

**DISCOVERY BAY CITY OWNERS' COMMITTEE**  
**Minutes of Meeting No.4 2018-19 Held on 26 June 2019**  
**7:30pm at MPH, Discovery Bay Office Centre**

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**Members Present:**

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Mr. Victor Riley	(VR)	Chairman, Headland VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mr. Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Mrs. Maggie Chan	(MC)	Vice-Chairlady, DB Plaza VOC
Ms. Vivien Lau	(VL)	Chairlady, Greenvale VOC
Ms. Kathy Lui-Landheer	(KYL)	Chairlady, Chianti VOC
Mr. Michael Law-Kun	(MLK)	Chairman, La Vista VOC
Mr. Christian Chasset	(CC)	Vice-Chairman, Amalfi VOC
Mr. Murray Stuart Craig	(MSG)	Chairman, Neo Horizon VOC
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Ms. Elena Chan	(ELC)	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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**By Invitation**

Mr. Kester Pang		Representative of CLP, Senior Project Engineer
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Mr. Edmond Chan		Representative of Howden, Director of Corporate & Commercial
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Ms. Joanna Lee		Representative of Howden, Senior Manager of Corporate & Commercial
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**Apologies:**

Mr. Kenneth Bradley	(KB)	Chairman, Parkvale VOC
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**Secretary:**

Mr. G.H. Koo	(GHK)	Senior Manager, Estate, DBSML
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**Staff of City Management:**

Mr. Samuel Ip		Manager, Estate, DBSML
Mr. Daniel Ma		Manager, Estate, DBSML
Mr. Kenneth Kan		Manager, Estate, DBSML
Mr. Steve Kwok		Manager, Estate, DBSML
Mr. Wilson Chan		Manager, Estate, DBSML
Ms. Alice Wong		Manager, Estate, DBSML
Mr. Kenneth Kwong		Manager, Maintenance & Works, DBSML
Mr. Calvin Ting		Assistant Manager, Estate, DBSML
Mr. Brian Lau		Assistant Manager, Estate, DBSML
Mr W. K. Li		Assistant Manager, Security, DBSML

	<p>It was announced that Ms. Key Lam as COC Secretary (KL) had resigned. City Management was now recruiting the replacement and GH would take over the duty of COC secretary temporarily.</p> <p>COC members raised that KL had done a fantastic job in the past and she would be missed. SM requested CM to pass on members' thanks and good wishes. It was also suggested to prepare a thank you letter and souvenir on behalf of the COC members to KL. All members present agreed.</p> <p>The meeting was declared duly convened with the necessary quorum of members present.</p> <p>SM requested the presentation on Item 4.1 and Item 6.1 be brought forward and there were no objection.</p>	
<b>1.0</b>	<b>Apologies</b> Apologies received from KB .	
<b>2.0</b>	<b>Confirmation of Minutes of Previous Meeting (No.3–2018/2019)</b> It was noted there was a typo of Item 4.3 of page 7 that Personal Date should read as Data. Minutes were edited and approved after proposed by KR and seconded by ER. No other members raised objection.	<b>20:36</b>
<b>3.0</b>	<b>COC Sub-Committees/Working Groups Update</b>	<b>20:37</b>
<b>3.1</b>	<p><b>Finance Sub-Committee (COC Paper 621/19 &amp; 625/19)</b> FSC minutes were provided for members' review. FC referred to AY's request to CM to provide a balance sheet for each village to be attached to the audit report as detailed in the minutes, and informed members that a detailed discussion by committee members endorsed the request. However it was agreed, although not unanimously, that CM accounts provided the information but there was no need to hire an external auditor for provision of village balance sheet..</p> <p>AY clarified that an auditor did not prepare accounts and the proposal was for the auditor to review the work of CM to ensure the accounts produced by CM were accurate and correct for future purposes.</p> <p>FKW responded that after the FSC meeting CM discussed with the auditor RSM who commented that there was some review work required to be carried out for village classification. They also remarked there may not be sufficient information to be included in the appendix because the amounts were brought forward for many years ago. RMS did not favour the attachment of the village unaudited balance sheets to the audit report.</p> <p>AY replied that it was the responsibility of CM to produce the information according to the DMC and stressed again it was CM's responsibility to prepare the accounts and the auditors to audit. AY remarked balance sheets could be annexed with a disclaimer by the auditor. It was important to have a base to start the process even though additional time and costs would be incurred. AY also highlighted that the presentation of the quarterly accounts was not in the proper format and cited an example which made it very difficult to cross-check.</p> <p>SM asked for clarification that AY was requesting an additional service</p>	

