Thompson Wentworth

Body Corporate 394768
37 Foremans Road, Islington Christchurch 8042
ANNUAL GENERAL MEETING MINUTES
Thursday, 12 August 2021

Meeting Formalities

Attendees:
- Murray Chappell (proxy for Unit 1)
- Helen Timms (Unit 6)
- Jeff Farnworth (Unit 7)
- From the BC Secretary (TW): Anthony Robertson (Owner/Director), Dave Marshall (TW Projects Lead), Abi Robertson (Body Corporate Administrator - via Zoom).

Proxies & postal votes:
- Murray Chappell carries proxy for Unit 1 (from Hendrik and Aprilla Jacometti).

Apologies:
- Aaron Novak (Unit 2)
- James & Vicki McArthur (Unit 3)

A quorum was present at the meeting.

1 Previous Minutes

That the minutes of the previous year's Annual General Meeting for the Body Corporate be accepted as a true and accurate record.

Moved: Helen Timms
Seconded: Jeff Farnworth
Carried.

2 Body Corporate Governance

The following governance motions were put to the AGM for discussion, voting and resolution:

1. Election of Chairperson*:* The current Chairperson of the Body Corporate is Helen Timms. Helen has been nominated (and accepted) to stand again by Jeff Farnworth of Unit 7.

Motion: *That the Owner so nominated and duly elected (Helen Timms) at this AGM be confirmed as Body Corporate Chairperson until the close of the next Annual General Meeting*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

2. Election of Committee: The Body Corporate's current committee members comprise a representative from each of the 7 units within BC. Owners agree to maintain current committee composition and quorum of 3 of 7 units for committee meetings.

Motion: *That the number of Owners so nominated and duly elected at this AGM and the quorum required for the committee to transact business be confirmed at this AGM.*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

The following supoprting motions to the election of Chair and Committee were discussed and resolved giving the necessary powers, method of contracting and indemnity relief to the elected officers of the Corporate Body in order for said officers to govern and adminsitrate the affairs of the Body Corporate during the ensuing operational/ financial year.

2.1 Delegation of Powers to the Committee:

Motion: *That by Special Resolution and pursuant to Section 108 (1) of the Unit Titles Act 2010 (the Act) the body corporate delegates all its powers and duties to the Body Corporate Committee, except those powers to be retained by the Body Corporate under Section 108 (2) of the Act, until the next annual general meeting of the Body Corporate and that this resolution is evidence of the Committee's authority to perform the powers and duties so delegated to it and serve as notice of delegation and that the Committee will report to the Body Corporate on an annual basis regarding its performance of these powers and duties.*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

2.2 Method of Contracting:

Motion: *That the Body Corporate delegates the authority for entering into obligations with respect to the annual operational requirements of the Body Corporate comprising but not limited to, grounds and built environment maintenance, utility services, relevant authority compliance, insurance brokeridge services and insurance policy renewals, Body Corporate Secretarial and Facilities/Maintenance Management services, to the Body Corporate Committee or where the Committee is not elected to the Chairperson and one other member of the Body Corporate until such a time as otherwise revoked at a General Meeting of the Body Corporate. This motion serves as evidence of the Body Corporate's authority to perform these delegated powers.The Committee shall report on this delegation no less frequently than each AGM of the Body Corporate.*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

2.3 Chairperson/ Committee Indemnity:

Motion: *That the Body Corporate holds harmless and indemnifies its Chairperson and Committee of the Body Corporate and members of the same (jointly and severally) against all costs, expenses, claims and proceedings and any other liability of any sort incurred by them in the exercise or attempted exercise of their powers as a Chairperson or members of the Committee taken in accordance with the provision of the Body Corporate Rules and of the Unit Titles Act 2010 and Regulations 2011, however not against any act or ommission done fruadulently or with wilful misconduct.*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

3 Financial Statements

The Secretary traversed the annual accounts for both the 2019-20 and 2020-21 (Year to date) financial periods explaining that both financial periods effectively spanned the major programme of activity in play across the Body Corporate during these periods being the EQ and Roof Maintenance Repair Projects. A cashflow of all the

Body Corporates revenue and expenditure transaction for these two financial periods was distributed with the AGM packs and reviewed at the AGM.

