is rightly or wrongly interpreting the DMC and managing the City properly. If an owner finds the defendant in breach of the DMC he can commence legal action against the manager."</i> <i>"Since the seeking of legal advice by the claimant is not something within his duty, it follows that any resolution by the VOC or COC approving such expenditure is in contravention of the DMC. Even if the defendant does not manage Discovery Bay properly, even if that is true, the COC or its members is not entitled to take over</i>	

	<p><i>the defendant's duty to manage"</i></p> <p>Because of the ruling, FKW said that the resolution passed by the COC in previous meeting approving Hillgrove VOC to seek legal advice on the calculation of interest was ultra vires.</p> <p>ER questioned why we argue? We argue because of interpretation. We don't have to disagree on interpretation. ER said the puzzle is why there were so many cases, in the present and in the past, that should be resolved within Discovery Bay. This is the message coming from adjudicators and the judges who appear to question why these were brought to the courts and not sorted out within Discovery Bay. It is only a question of interpretation.</p> <p>ER asked why [CM] takes up the positions that they do? This is why we have to go to the court to get an answer. We all go to court because we cannot agree and yet we never get to know what it is, exactly, CM is defending.</p> <p>ER wished to read aloud a few points from the hearings: As an aside, he pointed out that the parties went to court seven times: the fifth time was the trial, the sixth was the review and the seventh was the result of the review, ER said he felt he had lost nothing. Why? Because the VOC originally decided that independent [legal] advice was needed. Why? Because there was no agreement with CM on something that seemed to be obvious but without explanation. The VOC initially agreed to pay for the legal advice themselves. At the time ER had an inkling that he had seen that the chairperson could be reimbursed for out-of-pocket expenses. When you read the clause that FKW had read out [earlier = Clause 15 of the Principal DMC] this appeared to be a no-brainer. Three months had been spent trying to get FKW to agree to allow the VOC to get independent advice for the Hillgrove owners on an issue involving a large amount of money. What was wanted was independent legal advice according to Hillgrove's own brief. This is what independent advice is. There was a three month back and forth with FKW during which times FKW tried to introduce what appeared to be CM's lawyers, admittedly on a tendering basis. but more importantly he had wanted to rewrite the brief. and by that time ER knew about the out of pocket expenses for the Chairman, that is what distinguishes a Chairman from other members, perhaps the only thing that distinguishes the Chairman, so the VOC unanimously agreed to get their own lawyer which ER paid for out of his own pocket with the expectation that he would be reimbursed under Clause 15. The very good advice given provided strong arguments in favour of compound interest for over-due debts, rather than simple interest. ER added that this advice still exists. It is still sound. It is still ready to be used by all, including CM. ER said he would have liked to have shared the cost amongst the Hillgrove owners however they were not able to, although VOC members had helped.</p> <p>ER stated that he wanted to read some of reasons [for the Decision] and asked that thought be given to what was to be read. He added that it is no use to talk to CM if there no agreement [on interpretation], The owners have to seek independent advice. Unfortunately for this an independent fund to finance the legal action is needed. In the view of ER this will happen more and more because there are very good reasons to pursue some of the interpretations. ER opined that some of the DMC interpretations were nonsense. He asked the question: Was the DMC</p>	
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	<p>meant to empower the “agent”, City Management and disempower the individual owners owners? Or was the DMC meant to be a fair document: a deed of MUTUAL (emphasis added) covenant that should work and not be seriously disputed?</p> <p>ER agreed that the points from the hearings [read] by FKW were true, but he wanted to put them into perspective. Referring to the judgment ER quoted “each owner and the defendant are parties to the DMC. As a matter of contract each owner is already “an interested party” to see that a defaulting owner shall pay the correct amount of interest in accordance with the DMC. For present purposes I, [the Adjudicator] shall accept that each and every owner has a contractual right to see that the correct amount of interest be charged on outstanding payments” ER reiterated that this was what the VOC had set out to do. Nothing more or less than the correct payment. ER reminded everyone that the debt had accumulated since 2003 and the that compound or simple interest would be a huge difference. This was not three months late! ER added that people had said there was not enough incentive to pay on time, so compound interest made a lot of sense. The DMC, according to their barrister clearly showed it should be compound interest, although this had not been the practice.