	<p>and AY confirmed it was a service to ensure the numbers tallied. SM asked for a quote for this service. FKW agreed that the balance sheet was very useful however disagreed with AY's remark that CM were required to produce the balance sheet according to the DMC. FC referred to the discussion at the last FSC which concluded the principal deed was not specific about the balance sheet rather referred to a "set of accounts". FC then asked FKW to advise what the BMO said. FKW explained according to the BMO an owner could inspect the books or records of the accounts, any income, and expenditure account or balance sheet. The books of account may therefore not include the balance sheet. FC reiterated members could ask CM to produce the balance sheet but they were not required by the principal deed and BMO to do so.</p> <p>AY retorted that it was a technical interpretation by the lawyers and insisted there should be a balance sheet to ensure the records were complete. AY interpreted FC comments that CM could produce either the income statement or the balance sheet however the principal deed and BMO stated CM must prepare individual village P&amp;L and balance sheets and owners were permitted to inspect both. AY concluded this would be decided in court.</p> <p>FC emphasized in the FSC meeting that many members held a different view and did not agree with AY's interpretation of the principal deed.</p> <p>SM asked whether it was possible and FKW referred to the paper submitted previously by CM with two options of which the majority of members voted for option one. FKW suggested this item could be discussed and resolved again on the expiry of the first year of the total four year audit service since the contract allowed choosing another option upon completion of first year service.</p> <p>AY agreed this was a good start and highlighted members from the FSC also wanted more transparency. AY did not want to put too much pressure on the CM accounts department and would accept reviewing it next year. AY pointed out that with the new accounts system in place it would be easier to produce the balance sheets and the discussion on audit can be done later.</p>	
<b>3.2</b>	<p><b>Environmental Protection Sub-Committee</b></p> <p>BH thanked KL and the CM team for their environmental work during the Dragon Boat Festival and highlighted the various initiatives in the presentation. BH requested all events to take this environmental approach to ensure DB was the greenest place in HK.</p> <p>BH proposed the introduction of perennial plants for all villages and provided examples for members' consideration.</p> <p>BH reported that the food composting machines had both broken down and whilst one had been fixed while the other would cost HK\$100K. Therefore, it was opined neither cost effective nor environmentally friendly. BH requested members to consider natural composting.</p> <p>BH requested CM to use recyclable letters and envelopes.</p> <p>BH educated members that according to the WWF the nanoparticles found in plastic were consumed by the public to the equivalent of 5gms</p>	

	<p>(one credit card) per week and therefore was a serious health issue.</p> <p>VL thanked BH and highlighted that both supermarkets in DB used a lot of plastic for packaging. VL asked CM to approach Fusion and Wellcome to reduce their plastic use. CKC agreed to talk to HKR leasing department to encourage the supermarkets to take action to be more environmental.</p> <p>FKW commented that because of the space required to hold the container needed for natural composting it was not feasible at this time. However, FKW remarked that the concept of a large scale food waste scheme had been raised with HKR to consider in the Master Plan 7.0. FKW reminded members at the last COC meeting it was agreed to purchase a third food decomposer. Thanks to the understanding of KYL a location within Chianti had been found and if agreed by the VOC a tender would be put out for its purchase. FKW also advised members that CM were in negotiation with the supplier about the unreasonable cost of repair and CM would report back to members.</p> <p>BH suggested an upgraded machine be purchased and also remarked that cut grass could easily be composted.</p> <p>KR supported the food waste scheme and enquired about the wood chipper. FKW confirmed the chipper had been purchased and would arrive October/November 2019. CM was working closely with HKR to find a suitable location for operating the chipper.</p> <p>It was unanimously agreed by all members to ensure that future Dragon Boat racing teams must adopt the environmental initiatives this year.</p> <p>KYL was excused at 9:15pm.</p>	
<b>3.3</b>	<p><b>Sports and Leisure Sub-Committee</b></p> <p>BH updated members regarding the outdoor gym equipment which should arrive by the end of summer.</p> <p>BH reported that the DB north pitch was very popular and the current booking system was working well. DB Pirates had agreed to replace the safety cushions. Various improvement works were required and the necessary papers were being prepared by CM.</p> <p>BH requested the approval of a separate Sports and Leisure Finance Account as outlined in the presentation.</p> <p>BH highlighted two events. Table tennis competition would be held on 22 September. The basketball tournament was requested to be held on a Saturday and include the proposal for a women's exhibition match.</p> <p>The request to fix lighting at courts 9 &amp; 10 at the DBRC was made as they had been broken since October 2018. ELC responded that it was in progress and DBRC were waiting for the consultants to confirm when the work would be carried out. BH asked for the work be carried out soon.</p> <p>Finally, BH requested all future events to follow the environmental initiatives carried out during the Dragon Boat Festival.</p>	
<b>3.3.1</b>	<p><b>Confirmation for Procurement of 20 pieces of Outdoor Gym Equipment at the account of City Reserve Fund (COC Paper No.</b></p>	

