

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.2 2018-19 Held on 27 February 2019
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Mr. Victor Riley	(VR)	Chairman, Headland VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mr. Kenneth Bradley	(KB)	Chairman, Parkvale VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Ms. Clara Cheung Po Ling	(CPL)	Vice-Chairlady, Bijou Hamlet VOC
Mr. Darren Barton	(DRB)	Chairman, Parkridge VOC
Mr. Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Mrs. Maggie Chan	(MC)	Vice-Chairlady, DB Plaza VOC (replaced JL at 10:15pm)
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Mrs. Kathy Lui-Landheer	(KYL)	Chairlady, Chianti VOC
Mr. Michael Law-Kun	(MLK)	Chairman, La Vista VOC
Mr. Murray Stuart Craig	(MSG)	Vice-Chairman, Neo Horizon VOC
Ms. Vivien Lau	(VL)	Chairlady, Greenvale VOC
Mr. Li Hong Leung	(LHL)	Representative, Clubs
Ms. Elena Cheung	(EC)	Representative, Hotels
Mr. Vincent Chua	(CKC)	Representative, Registered Owner
Ms. Beatrice Lee	(BL)	Representative, Registered Owner
Mr. Ernest Lee	(EL)	Assistant Director, DBSML
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

In Attendance

Mr. W.S. Yau	(WSY)	Senior Manager, Contract Mgt. and Works, DBSML
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Apologies:

Mr Christopher Chung	(CC)	Chairman, Siena One 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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Staff of City Management:

Mr. Daniel Ma	Manager, Estate, DBSML
Mr. Brian Lau	Manager, Estate, DBSML
Mr. Samuel Ip	Manager, Estate, DBSML
Mr. Kelvin Siu	Manager, Estate, DBSML
Ms. Emily Chiu	Manager, Estate, DBSML
Mr. Wilson Chan	Manager, Estate, DBSML
Mr. G.H. Koo	Manager, Estate, DBSML
Mr. W. K. Li	Assistant Manager, Security, DBSML

Observers: (Address registered by observers)

Philips Dobbs	Owner, Peninsula
Damian Kutrzyk	Owner, Peninsula
Suren Safaya	Owner, Peninsula
John Antweiler	Owner, Hillgrove
Susan Ho	Owner, Peninsula
Deb Waugh	Owner, Siena One
Maggie Chan	Owner, Neo Horizon
Denise Giles	Owner, Peninsula

	The Meeting was declared duly convened with the necessary quorum of members present.	
1.0	Apologies Apologies received from CC and the Vice-Chairlady for Bijou Hamlet was welcomed.	19.33
2.0	Confirmation of Minutes of Previous Meeting (No.1–2018/2019) Draft meeting minutes circulated on 11 January 2019. Comments received from KB and AY and the edited version was issued on 19 th February 2019. CYY said for item 7.3, the exact wording by KB was recorded. Minutes proposed by BH and seconded by VR and approved with no objection.	
3.0	COC Sub-Committees/Working Groups Update	19:35
3.1	Finance Sub-Committee (COC Paper 612/19) FC referred to the paper and reported that the Estate Manager's Cost Allocation was to continue to be charged to City. FC shared that heavy construction vehicles were charged a third tier fee of \$100, and a second tier fee for other commercial trucks was \$40. It was suggested that a fourth tier fee of \$60 be introduced for non-construction HGVs with weight exceeding 10 tonnages. It was also noted that for vehicles over 24tonnes an extra escort fee of \$700 was charged. AY asked if there were any charges for the Gas LPG vehicles. . CYY clarified the charges and explained there were two charges; road usage fee for vehicles using the DB main road and city common areas, and an overstay fee for vehicles that remain for over 2hrs.	
3.2	Environmental Protection Sub-Committee BH presented on the EPSC. BH strongly recommended that the wood-chipper be purchased. It was also requested that the government initiative for collection of used electrical appliances be better promoted. BH informed members the decomposed food machine had been fixed and there were now two machines in production. Members were encouraged to do better to protect the environment as highlighted in the report. BH requested that HKR consider installing golf-cart chargers in DB North and South for the electric golf-cart. In addition, the use of solar panels was raised. BH emphasized the problem of plastic and promoted recyclable silicone cups that were reusable and	