</p> <p>ER then quoted “I also agree that neither the Owners nor the Manager has the exclusive right to interpret the DMC”, and highlighted that this was the problem and once again reaffirmed the need to go to court if necessary. ER said that it was stupid but it was needed and people would have to put their hands into their pockets because it was necessary. ER believed there would be good rulings that would be supportive because the intent of the DMC, unless it was fraudulent, was not to empower the “agent”, the Manger, above the shareholders! ER continued “The defendant does not have absolute authority over all aspects of the management of Discovery Bay. On the contrary, the defendant must do all things to manage Discovery Bay in accordance with the Grant, the DMC and sub-DMCs”. ER also suggested adding the BMO in some cases. “My conclusion above does not mean that only the defendant has the right to interpret the DMC. As I mentioned above, all the Owners and the Manager are parties to the DMC. Each owner of course can have his own interpretation and have his own opinion on whether the defendant is rightly or wrongly interpreting the DMC and managing the City properly. If an Owner finds the defendant in breach of the DMC he can commence legal action against the Manager”. ER suggested that reading between the lines the adjudicator at the small claims court considered there was a very good case for taking CM to court for negligence for allowing the debt to accumulate over the years.</p> <p>FKW responded that he had promptly replied in a few days on the exchange of comments on the draft legal brief and emails could be provided to members if required. The representative of the Hillgrove VOC member Nigel was however out-of-town sometimes. So It took 2-3 weeks to receive his response. Secondly, CM had provided a list of solicitors including those recommended by Nigel to quote but without CM’s knowledge another solicitor was engaged by Hillgrove VOC and that solicitor was not on the list.</p> <p>MSG declared his disappointment and stated that Neo-Horizon would be going to the Small Claim court for at least three or four disputes. One of</p>	
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	<p>them related to the request for a legal opinion that was refused by CM. In another case a lawyer and one of the residents wrote to the VOC and CM informing them that a previous chairperson had committed a crime when in fact they hadn't. The supporting information was garbage. MSG had asked CM to respond and for the lawyer to give full details of the judgment but CM refused and said that under no circumstances were Neo-Horizon to obtain or spend any money to obtain legal opinion, even though CM had spent 15K to obtain one. MSG further stated that the VOC had insisted that this amount not be used against their village fund. MSG suggested CM would be employing lawyers to sit in courts as residents would be taking CM to court on every issue.</p> <p>DRB raised the issue that CM had started using the phrase 'executor of the Sub-Deed of Mutual Covenant' in management notices, which according to DRB was meaningless and was used to frighten residents into the appearance that CM is all-powerful and all-knowing and the only people able to interpret the sub-deeds and deeds. DRB stressed that ER's judgment makes it clear that this is not the case and agreed with ER that these issues should be resolved within DB and it was regrettable that it was necessary to keep going to court.</p> <p>SM requested the meeting minutes to be fully recorded of what FKW and ER had said.</p>	
	<p>Update on Migration to Qube Horizon Property Management System</p> <p>FKW updated members that the report and interface specifications had been written and signed off, and the training and major upgrade had been completed. FKW highlighted the challenges of underestimating the time to sign off deliverables and that more time was needed on final data migration. There was also the need to determine which enhancements were required. In response to this FKW advised that more resources would be given to shorten the time on deliverables and more time would be allowed for data migration. The third round of UAT would begin in July and the plan to go live was anticipated to be in September.</p>	
	<p>Monitoring of Light Goods Vehicles (LGVs)</p> <p>CYY reported that in response to the concern raised by the community on LGVs, CM initiated a check for incoming LGVs from the period 13th to 24th May 2018. This involved checking the driver's license and a check on the goods being delivered. CYY referred to two photos that showed vehicles that looked like personal vehicles but were LGVs. The results showed an average staying time of forty-five minutes, no overstaying and no record of illegal parking. With the assistance of CCTV and prompt complaints from residents, there had been monitoring of speeding and illegal parking which prompted the issuing of seven warning letters to drivers.</p> <p>CYY also referred to members previous concern about the meaning of 'goods' and if LGVs were allowed to carry passengers. CYY referred to a 2014 government paper which indicated that the government allows LGVs to have a maximum capacity of five passengers and said it was an offence for passengers to be carried for any 'hire or reward'. The carrying of personal effects were allowed and these were considered goods of the property of the driver and any passengers carried therein, there was also no reference to the age limit of passengers. CYY explained the difficulty in finding any definition defined by the government for 'goods', and</p>	