	<p><b>T1617/19)</b>  SM recapped this had been approved and action was for members to confirm the procurement of the equipment at a total cost of \$565K.</p> <p>In favour: FC, MC, BH, ER, VL,KR, ED, ELC, MLK, MSG, VR, CC, SM, EL, FKW, CKC, BL  Against: Nil  Abstain: AY</p> <p>The request was approved.</p> <p>VL asked for the cost of the additional set requested and borne by Greenvale VOC. BH advised the equipment was located near Seabee Lane. At the very beginning the plan was located next to the school but having the concern of the floor condition. The spaces near Seabee become an excellent central location. Although it's very far from the Peninsula, it's very accessible to other villages.</p> <p>AY updated members that the tennis court/basketball court/children's playground in Siena Club was designated as a public space and previously it had been locked but now was unlocked and available for access by the public and available to non-members. Siena Club charged non-members an access fee through the club however AY noted that the public could enter by the open gates. AY encouraged continued negotiation with clubs. CKC responded that the Lands Department had clarified that the area was public space but there was still a charge for usage. AY agreed and reiterated that access was free and therefore it was a first step.</p>	
3.3.2	<p><b>To Approve the Establishment of Sports and Leisure Budget (COC Paper No. 627/19)</b>  SM referred to the paper and requested members to approve the resolution to establish the budget as outlined in the paper.</p> <p>In favour: FC, MC, BH, ER, VL, KR, ELC, EC, AY, MLK, MSG, VR, CC, EL, FKW, CKC, BL  Against:  Abstain: SM</p> <p>The request was approved.</p>	
3.4	<p><b>Security Liaison Group</b>  VR updated members on crime figures outlined in the presentation and noted the theft in May referred to an incident that occurred eight months ago but had only just been reported. MLK updated members on the burglary that took place on April 26<sup>th</sup> 2019. The VOC had employed an additional security guard at night and barbed wire and broken glass would be installed as a future deterrent. VR suggested all VOCs initiate a security review to determine needs. He noted security manpower costs were increasing and therefore the situation needed to be addressed. VR assured members that this would be discussed in the SLG and options would be given to VOCs. VR also suggested a subcommittee be created to look at expiring contracts in advance.</p> <p>VR reported on the enforcement action against a motorized scooter on 4 June.</p>	21:28

