



DISCOVERY BAY HILLGROVE VILLAGE OWNERS' COMMITTEE

Minutes of Meeting No 12 2016-2017

held on 23 May 2018, 7:30 pm at Conference Room No 2

Discovery Bay Office Centre

Present:

Mr Edwin Rainbow	(ER)	Chairperson
Ms Janice Fung	(JF)	Vice Chairperson
Mr Chung Kwok Wah	(CKW)	Member
Mr Edmund Fan	(EF)	Member
Mr Edwin Tam	(ET)	Member
Fine Faith Limited	(FFL)	Member
Mr Michael McGuire	(MM)	Member
Mr G H Koo	(GH)	Manager – Estate, City Management (CM)
Mr Sam Lo	(SL)	Contracts Manager – Works (CM)
Ms Stephanie Law	(STL)	Assistant Officer – Estate, CM

Absent with Apologies:

Ms Alice Li	(AL)	Member
Ms Cheng Mei Yu	(CMY)	Member
Mr John Antweiler	(JA)	Member
Ms Lo Yuk Shan Connie	(CL)	Member
Ms Kimberly Keng	(KK)	Member
Mr Martyn Keen	(MK)	Member
Mr Nigel JH Reid	(NR)	Member
Ms Nikki Wepener	(NW)	Member

In Attendance

Nil

1. Confirmation of Previous Meeting Minutes and Recording of Meeting

The Chair asked if the members present would approve of an independent audio recording of the meeting to facilitate verification of the minute. The CM audio recording to be kept as the official recording and archived for future reference. Members agreed unanimously

The draft of Village Owners' Committee (VOC) Meeting minutes of Meeting No 11 was tabled, but proposed amendments, in particular the details of Item 3.2 and a nearly verbatim of Item 4.1 had not been added. CM would complete the draft and circulate the same for further comment.

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2. Report on Financial Status

CM advised that as at 31 March 2018, there was a surplus of about HKD57,000 recorded against a budgeted deficit of HKD90,000. Cash position reached a level of about HKD10 million. The status was healthy.

CM would circulate the draft budget 2018-2019 for review as there was a projected deficit over HKD600,000 at the existing level of management fee. CM cautioned that a management fee review would be needed to maintain a healthy cash inflow in next financial year.

3. Matters Arising

3.1 Parking and Security Control

CM apologized for a delay of the trial period as the operation plan was yet to be implemented by the security team. To summarize the action plan, the following actions were proposed:

- a. A larger sign in at least A3 size to be displayed at entrance area reminding the drivers that the parking spaces were reserved for Hillgrove residents, their visitors and contractors working in the Village;
- b. Provide a wheel clamp device as a deterrent against offenders;
- c. Security checkpoint at entrance area during morning peak from 07.30 to 09.30 hours on weekdays; and
- d. Option: Provide additional temporary parking space and a village parking label system.

The trial would commence next Tuesday 29 May and to be reviewed and reported on after the first week.

3.2 Resolution of Actions against Long Outstanding Debt

CM ran through the VOC Paper No VOC 562/17 proposing a program of legal action against the debtor (Appendix 1). According to the Paper, Messrs Chung and Kwan were recommended for their lower fees. Following discussion, the Committee suggested that the Chairman attended the preliminary meeting with Messrs Chung and Kwan to confirm the base of interest calculation of late payment interest. It was further suggested that CM would delegate the duty to the Chairman to attend the preliminary meeting the appointed solicitors to state the case for applying compound interest. The CM resolution to approve the use of the reserve fund to fund the program of possible legal action was withdrawn.

The Chairman would pay the fee for the preliminary meeting with solicitors out of his own pocket, and the cost would be subsequently reimbursed from the Hillgrove reserve fund according to the recent Small Claims Tribunal interpretation of the Deed of Mutual Covenant.

CM would consider the suggestion and revert.

On behalf of Members, ER had sent a question list to CM concerning the status of unpaid fees and the progress on the recovery of the "long outstanding debt". CM presented their reply (See Appendix 2). The Committee noted that there had been

contact with the debtor who had the expressed the intention to repay the principal by 26 April 2018. This had not happened.

Members were disappointed that CM continued avoiding the VOC's claim of compound interest in favor of simple interest in their communications.

3.3 Safety of Children Playground

CM briefed that the egress towards main road from playground was removed and more hedge would be added to the boundary. CKW suggested adding bamboo fencing to strengthen the hedge. CM to follow.

4. Progress of Consultancy Service

4.1 Tender Analysis Report

The tender analysis of main contract best offers was tabled and SL recapped on the scope of work. SL also presented a projected owners' contribution on the total cost after deduction of the portion financed by Reserve Fund for consideration.

4.2 Format of Voting Session in Annual General Meeting (AGM)

The voting session of the AGM would be divided into three (3) slots where the first slot would deal with the approval of main contract with essential items only recommended by the VOC; the second slot would be the approval of option items in addition to the essential items; and failing which the third slot would vote for or against each item under the group of the optional items.

4.3 Date of Annual General Meeting (AGM)

The date of AGM was scheduled on Thursday 20 September 2018. To proceed, SL would request Messrs Ho and Partners to prepare a draft of road show material and management notice informing owners of the content of the renovation before AGM.

5. To Resolve the Appointment of Lift Maintenance Contract

The respective VOC Paper recommending the existing contractor Fujitec to be appointed for a new term of three (3) years at a monthly service charge of HKD18,900.00 (being a five (5) percent increase over the current rate) was tabled. A summary of breakdown rate of past year was presented. It was noted that the breakdown rate was far below the pledge and Fujitec had also conducted a safety check of the lifts in view of the recent fatal accident in the territories. Members enquired on the service standard of Fujitec and CM advised that Fujitec followed the Electrical and Mechanical Service Department regulations and the work carried out was properly kept in the lift log books as required. Further, according to our tender, Fujitec needed to conduct checking in every two weeks which as more than the minimal requirement of the regulations.