	<p>therefore under city rules CM could only manage vehicle licenses and unauthorized parking. CYY referred to a specific vehicle always seen in Peninsula village and with the cooperation of the driver CM carried out an inspection and determined it was not being used for personal use. CYY agreed to circulate the government paper to all members.</p> <p>AY referred to the slide on zero illegal parking and questioned its accuracy suggesting there were daily illegal parking activities. CYY explained the slide referred to the two weeks of monitoring only. AY stated that outside No. 2 Seahorse Lane there were always vehicles parked illegally next to the firehose, especially during lunchtime. AY said regulations stated no parking within a certain distance of the firehose and asked for CM to look into this and allocate proper parking space for the LGVs. CYY agreed. CYY reminded COC members that the committee had agreed to support HKR to apply for the waiver of the open parking space and the approval was granted in early May however, the actual formality approval has not been received. CYY asked the Chairman to write a letter urging HKR to contact the government to have the empty spaces allocated for parking and resolve these parking issues.</p> <p>DRB referred to the DB survey and acknowledged the benefit of surveys for genuine feedback from residents, however said they were more credible when a 5-point scale was used. DRB asked if this scale was used in the bi-annual survey. CYY defended it was an bi-annual exercise and therefore an apple to apple comparison was used, as previously explained in the COC meeting. CYY clarified that with limited manpower and resources, the priority was for feedback to focus on the negative comments and reply to improve accordingly. DRB agreed on the job well done in responding to the small number of negative points, however suggested it had been done wrong for all these years and it didn't make sense to continue to do it wrong but rather do it better. CYY acknowledged that it was DRB's opinion.</p> <p>ER referred to the LGVs and asked if he owned a LGV vehicle, had a driver and had a box of ceramic tiles would he be allowed to come in and out of DB. CYY replied theoretically yes and referred to the CM rules that allowed LGVs to enter from 9-6pm. CYY stressed there was no statutory definition of the meaning of 'goods' and therefore CM had no authority to question goods being transported. CYY reminded members there was a toll fee and tunnel fee, and the concern to CM was illegal parking which would be followed up. ER agreed it was difficult to manage and stated his concern was over the large number of vehicles in DB. CYY calculated the number of LGVs was around ten per day and doubted if that would be considered a large number.</p> <p>VL enquired if the security guards checked for LGVs licenses and CYY affirmed this and explained the first check point was at the tunnel booth by the tunnel staff and then followed by a second check inside DB. VL asked if drivers were aware of their route and the speed limitations in DB. CYY replied the driver must register the end location and purpose of entry and the guards would explain the route if necessary. CYY noted the intention to increase CCTV in blind-spot areas on the roads and confirmed that speed checks were carried out five-times per day which allowed them to follow up on any reoccurring speeding with warning letters. CYY encouraged members to highlight any areas that would benefit from additional road signs.</p>	
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	<p>MSG asked for verification that a van could pick him up outside his building as long as it was carrying goods. CYY confirmed as long as it was between 9-6pm, including weekends. The tunnel fee was \$120.</p> <p>FC agreed that residents were concerned about the large number of LGVs entering DB however felt that CYY's numbers were soothing and asked CYY to provide to the VOCs the average number of vehicles entering DB over the last three months. CYY would consider this.</p> <p>CKC told members that the tunnel staff were doing a very good job and in the past three years had allowed one private vehicle to enter DB as they had mistaken it for a red taxi. CKC added that the security staff manages the irregularities of vehicles and they were doing a very good job and it was unfair to suggest otherwise.