	<p>BH opined that the problem of speeding should be addressed but not just motorized scooters.</p> <p>SM requested that at the next security tender consultants could advise villages on their security. VR said that may take too long and although VOCs had installed CCTV and security guards were employed to review the cameras it was important to do a broader security survey to anticipate future needs.</p> <p>VL asked to adopt the practice of preparing a contract six months before the expiry date rather than a month or two before to allow sufficient time for proper review and negotiation. EL assured VL that the process did not start one month before and that for major contracts respective working group was needed and agreed with the six-month period. BH noted that a working group had been formed before however there were a number of issues and eventually it was cancelled. BH added that the security guards were not replaceable but were complimentary to the security of the villages especially those that had a long history with their villages. ER agreed human connection was important in some cases but not all and it was necessary to consider other options. BH reminded members that the Head of Police had commented before that thanks to the action of the police combined with the security guards, the low crime in HK was achieved. ER countered that the security of the villages could be done with the latest technology. MLK remarked it was a combination of both.</p>	
<b>3.5</b>	<p><b>Senior Citizens Working Group</b></p> <p>MC reported on the success of the table tennis competition held in May 2019 and that the latest meeting held in June was attended by six village representatives. Details of the discussion were highlighted in the report which included the request for information on seniors living in villages, and comments on the new bus terminus. GHK advised that a survey to update the database of senior citizens living in each village was in progress. CKC confirmed the comments on the bus terminus had been conveyed to HKR's Projects Team for actions and improvements. A report would be prepared to COC members with an update. MC reiterated the senior citizens' concerns and unhappiness with the bus terminus.</p> <p>Concept of time banking was then reported and this will be further researched for consideration in Hong Kong.</p> <p>BH added that more trees should be planted to provide additional shade.</p>	
<b>3.6</b>	<p><b>Taxi Drop-Off Point</b></p> <p>FC reported on the result of the tender exercise and suggested the consultant OZZO be appointed as long as there was no complication. FC asked for HKR to confirm if they would fund the work. FKW informed members the total cost would be no more than HK\$200K. CKC asked if all members were in favour of the proposal. FKW advised the majority were in favour and would benefit most, if not all, villages. BH stressed it should have been done earlier. AY said HKR should take up the costs as it would increase the property prices. FKW suggested a ceiling amount of HK\$200K would be covered by HKR and additional costs would be covered by City Fund. AY said that this would need to be discussed at VOC. KR confirmed it was a good idea and did not see any disadvantage to any village. It was suggested that HK\$300K should be the ceiling. MSG reminded members that it had been in the original proposal. FKW</p>	<b>21:54</b>

	<p>explained that the original drop-off point had been rejected by an owner and HKR revised the plan.</p> <p>CKC confirmed that HKR would be willing to absorb the costs at a ceiling of HK\$300K.</p>	
<b>4.0</b>	<b>Matters Arising from Previous Minutes</b>	
<b>4.1</b>	<p><b>To Follow Up CLP's Introduction of the Solar Renewable Energy System and how the System can Benefit the Environment of Discovery Bay</b></p> <p>A detailed presentation was given by CLP to COC members including Feed-in Tariff Scheme (FiT) and a copy would be made available for members as permitted by CLP.</p> <p>FC asked about individual houses and CLP said it could be considered but house garden might not be appropriate because of shading effect.</p> <p>BH asked about the height of the solar panel and was concerned if it was too low the rooftop could not be used. CLP confirmed it was approximately 1M from the ground however for areas that had public access they could be built in a different way. For panels above 1.5M, in accordance with the Building Department, a structural engineer was needed to certify the work which would be costly. BH asked about the total cost of installation. CLP replied that if there was a generation of approximately 9K kilowatt then it would be estimated at around HK\$20p/w. VL asked about the costs per village and FiT revenue. CLP advised it was about 7-8 years to pay back.</p> <p>MSG commented on the expected four-year payback and highlighted that other places in the world were taking 10-15 years to pay back. MSG also asked how the panels performed during a typhoon. CLP said there were no major concerns about the impact of a typhoon however MSG suggested additional insurance would be required to cover any possible damage caused by a flying panel. CLP assured members no panels would fly off the rooftop.</p> <p>ER asked CLP to consider floating panels on the DB reservoir. ER clarified low level panels did not need submissions according to building regulations and a structural engineer was only needed for panels above 1.5M. CLP confirmed the engineer was needed to certify that panels above 1.5M were safe. ER queried if other components could be used but CLP replied the company usually provided everything however it could be discussed.</p> <p>CLP said the crystalline panels lasted for 25-years and SM clarified it was a warranty for 25-years. As part of the maintenance if a panel was damaged or there was a cable problem the company would replace the items.</p> <p>MLK asked about the threshold for generation and CLP replied that simulation software was used to determine the average generation for a year.</p> <p>KR enquired if the government subsidy costs were per village or per building. CLP advised that in CLP power communications some departments said they could be one building for one capacity. VL asked if</p>	

