



Strata Plan 64622

EXECUTIVE COMMITTEE MEETING

Wednesday 21 September 2011, Elan meeting room 18h30

Attendance: Ralf Harding (Chair), Richard Beck (Treasurer), Rob Di Iorio, Michael Meredith, Deborah Moore, Kathryn Thiel-Sirett, Tim Trollip (Secretary) and David Stanger (Building Manager)

Guests: George Sirett, Ross Smith, Jimmy Thomson, Kama Harding and Eric Francis of Francis Management

Apologies: John Anderson and Gavin Napier

Appointments for this meeting

The Secretary advised that John Anderson and Gavin Napier each appointed the chair to act in each of their respective places at this meeting of the executive committee. The EC voted to accept these proxies.

Minutes of Last Meeting

The Minutes of the last meeting were accepted.

Correspondence

- a) Letter from Elan Strata Manager thanking Altair for use of pool by Elan resident's while Elan pool is being re-surfaced. No action required.
- b) DA from council re 1 Kings Cross Rd coffee shop operating out of existing hair salon to have some footpath furniture. No action recommended.
- c) Email from Sue Williams (i) expressing her concerns regarding the plans and design for the retail space as being out of keeping with the building, (ii) asking what the original architect, Ian Moore thought (iii) urging that the plans be put up on the notice board and (iv) expressing the expectation that it go before an EGM.
- d) Email from Mark Callan and William Gilchrist (i) expressing concerns regarding proposed plans for the retail area (ii) suggesting that various issues relating to the plans should be referred to and discussed at a general meeting (iii) expressing concern regarding the manner in which the Chair had conducted the last EGM.

Finance update

August Finance Report available upon request. Broadly on-budget. Still some levy arrears.

Renovation rules/guidelines

The Executive Committee approved the Rules for Renovation & Building Works, The Flooring & Noise Guidelines as updated by the building manager and the secretary and the new Building Manager Renovations Commencement Certificate and Building Manager Renovation checklists – all of which are now on our Altair website:

<http://www.altairpartments.com>

Building Issues

David Stanger gave his building manager's report (attached).

Intercoms

Our intercom handsets are continuing to fail. We replace about 12 per year. Our system is no longer supported. There are increasingly only digital handsets but our wiring is analogue. We can currently replace handsets for a period but there are problems regarding replacing the wall sets at the gates, main entrance and in the foyer. Digital handsets will work with analogue wiring but only carry audio not video. New digital wall sets will not work with the existing handsets. Re-wiring would be a huge and very expensive job. Indicative price of \$34k to replace the wall and handsets system (**not** re-wiring). Agreed to maintain the 'status quo' for the moment. The costs of a new system will be included in a revised 10 year plan which will be produced in December.

Leaks

- a) 402/502: A leak in the balcony of 502 (onto 402) is to be repaired next week at a cost of approx. \$1200-1500. Some tiles will have to be replaced. New tiles that are a good match have been sourced by the building manager noting that no new tile will exactly match an existing tile after 10 years of weathering. The building manager and secretary will inspect new tiles after installation to judge future usage.
- b) 'Blue Bits'. Aurecon recommend addressing the leaks by adding weep holes (Aurecon report available upon request). Quotes for \$2720 and \$4600 for this. Agreed to accept the lowest quote. Work to be done next week.

There follows a précis of the chair's, building manager's and secretary's interactions with Aurecon regarding b) above. Copies of all detailed notes and documentation forming part of the "pack" for the EC meeting including more detail on the leak issues are available upon request from any committee member.

History

- 1) Aurecon advised that the original 'experts' report, prepared for the court case, was in effect a theoretical report covering a myriad of possible causes and somewhat vague solutions. There was no actual water testing (spraying, flooding etc) done at that time.
- 2) The 2009 Aurecon report leading to actual defects remedial work was based on the original experts report rather than a fresh examination of all issues.
- 3) When remedial work commenced in 2010 2 separate areas/courses of block work were removed with the intention of addressing the flashings. The relevant areas were shown to be completely dry. Aurecon concluded that the flashings were not, as had been originally suspected, causing the then known water leaking problems as had been theorised by the experts and Aurecon recommended that this remedy be abandoned... which we agreed to at the time.

2011

- 4) In mid-2011 testing of leaks by Aurecon included spray testing of the affected areas on all 4 'blue' walls. This:
 - a. showed that water was entering parts of the cavity area between the double block walls (without being able to definitively establish how this was happening);
 - b. indicated that there was probably no leaking through any sealants/caulking/fillets [these are in fact interchangeable terms! Hereafter "sealants"]
 - c. revealed that there was some water ingress through existing cavity flashings when the stream of water was introduced within the vicinity of existing weep holes thus suggesting that the cavity flashings are not performing as per the original intent.
 - d. also revealed that there was some water ingress through existing weep holes.
- 5) As a consequence these weep holes were sealed off. This subsequently (in strong wind and heavy rain) appears to have made the leaks worse.