</p> <p>BH requested on behalf of the Peninsula VOC that speed checks not be carried out on a Sunday and not after 5pm when there were no deliveries. Rather on a Monday-Saturday between 2-4pm. CYY said it was difficult to accommodate different requests for spot-checks however CM will try their best to minimize the disturbance but had limited power, authority and resources. BH reiterated it was useless and a waste of resources to carry out spot-checks on Sundays and after 5pm as there were no deliveries. CYY agreed to discuss with security team.</p> <p>ER raised a resident's concern over the Land Rover Discovery vehicle and LGVs that were carrying shoppers. CYY asked ER to advise the resident to provide more details directly.</p> <p>AY asked for confirmation that LGVs leave DB at 6pm and were not staying overnight. CYY said they must leave unless they have approval. On the rare occasion some furniture deliveries were allowed to deliver after 6pm but that was the exception to the rule and there must be a good reason which would need approval.</p> <p>FC mentioned that land rovers can be registered as a LGV.</p>	
6.0	Items for Discussion	
6.1	<p>To Discuss and Resolve the Appointment of Cleaning Contractor for the Period of July 2018 to June 2020 (COC Paper T1498/18)</p> <p>FKW advised members the approved rating was 35% performance interview and 65% price, and based on the tender analysis CM recommended awarding the cleaning contract to Winson Cleaning Service Co. Ltd. The price was compared for the upcoming two years and it was noted that for the first year there would be a 7% increase and for the second year there would be a 3.5% increase. FKW advised that the take-home pay for the cleaner in the first year would be a 6.7% increase and for the second year a 5.5% increase. In the second year it was noted by CM that the contractor may reduce its profit margin to ensure the competitive tender bid.</p> <p>VL enquired about the reason for a 7% increase in the first year if there were no additional costs. FKW said it was related to Minimum Wage increment last year and inflation. SM referred to the cost breakdown and</p>	

	<p>noted a numerical error on Midvale. FKW clarified this was related to the refuse collection which was mistakenly calculated by Winson however FKW assured members this was understood by all parties and marked down on the tender document and Winson had agreed to adhere to the mistake.</p> <p>VL asked for confirmation that the outward team monthly cost for 2018/19 was an optional service if Greenvale could decide to use this service. FKW confirmed it was a suggested price only.</p> <p>Proposed by CM In favour: FC, BH, KR, ER, VL, DRB, MSG, SMS, MLK, JL, VR, representatives from Clubs , Hotel , CM and HKR Against: nil Abstain: KYL, AY, SM</p>	
6.2	<p>Tender for Patch Repair and Associated Works on Discovery Bay Road (COC Paper T1502/18)</p> <p>WSY reported that according to the work extent and last contract unit rates, the budget allocated for the works was \$3.5M and the lowest tender price was \$1.9M. CM had queried this and it was justified by the contractor as they had spare capacity because the HK/Macau bridge and cross-border facilities projects were almost finished. In addition, the contractor had experience with this particular job. CM accepted this explanation and recommended to award the bid. Due to the low price CM had allowed a 15% contingency for any additional area that may need to be repaired.</p> <p>AY noted the highest tender bid was over \$9M which in comparison to \$1.9M was a large discrepancy. AY acknowledged the contractor had previous knowledge, experience and capacity however as the price was so low requested that CM QS check the tender document to ensure there were no loop-holes for tender variations. In addition, AY requested that after the contract was sent out, a qualified engineer from Beach village who would sign a confidentiality agreement, review the document. WSY assured members the tender document was detailed and clear regarding dimensions and quantity so there was no loop-hole for the contractor. WSY agreed to check to see if it was possible to allow AY's proposed engineer to review the contract and report back.</p> <p>VL commented on DB roads which were designed thirty-years ago, and asked if there was an assessment on the capacity, including the smaller lanes, citing the tonnage was becoming heavier and therefore roads may not be able to cope. CYY replied that this was a patch repair and not a total replacement of the road. CYY shared that last year he was involved in monitoring of the patch work. The contractor had advised it was better to repair larger surface areas as it would last longer however the restriction on budget meant it was conducted in various small repair section instead of a combined larger surface area. CYY reminded members that with the contingency buffer, extra repair area may be negotiated, however it was only repair work that may last two-three years. CYY agreed total repair was necessary at some time but stressed there were other considerations including underground utilities and cost, and reminded members it was agreed by COC to do the patch repair. CYY confirmed once the tender was awarded CM would check on site.</p>	21:26