After consideration, the motion of endorsing the appointment was moved by MM and seconded by JF. The Committee unanimously agreed to the Paper.

6. **Implementation of Action Plan against Air Conditioner Dripping**

CM advised that there were six (6) nos of cases outstanding since early summer this year. One of these cases in Elegance Court had been dragged for over eight (8) months despite repeated requests to the occupant for repairs and this case was reported to Food and Environmental Hygiene Department. MM asked if CM had properly defined the responsibility of this case which the clog could occur at communal part (vertical pipe). CM advised that the diagnosis was based on observation. To further ascertain the cause, a physical check at the pipe itself was required. With the aid of platform vehicle (booked under Item 3.1 above), CM would carry out an inspection on the pipe to justify the conclusion.

Members felt that the site staff needed to be proactive to tackle these issues at an early stage so that the cases could be resolved promptly. To achieve this, a checklist on daily patrol especially related building facilities would be improved of which the draft would be circulated to the Committee for review.

For the case of long term water leak at Elegance Court above, a platform vehicle was booked to facilitate the repairs. Repair work to drain pipes would be carried out at high level from the next day 24 May. In the event that platform vehicle could not reach certain spots, alternative method would be considered.

7. **Matters of City Owners' Committee (COC) Meeting**

The Chairman had circulated the latest COC Meeting minutes to members and noted there was nothing of significant interest to exchange between VOC and COC

8. **Community Events**

Date	Event	Venue
17 June	Dragon Boat Races and Carnival	Tai Pak Bay and Piazza

9. **Any Other Business**

Nil

10. **Date of Next Meeting**

The next meeting to be confirmed subject to Messrs Ho and Partners' draft road show board of renovation.

The meeting was adjourned at 10:05 pm.


Chairperson

Appendix 1 - VOC Paper No VOC 562/17
Appendix 2 – Question list

Memorandum for the Hillgrove Village Owners' Committee
Appointment of Solicitors for Legal Proceedings to Recover Long-term Debt

Purpose

1. To recommend the appointment of solicitors to initiate legal proceedings to recover the debt owed by the owners in respect of Flat 7F, Brilliance Court, Hillgrove.

Background

2. Further to the discussions in previous Village Owners' Committee (VOC) Meetings, it was suggested that City Management (CM) should recover the debt of outstanding management fee and renovation contribution since 2003 through legal proceedings, after the respective owners failed to response to CM's numerous demands for settlement. After the registration of memorandum of charge in 2003, the said owners could not be reached until early 2016, but only communicated with CM through email correspondence since then. After several attempts, the owners ceased to give any update to CM about six months later which left CM no choice but the case should be escalated to a higher level of actions.

Quotation Summary

3. Two solicitors' firms, Messrs Chung & Kwan and Messrs WK To & Co, were invited to quote for the subject case and the major costs were set out in the table below.

Actions	Chung & Kwan	WK To & Co
Issuing a warning letter	HKD1,800	HKD2,800
Issuing final warning letter	HKD1,500	HKD2,800
Issuing court writ in District Court	HKD20,000	HK\$19,000 *
Application for default judgment (total)	HKD23,000	HK\$25,000
Hourly rate of trial	HKD2,800	HK\$3,200

Notes: "*" Before hearing

Cost Comparison

4. Given that the case could be closed up to the stage of default judgment, Messrs Chung & Kwan would charge HKD23,000 which was lower. And, they would also charge a lower hourly rate AT HKD2,800 for trials afterward. It was noted that the total legal costs of a case will be increased upon a defence being received, in which case, CM would further consult VOC on the approach and the estimated legal costs as required.

Recommendation

5. Base on the above, Messrs Chung & Kwan is recommended for the subject case. The costs and related expenses will be borne by Hillgrove's Reserve Fund.

Action To Take

6. Members' consensus is sought to endorse the recommendation in Paragraph 5 at the VOC Meeting of 24 October 2017 to appoint Messrs Chung & Kwan as the solicitors to take legal actions against the said owners to recover the debt and associated costs in respect of Flat 7F Brilliance Court, Hillgrove.

For and On Behalf Of
Discovery Bay Services Management Limited
G H Koo
Manager – Estate

20 October 2017

Hillgrove Village VOC

(Submitted on their behalf by E. Rainbow on 22nd May 2018)

Long outstanding debtor

City Management is asked to submit a formal report, in writing, on the status of collection, to be recorded in the minutes of the meeting on 23rd May, 2018.

1. What is the current status of collection for Hillgrove Village – including:
 - What are the current amounts outstanding for each of management fees, renovation fees and interest on each at 30th April 2018?
 - What lien has been registered/when/how much?
 - What are the principal amounts demanded for management fees? For renovation fees? When so demanded?
 - What amount of interest demanded on each of management fees and renovation fees? When?
 - What is the basis of interest calculation on each? Simple or compound?
2. What lawyers – internal and external - are involved in the collection process acting for CM on our behalf vs the long outstanding debtor [Brilliance Court 7F]?
3. What reaction, if any, from the debtor?
 - Agreement/disagreement with principal amounts?
 - Agreement/disagreement with either or both interest calculations?
4. Is CM able to confirm that, because of the DMC powers of sale and the current high value of the related property, the entire amount of the debt is covered by the owner equity in the event of a power of sale proceeding?
5. What is the timeline for finally resolving this matter with the debtor?
 - Has the debtor been put on written notice of such?
 - Has the debtor been made aware of the power of sale provisions under the DMC?
 - Has the debtor been told that collection is expected 100% and in full?
6. Are there any other relevant factors that CM should make the Hillgrove VOC aware of?

end