The key callouts from this cashflow being the Body Corporate closed out its Nov 2019-Oct 2019 financial year with approx $896,000 of net available funds (after repayment of legal expenses) to apply to;

- EQ Claim outstanding pre-settlement expenditure (professional services costs carried by relevant supply chain members) - c. $65k
- EQ repair programme expenditure - c. $600k
- Levy Relief during repair programme (2019-20 year) - c.45k
- Roof repair programme - $95k
- **Total Budgeted Deployable capital approx $760k**

At project completion and wash-up at the end of the current financial period (31 Oct 2021) this leaves approx $109k available for resolution by Owners at the 2021 AGM (forecast to be held in late Nov/ early Dec 2021) to;

- apply surplus funds to any final asset tidy-ups (e.g. perimeter fencing see Facilities Mgmt discusion item under Agenda Item 8); and, or
- re-establishement/ capitalisation of the Long Term Maintenance Fund.

As at the end of Aug 2021 the BC has funds on hand of $178k with committments due for payment during September/ October of $102k (being residual/ accrued PM fees, EQ Repair Head Contractor (Trademark) final payment claims & retentions and to Newfields for final roof repair claims (for Units 3 [when completed] and Units 4, 5, 6 & 7 (now completed). During this peiod the BC will also receipt its 2020-21 residual levy payments from Owners totalling $36k. In summary the Body Corporate will close its 2020-21 financial period in a sound financial position for moving forward under a more BAU management environment into 2022 and beyond. The approved financials for the 2019-20 year and 2020-21 Budget and Cashflow (forecast for the financial year ending 31 October 2021) is enclosed in the following link https://twlchc.sharepoint.com/:f:/s/ExternalShare/Eg_Sx_eeMhJOgZSpK04gzH4B1y_zinqnvZ0eeFSqTkRQ_g?e=NSdcqF

Jeff Farnworth, Owner of Unit 7 thanked the Chair (Helen) and the Secretary for their support over the last 3 years with implementing a sucessful claim settlement and associated capital repair programme. Anthony (on behalf of the Secretary) also expressed thanks to Helen for her support during a long and at times challenging programme noting the complexities associated with the influence of the Pandemic restrictions etc.

Motion: *That the financial statements for the immediately previous financial period be accepted*

Moved: Jeff Farnworth
Seconded: Helen Timms
Carried.

4 Appointment of an Auditor

That, by way of special resolution, the body corporate decides that s132(2) of the Unit Titles Act 2010 does not apply for the current financial year, and therefore the body corporate financial statements shall not be presented for review or auditing for this period

Moved: Helen Timms
Seconded: Jeff Farnworth
Carried

5 Insurance Valuation

Motion: *That the Body Corporate will not instruct an updated valuation of the body corporate assets for insurance purposes during the current financial period*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried

6 Insurance Policy Renewal

The meeting and ensuing insurance discussion noted;

- The current cover period came up for renewal on 01/04/2021 for the 12 months cover period to 31 March 2022.
- The premium for the current financial year being $27,500.
- With the integrated EQ repair and roof maintenance programme now substantially complete and relevant engineering supervised works and Producer Statements available evidencing the completion of the subject works programme, the Body Corporate is nearing a position to be able put its new asset risk profile for 2022 forwards back to the wider insurance market for contestable pricing.
- This will be undertaken in time for the 2021 AGM scheduled for late Nov/ early Dec 2021.

Motion: *That the insurance cover levels agreed at the AGM be accepted as adequate and the cost of the total premiums be added to the budget for the new financial period*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried

7 Health & Safety Plan

Motion: *That the Body Corporate procure an appropriately qualified vendor to develop a Health & Safety Plan for the body corporate. The cost of this procurement (including its coordination thereof) will be provisioned for and funded from the Body Corporate's operating general ledger for the coming year and be levied to Owners as per their assessed unit entitlement portion of the operational/ administration levy.*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried

8 Facilities Management

The meeting traversed the following facilities management discussion items:

1. *Building Compliance:*

The current BWoF (Building Warrant of Fitness) expires on: 1/9/2021 with all Owners having a responsibility to; (i) ensure they or their tenants use and occupy their units in compliance with the underlying zoning (Industrial General) and relevant fire protection codes and (ii) facilitate access to their units for the relevant council mandated periodic inspections required to monitor this compliance and facilitate renewal of the annual Building Warrant of Fitness (BWoF).