	<p>supported by a \$3 discount from Pacific Coffee. BH encouraged members to use metallic straws and set a good example. There was a request for CM to provide collection places for recycling of poly-foam. BH also referred to the freezing temperatures on public transport and the ideal setting for A/Cs should be set at 25 degrees. BH finally commented on the proposed ice-rink and the impact to the environment and requested information from HKR about the usage.</p> <p>KB suggested that CM remove vending machines with plastic bottles and to include environmental policies for new commercial tenants.</p> <p>BH reminded CM to review the DB bike-racks and donate abandoned bikes to Crossroads Charity. CYY confirmed the relationship with Crossroads and agreed to ensure regular review of bike-racks.</p> <p>ER reminded members that some batteries were also recyclable.</p> <p>BH congratulated DBSML for winning the Property Management Bronze Award 2018 for Hong Kong Awards of Environmental Excellence.</p>	
<p>3.3</p>	<p>Sports and Leisure Sub-Committee</p> <p>BH commented on the presentation circulated to members. The basketball tournament was a success and a community basketball court was requested. AY remarked that the basketball court currently in Siena Club was located in an area classified as <i>open area</i> which meant it should be made public. This issue was raised with the planning department who claimed it was difficult to enforce the law. AY appealed to the clubs to release the court to the public and suggested the usage was low. AY offered to work with the clubs otherwise she would approach the planning and Lands Department to force action.</p> <p>CKC responded to BH that HKR would seriously explore a suitable place for a public basketball court and report in the next COC meeting.</p> <p>BH highlighted the HK bid for the 2021 World Beach Games which would draw in 10,000 athletes and tourists, and the committee was exploring different beach activities. BH also mentioned the possibility of ping-pong tournaments.</p>	<p>19:55</p>
<p>3.4</p>	<p>Security Liaison Group</p> <p>VR referred to the previously circulated report. BH highlighted the rules and regulations for electric scooters/bikes and that the police had stated the DB roads were private therefore they could not enforce any laws here, except if someone rode recklessly. BH emphasized that the scooters were considered self-mobility and did not think it was right to make a blanket ban across Discovery Bay and referred to the recent notice from the District Council. BH also said that golf carts were often driven recklessly but nothing was done.</p> <p>CYY responded that the rules were imposed by HK government and informed members that complaints had been received from residents about the increase of electric scooters ridden irresponsibly. Security guards could remind residents not to use them but did not have the power to stop them. The recent notices posted in Villages were at the request of the police to</p>	<p>20:02</p>

	<p>inform the public about the law in Hong Kong.</p> <p>KB referred to the status of DB roads under government ordinance and said he understood that the Transport Department were actively looking at amending relevant legislation/rules in order to deal with motorized scooters. BH stressed that the police had said they could not enforce the law in DB as Village roads were private.</p> <p>DRB asked CYY to clarify that Lantau District was the police and CYY confirmed that it was.</p>	
3.5	<p>Senior Citizens Working Group (COC Paper 615/19)</p> <p>JL reported that senior citizens enjoyed the CNY celebrations and thanked the sponsorship of Love.Together@DB. A new group was formed with additional representatives from the villages and included Hillgrove, Chianti and Neo Horizon. JL encouraged all the villages to attend so that all the senior citizens would benefit from living in DB. JL highlighted the importance of arranging outings and providing enjoyable activities for the seniors. BH acknowledged JL for her effort in the community.</p> <p>VR said that every village, especially with high-rise blocks, should have a list of the elderly for any emergency situation.</p> <p>In response to KB's question about funding CYY clarified that the funding of \$28,000 for 2019/2020 was confirmed in previous meeting.</p> <p>JL informed members that they were trying to find out the average age of the senior citizens living in DB and attending the activities. It was suggested that the sports and leisure group could work with the elderly group. JL welcomed more suggestions. FC highlighted there were four different types of exercise for the elderly which were very popular.</p>	20:10
3.6	<p>Taxi Drop-Off Point (COC Paper 614/19)</p> <p>FC referred to the paper and informed members of the proposed location for an additional taxi drop-off point and a tender exercise would be undertaken to find out the cost of the project. FC commented that it should not be paid for from CM funds but from other sources.</p>	20:18
4.0	<p>Matters Arising from Previous Minutes</p> <p>Upon the request of DB and no objection from Members, Item 7.2 in the agenda was moved to Matter Arising as Item 4.6</p>	
4.1	<p>CLP to introduce the solar renewable energy system at a FIT rate and how the system can benefit our environment, particularly Discovery Bay</p> <p>CYY advised that CLP, after clarification with CM, would like to tailor-made a presentation for DB and hence they need more time for the preparation. Hence, such item would be raised at the next meeting.</p>	
4.2	<p>To update Members on the operations of the COC Sub Committees and Working Groups (SCs/WGs) and to obtain agreement to improvement proposals</p> <p>CYY stated that more members were now involved in the committees/ groups</p>	20:20