	<p>nine blocks could receive the one rate and CLP said it could be separated or together but depended on the power supply system. CLP clarified that where the meter is located then the block is counted as one capacity.</p> <p>VR asked what guarantee could be given to ensure the FiT scheme continued and referred to other global schemes that were introduced and then terminated. CLP advised there was a contract for a guaranteed period up to end of 2033 plus their company's reputation.</p> <p>ER asked about what the views were from CM and HKR, and FKW responded that CM welcomed the presentation to see if the proposal was of interest to VOCs. Further site visits would be taken to determine the feasibility for other areas within DB.</p> <p>KR noted that according to the website the government promise was until 2033 and did that mean there was only nine years left on the contract after the initial five years. CLP said although the government scheme was until 2033 the company was offering 15 and 25 year plan for the investment model.</p> <p>SM thanked CLP for their presentation.</p>	
<b>4.2</b>	<p><b>Resolution on process for Declaration of Interest (COC Paper No. 619/19, 622/19 &amp; 628/19)</b></p> <p>ER thanked FKW for responding and hoped that other members had read through the points made by FKW in particular FKW's responses to ER's questions. ER also suggested that FKW, on behalf of CM, was obstructing the concept of a declaration of interest along the lines suggested, or indeed on any lines. ER asked FKW if the assessment was fair, FKW didn't response.</p> <p>ER said that his proposal was a genuine wish to give all COC members a chance to come clean and act in a responsible way but a declaration of interest had now become a declaration of conflict. ER concluded that there was no agreement from CM and invited FKW to comment.</p> <p>FKW replied CM is obligated to advice members whether any resolutions, including this one, are in line with the DMC and BMO and that this was his job.</p> <p>ER felt that FKW had failed and ER would rebut nearly every point made by FKW.</p> <p>ER requested the Chairman would insist to add FKW's response to the minute verbatim as it was seriously wrong in many respects, particularly with regard to the BMO. ER asked for this item to be added to the next meeting agenda, and asked members review the papers and responses carefully.</p> <p>ER stressed his disappointment in the response by CM because this was a genuine effort to do something that CM had previously initiated and asked the members to sign. The failure was because the declaration was too complicated and difficult to maintain. ER added that he had signed declarations in the past but more recently he had not done so, because changing circumstances would have made it difficult to maintain. ER's proposal was merely a pledge made by all the members of this</p>	<b>22:06</b>