Potentially standing in the way of the above renewal are the following items for follow up re **Unit 5**:

- The council has notified the Secretary post the audit of the site at the completion of the repair programme that it appears the occupier of Unit 5 has implemented a number of unconsented works items within Unit 5 (partitioning of the warehouse space); and secondly,
- The Unit 5 Occupier has a belief that Unit 5 has an underlying zoning and consent framework enabling conversion and use of the upstairs office space for residential purposes. This is not correct.

Both of these intitiatives are **non compliant** and will prevent the Body Corporate from obtaining a renewed BWOF. Secondly it remains unclear whether this new occupier is an owner of Unit 5 or a Tenant with the intention to Own. Either way the Council has put the Body Corporate on notice with respect to Unit 5 that if there is another audit implemented by the council across the Body Corporate (driven by non compliant works and or non-compliant use of space in any unit), then the Body Corporate can be expected to receive a fine for such non-compliance.

Background:

The Body Corporate/ or the Secretary has not received a Section 85 notification (see below) from Unit 5's current / previous owners (the Maugers) either directly or via their solicitor confirming a transaction for sale and purchase of Unit 5 by another has settled:

As per section 85 of the Unit Titles Act 2010:
1. A body corporate must keep and maintain a register of all owners of principal units and accessory units on the unit plan in accordance with the regulations.
2. The owner of a principal unit must notify the body corporate in writing of any changes to the information held in the register that relates to his or her unit.
3. Despite anything in this Act, where the owner of a principal unit transfers his or her unit to any other person, until the body corporate is notified in writing of the transfer:
a. that owner of the principal unit remains liable to the body corporate for all contributions levied by the body corporate under section 121 for his or her unit:
b. the transferee is only entitled to exercise the voting rights for the unit at a general meeting with the consent of the other owners of principal units who are present at the meeting.
c. Nothing in subsection (3)(a) restricts the right of the owner of the principal unit to recover any amounts from a transferee that the owner has paid in respect of contributions levied by the body corporate.

Action Point: The Secretary will reach out to the current title registered owner of Unit 5 (understood to still be the Mauger family - i.e. Anthony to liaise with Brittany) to determine current state of ownership and come up with a plan to remedy any current non-compliance with respect to Units 5. Update post AGM: Abi of TW has been in touch with the solicitor acting for the Unit 5 transaction and is waiting to hear back on the confirmed settlement date.

2. Common Area Assets across the BC subject to the LTMP provisions of the Unit Titles Act:
The information exchange provided within the Agenda Pack covered the detail around the definition of *"Common Area Assets"* (with respect to the Unit Titles Act) versus what the Body Corporate agrees is the actual required "practical scope of assets" required to be included in the LTMP programme and associated financial resourcing i.e. the inclusion of other key *"Commonly Managed Assets"* - e.g. roof, gutter and rainwater systems, unit facades zones and landscaped areas where they are common to the overall body corporate complex or community, and it makes economic sense (and in the interests of a consistent look and feel), for these areas to be maintained as a whole (rather than each individual unit looking after their own).

Motion: *That the Body Corporate procures an appropriately qualified vendor to develop a Long-Term Maintenance Plan for the body corporate. The cost of this procurement (including its coordination thereof) will be provisioned for and funded from the Body Corporate's existing Long Term Maintenance Fund or operating general ledger for the coming year and be levied to Owners as per their assessed unit entitlement portion of the operational/ administration levy.*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried

Note: The subject Plan will inform the Body Corporate's decision at its 2021 AGM (held say late Nov/ early Dec 2021) with respect to the quantum of surplus funds to be applied to recapitalise the Body Corporate's LTMP.

3. The Body Corporates Annual Maintenance Plan Regime:
- The attending owners resolved to continue with the current arrangements whereby the Unit 6 owners (Helen) coordinate and supply the grounds maintenance services to the body corporate.
- Commencing in the new financial operating year (from 1 Nov 2021) so in practical terms from say after Christmas from February 2022, the Body Corporate will procure an annual gutter clean.
- The cadence (how often required) of a building facade wash will be addressed at the next AGM of the Body Corporate however this is likely to be every 2 years.