	<p>and aimed to have meetings prior to the COC meeting to ensure fruitful discussion and reporting. CYY noted the request to hold meetings in an informal manner without CM providing an agenda and meeting minutes, and acknowledged that most groups provided a summary report to aid in discussions.</p>	
4.3	<p>Resolution on process for declaration of interest (COC Paper 611/19)</p> <p>ER referred to the paper circulated to members and proposed to:</p> <p>Resolve that members of the COC shall declare to the COC soonest practicable his or her interest, direct or indirect, where such an interest could result in the appearance of a conflict of interest or potential or an actual conflict of interest on account of his or her being a member of the VOC. Furthermore, the VOC shall decide whether the member shall abstain form or be allowed to partake in, with conditions, if any, the decision making process in respect of the subject matter after having considered the relevant facts and the circumstances.</p> <p>KB said it should read COC/VOC; that it should be signed or not, at the beginning of the committee meeting; and disagreed that there should be an exclusion from voting. BH agreed that members should not vote if they did not sign the declaration otherwise it was useless. SM raised the issue of consequence and said that there was no power to stop someone from voting and questioned how this could be enforced. ER said that they could be encouraged as a moral obligation not to vote. DRB remarked that resolutions adopted by the COC were binding on owners. SM reiterated the need for a consequence.</p> <p>FKW asked for an example of a possible conflict for HKR's and CM's Representative respectively ER agreed to provide a list at the next meeting. FC declared that he had signed every declaration that was required, however considered the proposed resolution to be too complicated. SM explained the actual resolution was recorded at the end of the paper.</p> <p>ER stated that he would be present a shortened paper with the resolution at the next meeting.</p> <p>FC highlighted some areas that were missing and cited the need for what qualified a member. SM confirmed the paper was withdrawn and a new version would be submitted.</p>	20:22
4.4	<p>DB Plaza Improvements Works - DB Bus Terminus</p> <p>CKC reported the bus terminus was almost at completion and a trial run had been carried out to determine the suitability of bus bays for single and double decker buses. It was a satisfactory trial run. The target date for opening was May 2019. A PLG meeting would be held shortly and CKC encouraged members to raise their observations/comments to the group.</p> <p>The PLG meeting would be held in March 2019 and a notification of the exact date would be sent to VOC and COC members. BH congratulated CM for the Green Award and HKR for providing the green wall in the bus terminus and asked that the escalators work on motion detectors to save energy. CKC did not have the complete specifications but was confident they would.</p>	20:37