	<p>committee to say when they have a potential conflict of interest, as KR had done earlier. He had a situation, he wanted to tell the committee about it and asked the committee to advise him whether he should leave the room, or stay quiet or whatever? ER felt that this was exactly the spirit that members would want to enter into.</p> <p>ER asked the vote be held off until the next meeting after members had a chance to review the papers. SM agreed.</p> <p>AY reminded members the importance of good governance and transparency. She added that every time FKW goes to Court is meaningless. Why does your parent company, a listed company, not go for good governance and transparency? The many of years of particularly FKW's suppressing transparency and good governance was disappointing. AY rebuked FKW for smirking and added that his company's reputation reflects this. AY did not want to create tension on the COC however considered the attitude of FKW towards ethical standards, transparency and good governance disappointing.</p> <p>FC commented that unethical practices were not limited to CM. FC remarked that the paper prepared by ER had not gone far enough "Declaring is not enough in many cases". FC suggested the declaration of interest should come with a list of rules and guidelines. and illustrated this with the following example which he requested should be minuted:</p> <p>"Let's say my village is going through a renovation project and let's say I own or am related to a company that makes, say, LED lights, and I use my influence to urge my village to move on to LED lights instead of the old style lights to save electricity and I also ask my company to put in a tender for it. OK I declare my interest, but don't you think that even after declaration the whole thing is unethical trying to make money out of the village that you are supposed to be serving without any compensation? I think this sort of declaration of interest or conflict should come with a list of rules - guidelines. For instance, in the case I just mentioned, you should not need to declare, don't declare: just resign from your post and enter in your tender, or don't offer your tender at all. I think this is the right thing to do for anybody who is sitting around this table. And for anyone who to table a resolution while not doing what I just said is the biggest hypocrite in the whole world."</p> <p>AY said, "I would not put it quite like that. I think that as long as people see what is going on. Ken [KR] has given us a very good example although it is nothing to do with the line of the business he declared it and made people understand that we are sitting here but we are accountable to all the owners of our village. I suppose we can declare it and let them know and let them decide and KR sought the approval of the Chairman as to whether he can stay? It is as simple as that. Why do we do want to forbid people from doing some type of business? This kind of practice would go too far. I would rather stick to Ken's practice of declaring it and asking for the Chairman's guidance."</p> <p>AY continued, "I don't know what it is so difficult to present a paper and make a resolution and every time FKW has something to counter it. I don't know why we have stuck on this issue for so many years and Mr. Chairman, you and I did one and that is easily done, so FKW tell me? I think I am not the only person to have encountered your difficult attitude and I don't want to deal with it anymore."</p>	
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	<p>FC said the proposed resolution made little progress to what was currently practiced, and said “What is proposed in this resolution makes little difference from what we have been doing in the past. You Chairman and Amy worked out for us in the past and we have been using it for many years and this resolution makes little progress, we should have guidelines like I suggested, otherwise we will be putting VOC’s or renovation committees in a predicament: “Oh, he’s my friend the Vice Chairman. It is his company. What can we do?” We don’t have to go through this. Just put in a tender, and then you should resign from your post. We should put in a guideline like that; otherwise we are wasting time, talking about a resolution like that [the resolution tabled].”</p> <p>SM asked for more comments.</p> <p>ER agreed that FKW's written response can go into the minutes.</p> <p>SM said, “Yes, I have asked for the full account.”</p> <p>ER welcomed all members to comment and added that any list for guidelines and restrictions should be carefully prepared and suggested that all members come with ideas. He felt the matter should be developed collectively not by himself alone. He said he liked the idea of declaring interest as it frees members from bondage. If there is an interest, it should be stated. Members can say “stay out of it”. He believed FC was referring to Hillgrove and hoped that his contribution: - consultancy on LED lighting had been constructive. In fact, the company had not put in a bid in. He felt that his knowledge of lighting had been useful and that care would be needed if restrictions were to be introduced.</p> <p>SM confirmed the item would be carried over to the next meeting.</p>	
4.3	<p><b>Review of cleaning contract and formation of a sub-group for contract renewal in 2020.</b></p> <p>FKW provided a detailed presentation on the review of the existing cleaning contract which will expire in June 2020.</p> <p>BH queried the 10% increase on the implementation of Municipal Solid Waste Charge to be imposed by the government. EL raised that various operational problems had delayed the introduction of this scheme and after a careful review the increase was a realistic figure. BH said in 2003 after the SARS outbreak the government initiated a HK\$1,500 fine for spitting and according to BH this had the desired effect and eliminated spitting in public places. FKW said the tender result would reveal if this was a fair increase and there was no need to discuss at this meeting. FKW reiterated these were possible implications only and the working group could consider further. The cost implication for additional environmental initiatives should be considered and it was FKW's recommendation that no further initiatives be introduced at this stage.</p> <p>SM clarified this agenda item was a formation of a sub-group and was not to solve problems.</p> <p>FKW agreed to make a recommendation on the formation of sub-group at the next meeting.</p>	

<b>5.0</b>	<b>CM Report</b>	<b>22:35</b>
<b>5.1</b>	<b>Upcoming Tenders</b> To be circulated by CM to members instead of report in the meeting.	
<b>5.2</b>	<b>COC Papers Endorsed (COC Paper 626/19)</b> To be circulated by CM to members instead of report in the meeting.	
<b>5.3</b>	<b>Community Events</b> To be circulated to members by CM instead of report in the meeting.	
<b>5.4</b>	<b>Update on Other Services, if any.</b> To be circulated by CM to members instead of report in the meeting.	
<b>6.0</b>	<b>Items for Discussion</b>	
<b>6.1</b>	<p><b>Renewal of Insurance Broker (COC Paper T1619/19)</b> FKW advised members that the premium of Property All Risks insurance had increased to about 50% and therefore CM had invited appointed the broker Howden to brief all members.</p> <p>KR disclosed that he worked for the Insurance Company Allianz. Howden replied that Allianz had been invited to tender but had not responded.</p> <p>Howden provided a detailed presentation which was made available to all COC members.</p> <p>VL asked why Howden started this exercise in early May when the expiry date was 30 June 2019 and questioned if that was normal practice as there was limited time to negotiate or find an alternative company. FKW replied that three years of past records had to be provided to the insurance company and so the tender could not be started earlier. In addition, the broker changed to Howden earlier this year which also caused a delay due to the changeover. FKW highlighted that the new premium increase only represented 1% - 5% of the village expense.</p> <p>FKW asked Howden if it was possible to negotiate with AXA for a better rate. Howden said it was possible to discuss further although noted the loss ratio was 286% and therefore it was unlikely they would reduce their rate.</p> <p>FKW raised the point that Howden had invited 22 insurance companies to tender after they had been assessed for their financial ability. EL highlighted that Howden had made a fair marketing exercise to identify the best insurance companies to cover Discovery Bay. Howden clarified that although 22 companies had been invited to tender only six companies responded and four quotes were obtained. VL enquired why there had been a poor response for such a large project. Howden replied that the overall underwriting market in Hong Kong had started to lose money and hence it was less attractive than before.</p> <p>SM thanked Howden for their presentation.</p> <p>FKW reminded members that CM was obligated to engage Insurance Company and after the tendering exercise it would appear that there was no choice but to go ahead with AXA. FKW would ask Howden to try to</p>	