- 6) It was observed that there were:
 - a. a number of fine cracked sections of the coated masonry (which were Buildcorp's responsibility to fix);
 - b. some deterioration of a limited number of sealants which should be attended to (some are those already attended to by Buildcorp under their scope of work and therefore Buildcorp's responsibility to fix, others are "new").

The way forward

- 7) There was considerable discussion regarding the issues. It was noted that a) There has never been and is not now any certainty of how water is (i) penetrating the cavity walls and possibly separately (ii) leaking into apartments; b) There is continued water ingress notwithstanding the complete sealing of the exterior with new paint and blocking pertinent weep holes; c) the construction of the cavity block walls is known to be faulty in two ways (i) the weep holes were set at the top, not the bottom, of the bottom course of blocks which it is hypothesised causes ponding within the double-block cavity and then through 'capillary' action leakages through the internal walls; (ii) the flashings do not go to the base of the internal cavity wall space which also probably results in ponding and capillary action.
- 8) Aurecon noted that there is no certain solution but have recommended inserting weep holes at the **bottom** of the course of blocks that meet the floor plate on the outer walls of the affected apartments so that any ponded water can drain out. Aurecon's preliminary recommendation is for a horizontal weep hole to be cut under each second block allowing a good 'cleanout' of debris (largely sloped mortar) and some certainty of any ponded water having fast and clear egress.
- 9) NB: It is proposed that we only address the affected (7) apartments and do not risk creating problems where none exist by executing a universal programme of new weep holes.
- 10) Aurecon confirmed that inserting new weep holes: a) is in their view the preferred course of action and another independent building contractor has also expressed this opinion b) will not cause any structural issues; c) can be done in a 'pattern' (albeit only at the affected levels on each wall) so that to the extent that they are visible, the new weep holes will look 'deliberate'; d) even though care will be taken to clean out the cavities as much as possible there will be leaching until the accumulated mortar trapped in the cavities washes away.
- 11) Aurecon 'guesstimate' that this work will take about 1 week and cost approx. \$5k - \$10k.

10-year plan

Roof Car:

We have now had discussions with 5 contractors. A number have declined the job for a variety of reasons. Report received from Farra (Dunedin) who have visited the site twice now and who propose a tailor-made solution. Two options – rails and no-rails i.e. traverses the whole roof top rather than limited by rails - at approx. \$155k and \$135k respectively (plus cranage at approx. \$30-50k) vs \$230k budget as suggested by Koltek. The 'no rails' system can access all parts of the 'white bits' including the flying bridges so we do not require any apartment access to operate and clean/maintain/repair parts of the building but may create load issues on the roof slab. Proposal being reviewed by Aurecon from an engineering/load perspective. 8 month lead-time upon placing order. Agreed to await Aurecon's report but then deal with EC decision-making by e-mail if it is a 'black and white' decision.

Insurance

Insurance is a significant cost to the OC, of prime importance and is due for renewal in December. The chair, building manager and secretary met with our insurance brokers BAC to discuss our insurance.

Increasing the excess to say \$10k and promoting recent successes in dealing with defects (point 3.4 below) is likely to result in lower premium and increased competition amongst insurers.

Some of the points discussed with BAC are set out hereafter. Copies of all detailed notes and documentation forming part of the “pack” for the EC meeting including more detail on the insurance issues are available upon request from any committee member

- 1.1. BAC advised that some matters in the past impacted adversely on our premiums but the fact that many issues (particularly the balustrades) have been resolved should result in insurers looking favourably at quoting for Altair;
- 1.2. depending on the insurer/policy an insurer may be entitled to insist upon re-instatement rather than a pay-out;
- 1.3. our insurance needs are complicated by reason of our inner city location, limited road access, planning consents, being built above a tunnel, etc.; the latest replacement valuation for the building is \$84,830,000. This is for the building only and does not include a value for land/airspace . In the case of a disaster, if proceeds were paid (see point 2.5) they would not be paid to individual lot owners but to the OC who would then have to decide how to proceed. In a total destruction scenario, the insurer/OC may not obtain consent to rebuild to existing height.
- 1.4. there is no such thing as insurance that eliminates all risk i.e. it is unlikely that there is adequate cover available at any premium for a total disaster such as an earthquake which may render large areas uninhabitable or inaccessible for an extended period.
2. Other matters discussed:
 - 2.1. Public liability cover – currently \$20m, BAC suggest \$50m. We consider existing cover adequate;
 - 2.2. Office bearer’s liability – currently \$15m. We consider this should equal public liability cover (\$20m).
3. BAC to obtain insurance quotes from at least CHU and Chubb while attempting to attract other insurers.