	<p>CYY referred to AY's earlier request for a VOC member to check the tender document and stated that in the future that may be possible but not in this case as tenders were already returned and opened and there was a need to get on and carry out the work.</p> <p>SM also advised that initially there was a working group to review the city roads and the intention was to use resident experts however that was closed down as it was deemed the wrong time due to two issues 1) sub-base and 2) infrastructures. SM clarified it was just the city roads and if it was the village roads it was down to the VOC.</p> <p>Proposed by CM In favour: FC, BH, KR, ER, VL, DRB, KYL MSG, SMS, MLK, JL, LS, representatives from Clubs , Hotel , CM and HKR Against: nil Abstain: AY, VR, SM</p>	
6.3	<p>Motion: To accept using City Fund to purchase a set (2 pieces) of exercise equipment plus safety flooring mat if required for each participate village. Since the cost of each village will be different, these subsidies would be a one-time only, any additional set of equipment or future maintenance shall be borne by the respective villages (COC Paper T1504/18) SM advised members he had been instructed by his VOC to vote.</p> <p>BH reminded members this had been under discussion for a long time. Pennisula Village would like to participate and considered it a good and healthy option for residents. BH suggested two types of equipment for upper and lower body and presented the various equipment. BH highlighted the benefit to those residents that were unable to join the Resident Club and stressed it was not age-related rather out-door equipment for everyone. ER said Hillgrove would not participate. MSG advised that each village should pay for the equipment and not from City Fund. MLK also advised that La Vista/La Serene would not be willing to pay for the equipment but would accept it if provided for free. MLK understood justification for using City Funds would be needed. SM reminded members Midvale village raised this issue specifically for the seniors and to be sponsored by COC. SM further added that HKR had also agreed to sponsor equipment in the common area. BH added that there was no need for plastic mats.</p> <p>CYY was surprised that this was being discussed and said the Sports and Leisure Sub-Committee had asked CM to follow this up and CM had understood that there was no objection from members to go ahead with the selection of the equipment and location with the understanding that the City Fund would fund the costs. CYY referred to a similar exercise with the bus stop priority seating during which it was also funded by the City. CYY reported that there were ten villages agreeing to the installment as long as it was funded by the City Fund and CYY also reminded members of the amount of work carried out by staff so far.</p> <p>DRB encouraged all villages to be involved and that way everyone benefited the same.</p> <p>MSG had understood that the tender would be an accumulative purchase but that each village would pay for their own. CYY offered to forward the minutes. MSG opinioned that the Greenvale playground which had been</p>	

	<p>shut for the past eight years should take priority as it had the largest population of kids.</p> <p>SMS said that Parkvale village did not consider it reasonable to contribute to the costs as they would not be participating and therefore did not agree to it being funded by City Fund.</p> <p>AY agreed with MSG, MLK and SMS and mentioned that HKR would be donating equipment in a common area. AY said some villages could opt to purchase the equipment but felt it was inappropriate for it to be paid for by City Fund.</p> <p>BH added the villages that did not want to participate were still free to use the equipment and referred to the peninsula gardens which were frequented by many other village residents. BH considered it was a common responsibility. SM added that all were welcome in Parkvale to use their playground and any extra equipment purchased would be welcome for Parkvale and they would benefit. SMS agreed to disagree and restated the view that it was unreasonable to expect all villages to be bound by a majority decision.</p> <p>MLK commented on the conflict in allowing City Fund to pay for something that would ultimately cost all villages. MLK told members that at great expense their village playground was repaired and then was closed for eighteen-months due to an issue with the rubber matting, which could have been resolved quickly by CM. MLK continued that everyone from the Greens was welcome to use the playground but doubted that CM would have allowed the costs to be borne by City Fund.</p> <p>KYL also expressed a sense of conflict around this issue. KYL had not thought there were costs involved to each village on installation and was not prepared to make a decision on behalf of Chianti village.</p> <p>BH commented that playground maintenance were village responsibility. KR agreed with BH and stated that this was different. KR continued that voting was always done on what to use the City Fund for as with the dragon boat races and the Big Picnic. KR advised that as long as their village would not paying for it La Costa would be in favour.</p> <p>DRB asked if there would be installation costs to each village and BH advised there would be minimum installation costs to be incurred by each village but was unable to comment on how much. BH informed members that the different sports models were up to the villages to choose.