	<p>negotiate on the premium however emphasized this would not be easy especially as AXA was losing money.</p> <p>SM asked members to approve the renewal of the insurance policies according to the paper.</p> <p>In favour: FC, MC, BH, KYL, VL, ELC, ER, EC, AY, MLK, MSG, VR, CC, EL, FKW, CKC, BL Against: Nil Abstain: KR, SM</p> <p>The request was approved.</p>	
<b>6.2</b>	<p><b>CM to Inform Members about the Current Arrangements of Slope Management and Inspection in Discovery Bay</b></p> <p>CM reported that the common slopes in City and villages are being managed and maintained. Following Geo Guide suggestion, layman inspection of these slopes was carried out annually. Each sub-DMC of Phase 9 development and beyond contained an engineer report which recommended an engineering inspection be carried out every five-years. The most recent inspections were in late 2011 and early 2017 and basic minor maintenance was carried out afterward. There was no particular or abnormal deterioration in the slopes.</p> <p>SM requested a number of years ago a copy of the report that related to the slope collapse behind Midvale but had still not received it. A recent report from HKR advised that a consultant had inspected the slope and there was no deterioration. Buildings Department had acknowledged the report and HKR had advised so there was no further action at this moment. CM will ask HKR to provide the report to COC members.</p>	
<b>7.0</b>	<p><b>AOB</b></p> <p>FC asked about the progress of the subsidized ferry services. CKC updated members that the Transport and Housing Bureau had planned to meet in May but this was postponed with no clear timeline. Unfortunately, a reliable source of news revealed that the coming review would exclude Discovery Bay from the next scheme. The possible consequences were 1) significant increase in ferry fares, or 2) reduce ferry schedules or 3) reconsider the ferry license renewal.</p> <p>AY confirmed that the Transport Department had not finished their review and therefore there was hope. The current political situation and the upcoming policy address could result in a lot of hand-outs and AY suggested joining other ferry companies to fight for the subsidy.</p> <p>VL raised the concern that there were a number of Air B&amp;Bs in DB which caused cleaning and security issues. VL asked CM to provide the total number in DB and advise on how they could handle this concern. SM shared there was a similar problem in Midvale Village and the Home Affairs Department (HAD) had visited. FKW clarified the procedure. When a complaint was received CM staff would investigate and if there was any suspicious use they would report to the Licensing Office of the Home Affairs Department. Then the HAD would visit and follow up with the case. FKW offered to invite the HAD to present at the next COC meeting. VL said there should be a formal way of monitoring the situation and FKW agreed to follow up. MC suggested CM download the Air B&amp;B App which showed a large number of properties in DB. CM said that it</p>	

	<p>was difficult to prove that a property was being used for this business and therefore advising HAD was necessary and if information was shared at the COC then CM reiterated it may not be accurate.</p> <p>BH emphasized short-term rentals had been available in DB for many years, as were smaller businesses like Kindergartens being run out of apartments, and therefore serious consideration should be taken before targeting Air B&amp;B.</p> <p>ER asked what action the HAD could take. SM responded the owner would be prosecuted.</p> <p>VR also encouraged caution and highlighted the number of businesses operating in DB. VL raised the concern because of the number of complaints received in her village and the nuisance that many of the visitors were to the residents. MSG remarked that it may be a communal tenant where a lot of people were living in one flat and that could be resolved by knocking on the door and talking to the resident.</p> <p>SM thanked members for attending and closed the meeting at 10:50pm.</p>	
<b>8.0</b>	<b>The date of the next COC meeting – 25th September 2019.</b>	