	<p>ER enquired about the temporary bus terminus once the plaza terminus was open, however CKC did not have any information about this and would follow up.</p> <p>VR remarked that previous requests about access facilities for the elderly and infirm had been answered guardedly, and at the last PLG meeting the information given about access points did not seem to be correct. VR commented that if the main access was through the mall it would be confusing and requested accurate information on access.</p> <p>CKC assured members the DB Transport Team would provide all the necessary information at the coming PLG meeting. SM added that the bus shelters looked smaller than before.</p>	
<p>4.5</p>	<p>Golf Course House Development at Area 1A/1B</p> <p>SM referred to the reply from the Lands Department and, agreed by all members present, closed the issue.</p>	<p>20:44</p>
<p>4.6</p>	<p>Update regarding Parkridge Election Case (COC Paper 610/19)</p> <p>DRB referred to the paper which outlined the history of the case, and pointed out that the ruling was <u>now</u> in force, and is binding on all parties. He reiterated, according to the ruling, the authority to determining the time and manner of a poll vote rests solely with the Chairman. CM and DRB had both applied for <i>leave to appeal</i> on a number of issues.</p> <p>DRB stated that in one of the grounds that CM have raised for appealing the case is that CM stated that the directions DRB gave for the poll vote would not allow them to determine if someone has paid their management fee, and so is entitled to attend a meeting.</p> <p>DRB stated that this was a very important point, as CM are acknowledging another very clear clause in the DMC; that owners who have not paid management fees, and renovations fees are part of the management fee, cannot attend meetings. DRB pointed out that in previous minutes prepared by CM, FKW is on record as stating that it is not CMs responsibility to verify that owners that have paid their management fees and are entitled to attend. DRB welcomed CMs commitment to enforcing this clause in future.</p> <p>FKW responded to DRB using the word 'victory', stating that this was not a war, it is only about getting an interpretation of the DMC.</p> <p>FKW reacted to DRBs claim that CM had created a new position of "Enforcer of the DMC", claiming that the word 'enforcer' of the DMC was given by a judge in an unrelated case, and not by CM.</p> <p>FKW also noted that all owners had the right to enforce the DMC.</p> <p>FKW pointed out that both the applicant and respondent had applied for leave to appeal. FKW stated that it was his personal opinion was that this suggested there was something wrong with the final judgment.</p> <p>Finally, FKW appealed to chairmen that in case a poll vote is demanded by the Chairman outside an Annual General Meeting of a village, there may be an implication if a new Committee is formed under voting rules that follow the</p>	

	<p>lands tribunal judgement. He reminded Chairman that there is an appeal pending.</p> <p>DRB responded by stating that, according to the rules for leave to appeal from the tribunal, “an application for leave to appeal, or an appeal, shall not operate as a stay of execution of a judgement unless the tribunal otherwise orders” and stressed that although CM had applied for a stay of judgment, no stay has been granted.</p> <p>BH asked what leave to appeal meant. DRB explained that leave to appeal means you are asking for the right to appeal, that it is often granted, and that the parties then go on to appeal.</p>	
5.0	CM Report	20:55
5.1	<p>Upcoming Tenders</p> <p>WSY explained there were four upcoming tenders in progress and to be awarded. 1) Rehabilitation of the Eroded Underground Sewer on DB Road near Siena 2B. 2) Consultant's Annual Inspection of Reservoir. 3) Account Audit Service, and 4) Insurance Broker Contract.</p> <p>There were two tenders to be scheduled in the coming three months. 1) Reinstatement of Flushing Water Supply Ring Circuit near the Seabird Lane and the Replacement of Defective Potable Water Isolating Valve near the Seahorse Lane No.2, and 2) Security Contract.</p>	
5.2	<p>COC Papers Endorsed (COC Paper 606/19)</p> <p>WSY reported there were two papers endorsed. 1) Repairing/ Replacing the Deteriorated Water Pump No.2 at the Water Plant near Discovery Valley Road and drew Member’s attention that the cost would be paid by operating fund instead of reserve fund, and 2) Replacement of the Activated Carbon Media, Filters & Associated Works for Deodorizer Units at the Sewage Pumping Stations in Discovery Bay.</p>	
5.3	<p>Community Events</p> <p>CYY described two events.</p> <ul style="list-style-type: none"> • The Flea Market was held on 20 January and the next one would be held on 17 March. There were approx. 60 booths and 800 participants. • The Dog and Dog Owners gathering was held on 27 January with approx. 30 participants. 	
5.4	<p>Update on Other Services, if any.</p> <p>CYY informed members there were three traffic accidents.</p> <p>CYY presented CCTV footage of an accident which involved a golf cart on 17 February 2019 at 8am. The driver and pedestrian went to hospital but were not seriously injured. When the police arrived the driver was found to have been three times over the permitted alcohol level, in addition they did not hold a valid driving license, and finally the golf cart owner declared that he was not aware that someone had used the golf cart.</p>	