</p> <p>CYY said that the estimate was equipment plus installation costs, subject to no complication in the foundations.</p> <p>AY asked if the location could be selected in a common area. CYY advised members that the CM staff had already worked with VOCs to determine the best location and this should have been requested at the very beginning. BH added that she recalled that HKR had agreed to pay for equipment in the public common area. AY confirmed that was her understanding but stressed that the equipment should not be installed in space that would mean there was no parking.</p> <p>To address the confusion of some members regarding village costs CYY clarified that there were no initial installation costs to be borne by the</p>	
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	<p>villages but future maintenance of the equipment would be borne by the respective villages.</p> <p>Motion by poll proposed by BH, seconded by FC/VL In favour: FC, BH, KR, VL, DRB, MLK, JL, LS, VR, SM, representatives from Clubs, Hotel and HKR(202,939 shares) Disagree: ER, MSG, AY, SMS (15,233 shares) Abstain: KYL , representative from City Management (27,609 shares)</p> <p>Motion passed.</p> <p>AY's objection was based on cost allocation.</p> <p>CKC confirmed HKR's continued commitment to provide two sets of equipment, including installation costs, for public common area once the location has been identified.</p>	
7.0	COC Sub-Committees / Working Groups	10:01
7.1	<p>Finance Sub-Committee (COC Paper 575/18)</p> <p>FC reported that the audited accounts for the Big Picnic had been received and were with the auditors. Once all the relevant information had been received a meeting would be arranged with the Big Picnic organizers. Once the FSC was satisfied they would approve the audited accounts and then CM would release payment for the sponsorship of \$150K.</p> <p>FC referred to their last meeting and the presentation of a new method of allocation of Estate Manager's costs which would affect budget. It was concluded that the new allocation method was not fully discussed or scrutinized and therefore FSC members strongly recommended the current method of allocation. FKW agreed, however it appeared there was a misunderstanding as when the revised budget was received instead of using the old method it used a new method and allocated all the managers' costs to the city and then paid via MU allocation. The FSC called an ad-hoc meeting and believed this was another unsafe way forward as the third new method had not been scrutinized. FC presented to members a comparison which showed more money would be paid as a result of the change and requested that the budgets be revised according to the previous allocation method. FC will submit a resolution to COC members at the next meeting.</p> <p>BH disagreed with FC and said the new method was a fairer and more transparent system. VL questioned why such an unfair system had existed for such a long time and requested the fairer, consistent system should be adopted immediately.</p> <p>ER countered that it was not as unfair as it looked and made reference to Hillgrove's manager. ER suggested to stay with the present method and take time to find the perfect system and make any adjustments at the end of the year. BH said she was accountable to her village residents and could not justify paying \$100K more until a better system was found. BH was in favour of adopting the new system. ER stressed it could be corrected to ensure it was fair. FC also stressed the new system was unfair and explained that in Siena there was currently no manager and yet they would still be paying for all village managers as a result of the new calculation. FC opinioned the basic user-pay principle was the</p>	

	<p>fairest. BH reiterated it was unfair.</p> <p><i>SM allowed JL to report on the Senior Citizen Group. See Item 7.5.</i></p> <p>AY referred to the FSC minutes item 4.2.1 whereby FKW had said the system was unique, however AY said points i-ix were standard in all accounting systems and asked which items were unique. AY also referred to item 4.5 on Auction of Non-payers Properties and asked how this was negotiated with non-payers. AY stressed that according to the DMC CM had the obligation and responsibility to accrue interest for non-payment and this would give the village more bargaining power in negotiating with the debtors, but she stressed that proper accounting treatment and negotiation on settlement were separate issues. AY reminded CM this should be done in accordance with the Principal DMC. AY highlighted there were outstanding debts since 2003 and if CM had done their job properly and added interest this would have been a threat to the non-payment of management fees. AY reiterated the need to accrue interest to unpaid debts according to the Principal DMC.</p> <p>AY then asked about Annex 5 Major Expenditure for Fiscal Year 2018/19, item 2.5 and stated that on 26 May 2015 a paper was presented to the COC objecting against the electricity costs for the inclined lift because it was located in Area N2 and classified as public transport interchange, which according to the Master Plan, was the sole responsibility of the developer and therefore associated costs related to the lift should not be passed on to the City Fund or any village fund. AY reiterated her position and offered to send out her paper again and said she disapproved of the budget.