We await insurers’ responses in about October.

Retail Lot

Following (i) the EGM decision to ratify a new license agreement and (ii) the request of the EC that the chair and secretary negotiate arrangements with the new lessee of the retail lot (represented by Pierre Moio), there have been ongoing consultations between the chair, the building manager and the secretary with Pierre particularly regarding the impact of wind on operations and customer comfort in the retail lots. As a consequence there have been new plans (attached) drawn up that:

- a) Extend the glazed iron doors/gates on the north and south faces to ceiling/roof height;
- b) Create a glass and aluminium façade along the eastern façade in a very similar style to the glazing that exists within the retail lots now.

- c) **New plan** (not shown on the most recent plans). Because of the height (4m) the doors/panels will now replicate the existing look even closer than that shown in the plans with 3m sliding doors with a non-opening glass panel above as there are difficulties with both availability and strength of 4m glass. This façade will run on a 'nib or hob' just inside the existing garden wall to avoid it being on common property.
- d) Where there is no roof on the eastern face at the southern end there will be a glass ceiling/roof in the same glazed treatment as the vertical glazing.
- e) Additionally the chair reported that he had sent a note to Brad Garlick reminding him that all maintenance etc of the renovations is his responsibility i.e. not the OC's responsibility.
- f) The proprietor's cheque for \$10k as a renovation bond has been received.

There was robust discussion regarding whether the intended changes to the commercial lot were acceptable or not.

Matters raised included:

1. that the proprietors have not yet submitted final plans/drawings/samples of materials and that it is consequently not possible for the EC to come to an appropriate decision;
2. that a model and/or full/comprehensive plans/photos and drawings should be on display in the foyer/on noticeboards;
3. whether the plans were in keeping with the original architects concept;
4. whether and to what extent architects should be appointed to advise Altair on the proposals;
5. whether the plans and issues should preferably/properly be put before an EGM;
6. that the intended changes could have planning repercussions for the future;
7. the inclusion and design of the canopies and the gates on the north and south sides;
8. whether the gates suitably matched/interacted with the intended aluminium eastern façade;
9. whether it was appropriate to extend the premises eastwards;
10. whether or not the external aluminium façade should match the silver/grey colouring of existing eastern façade or be painted charcoal;
11. that the initial plans had been initially favourably received by the planning department.

There was consensus that:

- (i) the retail premises "as is" are and look a "mess";
- (ii) the site is very wind swept;
- (iii) it is in everyone's interest to have a successful use of the retail space, but not to the detriment of everything else;
- (iv) any model/plans/photos/etc received from Pierre should be displayed in the foyer.

The chair detailed the history of the proposals within the EC and his, the building manager's and the secretary's interactions with Pierre emphasising that there had been considerable consultation in the process, that all changes requested by the chair had to date been accommodated and that the EC had mandated these negotiations.

The chair tabled a plan/proposal drawn up by James Tonkin, an owner and an architect, for an alternative treatment of the eastern façade using the existing Altair glazing but at a lower height – 3m rather than 4m - which would preserve the eastern roofline. James had emailed the chair stating that he did not think the proposed plans are sensitive

enough to the building and was not in favour of the proposed plans to the extent that they will detrimentally affect the existing cantilevered roof of the pavilion/ pergola. It was agreed that Jame's plan/proposal should be discussed with the lessee. The chair expressed the EC's appreciation for James Tonkin's input regarding the project.

The chair noted that there has been a prominent notice on the notice board since last Friday advising that the plans were available at the concierge's front desk and that 3 residents had given the chair feedback.

The chair sought an EC vote that the current plans be approved and that the EC decide not to refer them/anything else to an EGM.

A proposal was made and agreed to that any decision regarding the retail premises be postponed for approximately a week and that Pierre be requested to provide either a model reflecting the final plans/intentions and/or drawings and/or photo mock-ups in order that the EC could more easily assess the intended changes.

The chair voted against the proposal and expressed strong views. The chair did not vote separately in the capacity of or on behalf of John Anderson or Gavin Napier. The chair disagreed that any decision should be postponed, noting that the proposal would eliminate the ugly impact of the vergola, the shade cloth screens and the extensive signage approved by a previous EC. The chair also observed that the actions of the EC undermined the negotiating position of the mandated EC representatives to negotiate in good faith with the proprietor of the retail lot and would make it difficult to have sensible and effective negotiations with any commercial partners in the future.

The meeting finished at 19h55.