	<p>The second accident involved a young cyclist on 23 February near the DB North tunnel. The cyclist, did not wear a helmet, but was lucky that he did not seriously injured.</p> <p>The third accident involved a pedestrian on 23 February on the main road near the temporary bus terminus. CYY presented CCTV footage that showed a bus unloading passengers and a pedestrian rushing to cross the road without looking properly and without using the proper crossing close by. The pedestrian was hit by an oncoming van.</p> <p>CYY highlighted these were three different scenarios and often residents assumed accidents were caused by speeding traffic or lack of safe crossings. CYY remarked that often pedestrians did not use the road crossings and urged members to ensure facts are determined before the assumption it was a speeding issue. CYY asked the police to increase speed checks and liaised with schools to ensure students are riding responsibly.</p> <p>VR raised the issue of police taking action on a city road but not on a village road and remarked that should be addressed.</p> <p>FKW informed members on the intention to improve the landscape in the area opposite SKH Wei Lun Primary School at a cost of \$50K.</p> <p>Finally, FKW reported on the bronze award presented to DBSML for Environmental Excellence and congratulated the staff.</p> <p>BH reminded CM that the donated equipment was due to be placed opposite SKH Wei Lun Primary School.</p> <p>SM referred to the replacement of carbon media filters and asked if these would eventually be replaced as they were expensive and difficult to get hold of. WSY agreed to look at this in the future.</p>	
6.0	Items for Discussion	21:16
6.1	<p>Tender for Security Service (COC Paper T1566/19)</p> <p>CYY referred to the paper and communication circulated to members. The purpose was to seek members' consensus on the tenderers list, tender document, and assessment criteria / selection process.</p> <p>CYY stressed neutrality of CM regarding the assessment criteria and selection process and aimed to provide reference information for members to discuss.</p> <p>KB requested a discussion in respect of the tender document and drew attention to the impact of a 20% increase in forecast cost (e.g. there would be a significant \$800,000 increase next year for Peninsula village security budget) without any change in the service provided to villages. KB added a three-year period would be more attractive for prospective contractors. KB also said was out of date and suggested it be amended to 65years for the security personnel and 70years for the customer service staff. KB also said remarked that with the increase of costs there should be a higher caliber of personnel especially for the customer service posts.</p> <p>CYY thanked KB for the detailed review of the tender document, and welcomed his comments. CYY said two years was considered more</p>	

appropriate because of the number of uncertainties. CYY explained that three DB experienced contractors had been asked about their preference. The first one responded with a 1+1+1 contract they would hesitate to tender because budgeting for three years was difficult. The second one also had concerns and said they would have to review with their insurance company which may affect the price. The final contractor also stated it would be difficult and costly. They proposed the idea 2+1 contract. However, a contract sum would likely exceed 20% overall expenditure of City expenses and an owners meeting for the whole of DB would need to be held. The logistics in managing that would be challenging. CYY summarized that a three-year contract may reduce the number of tenders and the pricing would be more complicated.

CYY agreed to follow up with the suggestion of increased age for staff.

CYY agreed that the customer service staff should be of a high standard although questioned the necessity for an academic degree qualification, and stressed the need for someone to have a customer mind, friendly tone and bilingual ability. CYY confirmed that there would have four headcounts for a five working-day week rather than six days. It was explained that last year one supervisor was employed under the security contract however this year the more senior supervisor will be under the CM contract as a direct staff. This will ensure better management, training and stability.

CYY requested that other than an amendment to increase the age of staff employed, there should be no change to the tender document.

KB drew attention to the tender document content being blank for the customer service services pay-scale and asked how CM would manage that aspect CYY replied contractors were expected to provide a take-home pay for staff however a suggested pay-scale ranking was not recommended. CYY advised members that before return of tenders were received a tender briefing would be held to explain fully the details and expectation of tenderers to ensure they know exactly what they were tendering for. CYY also emphasized the stringent requirement for regular guards as a reliever and to price accordingly.

EL shared that the shortage of security staff was a reality in the market of Hong Kong. However, they want to enhance the overall quality of services and that was why there was an intentional separation of the services between customer services and security services to specialize each team. EL reiterated CYY's comment about the requirement for regular security guards to contribute as relief staff.

FC agreed with the idea to raise the age limit however, suggested it should be raised to 67years old. FC said that one difficulty in getting people to work in DB was the transport costs and with the government transport subsidy for people over sixty-five that would encourage those older to work in DB. This may also lower the tendering price.

KB added that the role of a security guard was basic and therefore it was highly unlikely DB owners would get a better service for such a large cost increase It was the job of CM and members of the security liaison group to ensure the service continued at least at the existing level since the increase in the contract price of 20% did not mean a better service.

VL observed that every two years the security company changed, and the village costs increased. However, the security guards remained the same but

their pay had certainly not increased by 20%. VL questioned why the budget increase was so high.