</p> <p>In reply to AY's question on the uniqueness of the accounting system, FKW explained that the property management model was not unique rather the characteristics of Discovery Bay as a city, for example the use of golf-carts, and therefore some enhancements were required by the service provider. FKW assured AY that interest on the Hillgrove property debt had been calculated according to the DMC. FKW then replied regarding the inclined lift and stated it was classified as a city-common facility in the Amalfi sub-DMC.</p> <p>AY thanked FKW for his response but asked regarding the nine points in item 4.2.1 if they existed in the current system. AY clarified her second question and asked whether CM had accrued the interest on outstanding debts in their accounting system. Then, with reference to the third question, AY stressed that things should be done according to the Principal deed, the Master Plan and the outline zoning plan which all led to the conclusion that the inclined lift did not belong to a common area. AY questioned if the Amalfi sub-DMC was wrong as all the other documents were more powerful and therefore if there was a conflict then the clause would be invalidated. AY asked FKW to answer her questions again.</p> <p>FKW said that some points in the current system needed to be calculated manually by staff however in the new project management system it would be automatically generated. FKW remarked it was difficult for him to answer regarding this specific village interest calculation as he was not the manager. Referencing the inclined lift, FKW said CM was to manage Discovery Bay according to DMCs and sub-DMCs and any owner that disagrees can take legal action against CM. AY asked again if the</p>	
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	<p>interest was accrued to the outstanding accounts, not whether it was manually or automatically calculated. AY repeated FKW's comment that owners may take legal action and also stated that CM was a subsidiary of the developer and if they act in conflict of interest there would be implications. AY asked FKW again to answer the first question related to item 4.2.1 if the current system had all nine models in place as proposed in the new system. FKW asked for this question to be carried over to the next meeting. SM agreed. AY had no objection as long as her questions were answered.</p> <p>ER referred to the Hillgrove Village interest and FKW's comment that the salient point of the ruling was that the duty was not effectively delegated to the chairperson and therefore the clause was invalidated. ER said villages cannot entertain the idea that legal costs incurred over pursuing outstanding debts, are paid for out of their fund if compound interest is not added. ER stressed that CM cannot say the DMC says simple interest as it does not. ER offered a solution that the village chairperson is delegated the duty to attend the first meeting with the CM and their appointed lawyer to pursue the debt. The payment from the first legal meeting would be paid by the reserve owners fund. ER suggested this would fit the rules given by the judicator. ER's final comment reminded members he did not agree entirely with the rules of the judgment.</p> <p>FC referred to the inclined lift and heard both comments by AY and FKW and would like AY to be correct. FC said it was unclear as in the past there had been many proclaimed experts to interpret what the DMC actually meant. FC was concerned and asked AY, without a judge to declare her interpretation as correct, what were the next steps. AY responded that she had already recorded her objection to the budget and said that owners can always take legal action. FC enquired if any legal action was currently being taken on this matter and it was answered no.</p> <p>SM suggested this was discussed further at the next meeting.</p>	
7.2	<p>Environment Protection Sub-Committee SM reported papers as read.</p>	
7.3	<p>Sports and Leisure Sub-Committee Reply Letter from Discovery College regarding the Sport Pitch to the Convener SM reported papers as read.</p>	
7.4	<p>Security Liaison Group SM reported papers as read.</p>	
7.5	<p>Senior Citizens Working Group JL related on the success of the Green Echo Tour and the Chinese New Year Gathering for seniors. JL reported that there had been a change in the new CM personnel in charge of the Senior Citizens Working Group but the continued smooth continuation of fun days was expected. In order to foster community spirit of the elderly, they plan to hold monthly special events which would include three-monthly birthdays, Mother's Day and Father's Day as well as major and minor festivals. Two health talks would also be held each year. JL assured members that age analysis of the registered elderly group will continue to ensure tailor-made events and activities to benefit all.</p>	
	<p>SM closed the meeting. Date of next meeting will be 29th August 2018</p>	