



# ALTAIR

Strata Plan 64622

## EXECUTIVE COMMITTEE MEETING

Wednesday 23 November 2011, Elan meeting room 18h30

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

**Guests:** Carole Ferrier

**Apologies:** John Anderson, Rob Di Iorio and Eric Francis of Francis Management

### Appointments for this Meeting

Tim confirmed that John Anderson appointed Ralf to act in his place at this meeting of the executive committee. The EC accepted this proxy.

### Minutes of Last Meeting and Matters Arising

Tim tabled some notes which were discussed. The notes were extensive and went to matters beyond the issue raised.

The meeting considered that the minutes of the previous meeting were an accurate record without amendment and that nothing raised by Tim altered that record.

Other matters arising are dealt with in the order of business in the Agenda.

### Correspondence

No correspondence received.

### Retail premises

The committee agreed that the vergola roof be covered with specialised grey sheeting as shown to the meeting by Ralf and David.

### Finance Report

November Finance Report available upon request. Slightly ahead of budget if admin and sinking funds are consolidated. Tim noted electricity costs were high. Richard noted that there was a once off unspecified electricity related cost. There is one significant outstanding levy. (\$3k)

### Building Manager's Report

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

- a) Leaks: 'Blue Bits: Work done. One apartment remaining with very minor work but owner happy with status quo.
- b) Air conditioning unit. Resident of an apartment is installing air-conditioning. Unit and trades people were on site that day. David has advised them that this is not allowed. Resident (not owner) has responded that he will proceed anyway. David has written

to owner. EC expressed outrage at this action. EC asked Ralf to investigate what other options exist to rectify the situation other than CTTT.

### **Notice to Comply, Application for mediation and adjudication**

Evidence was submitted to the Executive Committee and the Building Management giving support to By-Law breaches by the owner of Lot 103 Vicki Joanne Goodwin, (Apt 1402, Altair, 3 Kings Cross Road Sydney). It was reported that she and/or the occupant at her direction or knowledge, has installed an air-conditioning unit to the Lot and has damaged common property in doing so.

This breach is in contravention of By-Law 31 of the Scheme.

It was **RESOLVED** having reviewed such evidence the Executive Committee is satisfied that the owner of Lot 103 has contravened that by-law and that it act as follows:

1. That the Owners Corporation serve a Notice to Comply with a By-Law, under Section 45 of the Strata Schemes Management Act 1996 on the following person; of Lot 103 Vicki Joanne Goodwin for breach of By-Law 31 by damaging the common property by installing an air conditioning unit, fittings and ancillary equipment to the Lot without permission.
  2. That pursuant to Section 128 of the Strata Schemes Management Act 1996 that the Owners Corporation instruct Linders Strata Management Pty Limited to lodge an application for Mediation of Lot 103 Vicki Joanne Goodwin, for breach of By-Law 31 by damaging the common property by installing an air conditioning unit, fittings and ancillary equipment to the Lot without permission.
  3. That if mediation with the owner of Lot 103 Vicki Joanne Goodwin, (is unsuccessful, that the Owners Corporation instruct Linders Strata Management Pty Limited to lodge an application for an Order by a Strata Schemes Adjudicator requiring of Lot 103 Vicki Joanne Goodwin, (Apt 1402, Altair, 3 Kings Cross Road Sydney) to remove the air conditioning unit and repair the common property.
- c) Concierge issue. Unacceptable behavior. Action recommended by David, to be reviewed by Deborah and Ralf. Recommend leaving issue with David.

### **Roof Car**

The report from Aurecon indicates that the 19<sup>th</sup> floor roof slab is OK but that we will have to strengthen level 19 (i.e. the roof of level 18 apartments and the floor of level 19 penthouses). Aurecon recommended a 'second opinion' from the Robert Bird Group, the original engineers when the Altair was built. Birds' written report is still awaited but they have orally advised that (i) level 19 will need strengthening, and (ii) such strengthening may best be achieved by removing ceilings of level 18 apartments and painting the underside of the slab with carbon fibre paint but further consultation is required.

Ralf proposed the following protocol for progressing the Roof Car:

1. all communications/negotiations with consultants, contractors, suppliers etc and with affected Altair owners regarding the Roof Car be conducted by David (with support where necessary by Ralf) reporting back to the EC via the Monday meeting minutes and EC meetings;
  2. all legal work associated with the Roof Car be assigned to Grace Lawyers who will be briefed by David assisted by Ralf; and
  3. when the legal work is completed to the satisfaction of David, the Strata Manager and Ralf it will be accepted by the EC in that form and acted upon.
- The meeting agreed the protocol.