CYY explained that this was not just a DB issue rather it was city-wide. There was a shortage of security guards for all the developments that require security personnel. When there was a change of company the bulk of the front-line staff would remain and this was a common industry practice. In the tender document there was an expectation to show the take-home pay and it is for members to decide if this was a factor in the increase or not. In addition to ensure the stability of the reliever the new contract addresses the loop-hole in the previous contract to ensure there was a stable workforce. CYY continued that the way forward was technology because the trend in Hong Kong was that young people did not want to do menial work. At the moment immigrants were relied on to do a lot of the manual jobs.

Another change in the tender document was the request for English-speaking guards and they were paid a higher allowance. EL commented that in other residential areas, for example Tung Chung, the basic salary paid to English-speaking guards was higher than in DB and that is why there had been a suggested increase to the allowance from \$1,500 to \$2,000 to increase the competitiveness. EL further clarified the 20% estimated increment not only covered the factor of minimum wage increase, but also covered inflation and other costs.

KB noted the ratio between the contractor and take-home pay was 60/40 and said it was a very profitable business. CYY explained that one head count covered seven days a week and included an extra relief plus additional uniform. VL remarked that inflation in Hong Kong was 3%, salary increase was between 3-4% and yet the security contract had increased by 20%. VL suggested the tender document should have a breakdown to help members understand the cost. CYY told members a breakdown had been provided on the paper.

CYY asked if there were any objection to the tender list. There were no objections.

Abstain: KYL, BH, SM, EC, LHL, AY, JL, EL, FKW, CKC, BL.
The tender list was approved.

CYY asked if there were any objections to the tender document with the amendment of the age limit. There were no objections.

Abstain: KYL, SM.

The tender document was approved.

CYY gave a brief history of past experience of technical interview and pricing rating and asked members to approve KB suggested 70% on pricing and 30% on interview.

CYY asked if there were any objections. There were no objections.

Abstain: BH, KYL, EC, LHL, JL, VR, EL, FKW, CKC, BL, SM.

The selection criteria of 70/30 was approved.

FKW responded to the question of why CM abstained from voting on the proposed tenderers list and explained as they prepared the tender list it would possibly be a conflict of interest to vote.

	<p>BH added that when a company did not show up to the interview they should be eliminated from the tender process. CYY noted BH suggestion and referred to the timeline which would allow members to comment further.</p>	
<p>6.2</p>	<p>Tender award for rehabilitation of Serious Eroded Underground Sewer on DB Road near Siena 2B (COC Paper T1567/19)</p> <p>WSY presented the paper previously circulated to members and requested members' consensus to award contract for the Works. The price difference was noted and to address a members' concern, site supervision would be enhanced. After discussions with consultants it was recommended to award the contractor to the lowest bidder, Freyssinet Hong Kong Ltd.</p> <p>MSG enquired if there as a bond or performance guarantee in light of the low price. WSY replied no bond or performance guarantee had been allowed in the tender but agreed to ask them. KB stressed the importance of not delaying the work. WSY said that provision of bond or performance guarantee might have cost implication and it might need to wait for the next COC meeting for tender approval. KB suggested on this occasion the tender was approved however the cap of 20 days for site supervision should be set at 25 days. WSY said it would help because considered the contractor's programme, 25 days could provide full time supervision.</p> <p>FKW suggested the consultant be asked to include the bond in works and there be an approval in principle. WSY said that was possible and said the tender document was prepared by the consultant who didn't consider the need and allowing for provision of bond.</p> <p>MSG asked how long the defects liability period was and WSY replied one year which was normal practice. MSG asked for an extension or a bond to be added.</p> <p>CYY reminded members that the paper was sent out seven days ago and comments would have been appreciated prior to the meeting. DB suggested the vote carried on today with future clarification on the issues raised by MSG.</p> <p>SM asked for members to vote on the following:</p> <p>Members' consensus will be sought at the coming COC meeting on 27 February 2019 for awarding tender to rehabilitate the serious eroded underground concrete sewer near Siena 2B and enhancing site supervision provided by Mannings for the rehabilitation as per the recommendation in Para. 9 of the Paper.</p> <p>MSG clarified his comments were only suggestions to mitigate the risk. KB responded that the tender should be approved today as presented.</p> <p>In favour: FC,BH,KYL,ER,VL,MSG,EC,LHL,AY,DRB,KB,MLK,MC,VR,EL,FKW,CKC, BL Against: Nil Abstain: SM</p> <p>Tender awarded.</p>	<p>22:01</p>