4. Other Discussion Items:
- *Working Height restrictions* in the warehouse Space of the current units - The Secretary outlined the fire protection rating rules applicable to the warehouse Space of the current units and the cost of increasing each units allowable working height from Working Medium to Working High. More information is available via the following link https://twlchc.sharepoint.com/:f:/s/ExternalShare/EmQJyw_mzztJvY9q-IFarh0B_39QGRpXaDdkOi5j0MAi4g

?e=lEewOU

- Attending owners agreed if any individual owner wished to proceed to increase their particular units "allowable working height", the cost of doing so would be an individual owner cost.
- Creating a secure fenced environment at 37 Foremans Road so the site would comply with the Ministry of Primary Industries new biosecurity rules for Transitional Facilities where containers are decanted/ devaned. Ref the following link for more detail https://www.mpi.govt.nz/legal/compliance-requirements/transitional-facilities-standards/ The attending owners discussed this may be a benefit for 37 Foremans moving forward and agreed to research and consider at the next AGM. **Action Point:** Murray (unit 1) would look to supply indicative pricing to enable 37 Foremans Rd to become a compliance MPI Transitional Facility (TF).

Signage:
The attending owners noted that a general clean up of the blade signage at the front was required i.e. remove legacy signage from previous tenants etc. Discussion also noted that the development of a standardised signage plan (in terms of both size and location on each units frontage) for the Body Corporate, with the owners approving these (and integrating them with the body coporate rules) would add clarity and value to the overall adminstration of signage rights and obligations of owners moving forward.

Carpark
The attending owners noted that the carparking white line markings could do with a refresh.

9 General Business

1. Body Corporate Rules: The Secretary to implement changes to rules as suggested by the solicitor for incoming Unit 1 owner (see rules distributed with agenda pack for aforementioned amendments).

Motion: *That the Body Corporate supports the tabled refreshed set of body corporate rules and thereby authorises the body corporate Secretary to lodge these rules (and any amendments validly voted on and agreed at the AGM) via a Form 15 under Section 106 of the Unit Titles Act 2010, Notice of change to body corporate operational rules.*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried.

2. EQ and Roof Repair programme:

- The Body Corporate Secretary presented the current state of the EQ repair and roof maintenance programme noting the EQ Repair programme is complete and the roof repair programme is expected to be complete at the end of September with Unit 3 being the final unit for completion.
- The financial outcome (actual vs budget) associated with the EQ and roof repair programme is traversed in agenda item 3 above.

10 Secretarial & Asset Management Support Services

Motion: *That the Body Corporate Committee under its delegation of powers and method of contracting as resolved in agenda item 3, be tasked with procuring from Thompson Wentworth, the body corporate's required secretarial and asset management support; AND, Thompson Wentworth be delegated all applicable duties of the Chair and/or Committee under the Unit Titles legislation (see high level summary below), excepting any duties which the Body Corporate Chair and or Committee wish to specifically undertake.*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried.

11 Approval of Budget

The budget included in the financial statements distributed with the agenda pack was noted as being proposed based on various factors relevant to operating the Body Corporate during the 2020-21 financial year. All line items and the ensuing total levy amounts for each unit was discussed and confirmed at the AGM.

Motion: *That the budget for the new financial period, including amendments made at this meeting be accepted*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried.

12 Levy Determination

Motion: *That the Body Corporate agrees to raise the annual levies and any special levies agreed at the meeting as per the agreed entitlements for said levies, payable by owners in accordance with the levy payment distribution and frequency agreed at the meeting, and that levies are to be paid by owners within 30 days of raising (or any other agreed and minuted due date as required), after which the Body Corporate may apply, at its discretion, interest at a rate of 10% p.a., and/or initiate debt collection activity relating to any unpaid levies.*

Moved: Helen Timms
Seconded: Murray Chappell (proxy for Unit 1)
Carried.

13 Action Points for the Coming Financial Year

The Action Points that will be implemented in the coming Financial Year are as follows:

- TW to seek competitive insurance cover bids from the wider insurance market in time for adoption at the 2021 AGM in Dec 2021
- TW to procure a H&S Plan in time for adoption at the 2021 AGM in Dec 2021
- TW to procure a LTMP in time for adoption at the 2021 AGM in Dec 2021
- Murray (unit 1) would look to supply indicative pricing to enable 37 Foremans Rd to become a compliance MPI Transitional Facility (TF).
- TW to arrange for the development of a standardised signage plan (in terms of both size and location on each units frontage) for the Body Corporate.
- TW to arrange for a refresh of the carparking white line markings.

With no further business to discuss, the meeting was closed at 1:41PM

Attachments