## 2012 Insurances

Following premium increases of around 44% over the last two years the strategy for 2012 has been to review our policies with BAC Brokers to see where we can make ourselves a better insurance prospect. This has led to a plan to ensure that we are covered for 'disasters' rather than any attempt to try and cover all claims. We regard a disaster as either a 'sustainable' event (e.g. a fire in part or all of the building) where we will all have to leave the building for a period – maybe 2/3 years??? - Or a complete 'write-off' e.g. an earthquake devastates Sydney.

The following insurance aspects have been considered:

- a) increasing the building cover to the current building valuation of approx. \$84m. NB. ONLY the building is insured NOT the land;
- b) increasing Office Bearers insurance to the maximum of \$20m (+ \$1895);
- c) increasing the 'Loss of Rent' from the standard 15% of building valuation (\$84m) to 20% (approx. \$17m). It has been suggested that it may be more realistic at 30% (approx. \$25m at +\$5023) based on the fact that a 'write-off' disaster (earthquake) will possibly require residents to be out of the building for a longer time, say, 3/4 years. 30% gives about \$255 for each entitlement. For example a 'typical' 2 bedder on level 10 would have 726 entitlements which would generate about \$184k for rent = about \$900 per week for 4 years or about \$1200 per week for 3 years; NB. There is no real protection against a disaster such as a widespread earthquake; There would be no services, limited resources, labour, alternative accommodation, etc. and no guarantee that the land which Altair is built on would continue to exist. There has, however, never been an earthquake in Sydney;
- d) Catastrophe insurance:
  - (i) only applies if the government and the insurance industry declare a "Catastrophe";
  - (ii) basically helps cover escalation in (i) the cost of re-building (ii) increased rental costs consequent upon a disaster. We are covered for 15% (approx. \$13m) over and above the base \$84m for re-building;
  - (iii) any rent supplement only kicks in after the Loss of Rent cover is exhausted and is limited to about an extra \$2m.Increasing the catastrophe insurance to 30% would cost about \$1600 more;
- e) increasing our excess from \$1500 per claim to \$5000 per claim. A review of our claims history suggests that while this would 'cost' us about \$1650 annually in foregone collections it would save us approx. \$5000 in premiums.

Insurance is a classic 'how long is a piece of string' product. We can increase our cover, and premiums, virtually ad infinitum.

The committee discussed our options generally in a context of trying both to:

- (i) maximize our cover following the 'disaster' strategy;
- (ii) set ourselves the discipline of trying not exceeding last year's premium – just under \$79k.

The committee agreed as follows:

Base price for 2012 <i>(approx. 7% reduction from the 2011 premium)</i>	\$73919
Plus Extra Office bearers cover from \$15m to \$20m	\$ 1895
Plus increase in Loss of Rent to 30%	<u>\$ 5029</u>
<u>Total</u>	<u>\$80843</u>

### Issues for AGM

Ralf raised the following AGM issues for consideration before finalization at the December EC meeting:

- a. Time/date: 18h30 Monday 20 Feb 2012. StrataChoice can do that date and the audit should be doable by then.
- b. 2012 Budget. Richard, David and Ralf have met for a preliminary review of numbers based on 10-year plan and known and/or projected 2012 costs. Plan is to have budget for review at December EC meeting. The committee agreed that the budget should not be prepared on a basis of allowing for levy discounts for prompt levy payments.
- c. 10-year plan Capex: Rolled over from 2011 - Roof Car (\$230k); in 2012 plan - Foyers – carpet and paint (\$155k); Roof membrane (\$71k); Lifts (\$30k).
- d. Pool Covers: Self-liquidating but initial cost of \$50k as reported at May EC meeting. Agreed to resolve b), c) and d) at the December EC meeting.

### AOB

- a. Agreed to hold the Christmas party on Monday evening 5 December 2012. Appointed sub-committee of David Stanger and Kathryn Thiel-Sirett. Budget as for previous year.
- b. The committee decided not to investigate the possibility of having an outdoor shower at the swimming pool area, given that there were 4 showers available on the 4<sup>th</sup> floor level next to the gyms.
- c. Agreed to investigate the possibility of sharing/alternating pool heating with Elan in winter and requested David to discuss with Elan to gauge any interest. .
- d. Noted that owners who own more than one lot (e.g. an extra car space) can arrange to have the separate lots amalgamated for the purposes of council rates achieving cost savings. A pro forma email for these purposes is available upon request from Tim ([timtrollip@optusnet.com.au](mailto:timtrollip@optusnet.com.au)).
- e. Agreed to investigate reducing lighting in certain car park areas when daytime lighting conditions make this possible/desirable to save electricity. David advises that i) we are not metered in a way that allows us to measure the impact of turning out the car park lights in the daytime; ii) Francis Management have another building that are installing meters which will allow them to measure this which may give a more objective measure in the near future and iii) in his view the car parks would be unacceptably dark in the daytime with the lights off. Agreed to await any feedback that Francis Management can give us from the other building.

**The meeting finished at 19h20.**

**The next meeting is scheduled for 18h30 on Wednesday 14 December 2011.**