<p>6.3</p>	<p>Purchase of Wood Chipper (COC Paper T1568/19)</p> <p>FKW presented the paper previously circulated to members and requested members' consensus to purchase a wood chipper and optional parts at a cost of max \$700K.</p> <p>FKW clarified the financial analysis which was prepared by KB and said the annual operation costs would be \$422K. It was noted that the depreciation would take about five and half years to recover the capital costs.</p> <p><i>JL left the meeting and was replaced by MC, Vice-Chairlady of DB Plaza VOC at 10:15pm)</i></p> <p>KB further explained there were several things mentioned in the major expenditure paper which included staff costs for casual labour, operational expenses and a reduction or elimination of the cost in landscape clearance. KB reminded members FKW had included \$800K in the budget however for the past two years the actual spend was approx. \$600K per year. There may also be a reduction in income from the nursery which could be a saving of \$133K per annum.</p> <p>BH suggested there be a plant market on the first Saturday of each month after nursery relocation and settle-in in the plaza. FKW said it would be considered.</p> <p>SM asked members to vote on the following:</p> <p>To recommend the purchase of a 15" diameter drum-type Wood Chipper from Hang Cheong International Co. Ltd with optional spare parts when price list is available.</p> <p>In favour: FC,BH,KYL,ER,VL,MSG,EC,LHL,AY,DRB,KB,MLK,MC,VR,EL,FKW,CKC,BL</p> <p>Against: Nil</p> <p>Abstain: SM</p> <p>Purchased approved.</p>	<p>22:15</p>
<p>6.4</p>	<p>Tender for Audit Services 2019-20222019-2022 (COC PaperT1569/19)</p> <p>FKW presented the paper previously circulated to members for review and approval. The options were explained as shown in the paper.</p> <p>KB considered this to be long overdue and hopefully would eliminate contentious issues that had occurred in the past.</p> <p>AY said there was no need for Option 2 as it was CM responsibility to provide a full set of accounts. The existing City Owner's Fund accounts were not properly audited according to AY. AY discussed in details the need for CM to have prepared not only a Profit & Loss sheet, but a balance sheet for each individual village and the city. AY questioned the accuracy of the existing accounts. AY opined option one which was much cheaper and was the minimum requirement for the DMC. AY added it was not about privacy rather in one account. It would be clear as there could be transfers of funds from village to village. AY emphasized again there should be no privacy in individual villages. Everything was posted on the noticeboards although there was no balance sheet. CM should provide clear calculation on how interest had been calculated. AY also reminded members that her own investigation of</p>	<p>22:22</p>

the accounting practice uncovered a deviation from what was in accordance with the principal deed of the DMC. AY observed that no segregation of items was a serious problem from the very beginning. AY noted that FKW claimed the accounts were prepared on an accrual basis. AY emphasized her concern over interest on overdue accounts and stressed it must be included as accounts receivable regardless if a village waived the interest or not.

FKW thanked AY for her comments and confirmed that the concern over bank interest allocation would be addressed through the auditor if Option Two was selected.

AY reiterated the Profit & Loss and Balance Sheet should form part of the accounts and audited by the auditors.

KB remarked that members had two options. Option One was to continue the dialogue between AY and CM forever and Option two which was a step forward.

CYY explained Option Two as detailed on the paper. FKW also noted the costs involved in the audit fee for each village. DRB clarified Option One was \$800K and Option Two was \$3.7M. FKW suggested members consider if the audit costs were worth it for each village and stated CM was open to both options. ER stated the principle was worth it. AY said from the beginning the Profit & Loss was attached to the back of the audit report for management purposes but this was incorrect and should be included in the notes of the accounts with a balance sheet. AY likened the CM Fund accounts to a listed company and should be treated the same. The consolidation of the village accounts was needed and not separate audits. ER enquired if Option One was voted for would the accounts be done properly. AY responded it was the auditee's responsibility to prepare the accounts according to the auditing standards, and then the auditor certified them. AY said the problem had been that CM had not prepared a separate balance sheet and therefore questioned the accuracy. The auditor's job was not to prepare the accounts. The responsibility was with the auditee. AY questioned why a large sum of money was being paid when it was not necessary. FKW reiterated that the scope of service would be same as previous years if Option One is adopted.

KB disagreed and said that with Option One the same accounts would be received and encouraged members to make a step forward and questioned why AY did not complain to the accounting authority for the defective audit work in DB over decades. AY added that all auditors retained should be familiar with this type of job and industry. AY reiterated again the responsibility of the auditee to prepare the proper accounts.

SM asked members to vote for options 1 and 2.

Option One (1)

In favour: BH,KYL,ER,VL,MSG,AY,DRB,MLK

Option Two (2)

In favour: FC,KB

Abstain: EC,LHL,MC,VR,EL,FKW,CKC,BL,SM

Option One (1) was approved.

KB asked AY to provide a paper to the COC members recommending what should be done and a way forward. AY would consider it.

	BH agreed with KB on principle but cost was a major consideration.	
6.5	<p>(i) Major Expenditure of CM (COC Paper 607/19) (ii) 2019/2020 Draft City Budget Questions and Requests for Clarification/Information 2019/2020 (COC Paper 608/19& 613/19)</p> <p>The purpose of 607/19 was to inform members of major expenditure, proposed improvement and/or upgrade works for the financial year 2019/20, and the papers that followed were in response to clarification requests and questions raised. There were a number of queries raised by KB. FKW advised members that the budget would be provided for discussion at the next meeting and due to the late hour suggested questions and clarification be done by email and followed up by members in the next COC meeting.</p> <p>VL asked that on the paper 607/19 provide a percentage of increase for the cost centre of Works and Landscape Departments. FKW said that would be prepared in the budget.</p>	22:45
6.6	<p>Amendment of City Rules (Clause B1.3) regarding Worker Pass for Renovation Workers (COC Paper 609/19)</p> <p>CYY referred to the circulated paper and requested member's consensus on the following amendment:</p> <p>For security reasons, owners are responsible to ensure that all workers employed on decoration or alternation work must register their Octopus Cards with City Management</p> <p>A Management Notice would be posted out of the revised City Rules, together with the Chinese translation and the relevant clause in the Renovation Form would also be amended according.</p> <p>DRB agreed in theory however was concerned the system would not be able to be enforced in the future if Octopus cards no longer existed. CYY replied that the existing procedure was quite tedious and not environmentally friendly. By abandoning this system, it would also be more attractive to workers because the \$100 administration fee would be eliminated. The new way was more efficient and maintained security.</p> <p>KB asked if there were any implementation problems from other residential developments and it was remarked that users could share Octopus cards because people own multiple cards. However, CYY stated that the police found that details of the octopus card background history helped with crime prevention.</p> <p>SM requested members endorse item 6.6</p> <p>In favour: FC,BH,KYL,ER,VL,MSG,EC,LHL,AY,MLK,MC,VR,EL,FKW,CKC,BL Against: DRB,KB Abstain: SM</p> <p>The endorsement was approved.</p>	
7.0	AOB	

7.1	<p>Request by a member of an owners' committee to issue the final COC agenda two weeks prior to the meeting to allow discussions at VOCs.</p> <p>SM received an email from an owner requesting the COC agenda two weeks prior to the meeting. CYY commented that two weeks in advance created extra administration work as often last minute changes/suggestions were requested. The current practice was working and CYY was reluctant to allow longer because it impacted his staff.</p> <p>FKW stated the legal requirement was minimum seven days in advance, so if the agenda was finalized in two weeks in advance but a Member raised items in between, there will create a difficulty for CM in the capacity of Secretary. ER agreed such concern.</p> <p>SM confirmed that it was to remain at seven days minimum.</p>	22:57
7.2	<p>EL advised members that CYY had resigned and would be leaving DB.</p> <p>CYY thanked members for their support. CYY's final day of service would be 10 April 2019 and CYY's replacement would be announced to members as soon as possible.</p> <p>SM thanked CYY on behalf of the owners and recognized the huge impact and contribution to DB and wished him well in his new venture.</p>	
7.3	<p>BH queried why there were barges to drop rocks in the sea of the marina and CYY agreed CM would follow up.</p>	23:03
	<p>The date of the next COC meeting is 17 April 2019</p>	