



MINUTES OF A COMMITTEE MEETING OF CATHEDRAL PLACE COMMUNITY BODY CORPORATE MCP 106902 HELD AT THE MEETING ROOM, CATHEDRAL PLACE ON MONDAY 7 APRIL 2008 AT 6.00 PM

Representation: Peter Zunker Cathedral Place 'A' – Notre Dame
Pat Brown Cathedral Place 'B/C' – Oxford & Cambridge
Tony Rich Cathedral Place 'D/E' – Canterbury & Westminster
John Gilliland Cathedral Village
Conrad Beal Body Corporate Manager, Representing Archers
Body Corporate Management Pty Ltd

Present By Proxy: Ken Morrisby: Cathedral Place 'G/H' – Kensington & Sandringham
– Proxy to Conrad Beal
Brian Fisher: Cathedral Place 'F' – Duhig - Proxy to Conrad Beal

Present: Kristine Ceraolo Committee Member and Owner, Oxford & Cambridge

Apologies: Ken Morrisby: Cathedral Place 'G/H' – Kensington & Sandringham
Brian Fisher: Cathedral Place 'F' – Duhig

Quorum: It was noted that a quorum was declared constituted there was more than half (50%) of all members of the committee being present.

Chairman: Tony Rich, the Body Corporate Chairman, chaired the meeting.

Budgets: Peter Zunker and John Gilliland, working with Randall Edwards have been working on finalising cost allocations and to prepare budgets. Peter Zunker presented draft budgets for consideration by members, with amounts agreed to.

Sinking Fund

Peter Zunker met with Napier & Blakeley, who were engaged to provide amended sinking fund forecasts following the cost allocation exercise and John Gilliland's previous instruction to Napier Blakeley. A copy of the amended Unrestricted Sinking Fund Forecast was provided to members. The Restricted Sinking Fund Forecast, as advised by Napier Blakeley, did not require any amendment. The Unrestricted has some items removed.

Unrestricted Sinking Fund Budget

The forecast recommends a budget of \$2687.00 this year.

The balance brought forward in the forecast is currently \$0.00 as the opening balances are yet to be agreed to following the Sinking Fund being split into two budgets.

Peter Zunker advised that the opening balances have to be considered when determining this years budgets. He presented a worksheet with calculations of sinking fund expenses over the last 3 years. He advised that the expenditure items for the previous years have not been allocated between restricted and unrestricted which means the opening balance must be recalculated to reflect the true position with respect to the levies paid.

John Gilliland advised that he was not prepared to have the security system in the Unrestricted, that it should be attached to the Residential BUP's through agreement as there is no part of the security system providing a service to Cathedral Village. It was discussed what cameras are providing a service to Cathedral Village.

Peter Zunker maintained that it was Warren Fisher's advice that levies could be raised for repairs to property owned by the CBC and the security system was owned/leased by the CBC.

John Gilliland advised that legal expenses, and title renovations expenses require more information to determine where those expenses belong.

Peter Zunker advised the meeting that these related to the allocation of carparks and easements done by Mick Lyons, Gadens and NRH and should be unrestricted expenditure as they did not relate to the pool area.

Peter Zunker requested a vote on accepting the budget of \$2687.00 with the opening balances in his worksheet being used to provide the opening balance and amend the budget accordingly.

John Gilliland requested a review of expenses over 6 years. Peter Zunker advised that this would most likely present a situation far from favourable to Cathedral Village. John Gilliland reiterated his request for a review over 6 years. Conrad Beal proposed that at this stage the Committee vote on accepting the total in the sinking fund forecast, and then discuss opening balances.

RESOLVED that the Unrestricted Sinking Fund Budget for the 2007/2008 financial year be \$2687.00 as per the amended Unrestricted sinking fund forecast
Carried 6 For, 0 Against, 0 Abstain

Restricted Sinking Fund Budget

Following discussion it was RESOLVED that the Restricted Sinking Fund Budget for the 2007/2008 financial year be \$237,937.00
Carried 6 For, 0 Against, 0 Abstain

Restricted Administrative Fund Budget

Following discussion it was RESOLVED that the Restricted Administrative Fund Budget for the 2007/2008 financial year be \$378,180.00
Carried 6 For, 0 Against, 0 Abstain

Unrestricted Administrative Fund Budget

The items in the budget were discussed.

John Gilliland advised that Body Corporate Management (Community), auditing, and legal fees should not be in the budget, and should be charged in accordance with usage with cost allocated by the number of lots, not lot entitlements. He advised these items should be handled by the suspense account. He advised that Cathedral Village would be in conflict of any decision to charge by lot entitlements.

Following discussion it was RESOLVED that the Unrestricted Administrative Fund Budget for the 2007/2008 financial year be \$110,000.00
Carried 6 For, 0 Against, 0 Abstain

Opening Balances

The method of determining the opening balances was debated. Peter Zunker advised that a review of the last 3 years was possible, but further back, with the records less available, the review becomes much more difficult.

RESOLVED that a review of the expenditure for up to 6 years (time and accounting records permitting) be used to calculate the opening balances for all four budgets for the 2007/2008 financial year and that Archer Gowland be engaged to do a review of the expenditure up to 6 years (time permitting) to be used to calculate the opening balances within 4 weeks, and that the review go back as far as accounting records allow.

Carried 6 For, 0 Against, 0 Abstain

Electricity "Dividend"

The members discussed previous advice from Archer Gowland and the auditor regarding the tax implications of charging for electricity and recording on the 2006/2007 tax return, which is due to be lodged by 15th May 2008.

John Gilliland recommended that an extension be obtained.

It was noted that the advice from Warren Fischer was that the profits are to be returned to the consumer. The moneys in the electricity trading fund are held in trust, and there should not be a trading income.

If the funds go back to the consumer (owner/occupier or tenant) it is a deductible expense.

If the funds are going back to the owner there is tax to pay by the Body Corporate as the mutuality principle applies.

It was agreed that the Body Corporate find a method in this tax return that enables the Body Corporate not to pay tax.

RESOLVED that a Archer Gowland be engaged to provide advice on how, in the tax return to be lodged and in future tax returns what the Body Corporate is required to do to enable no tax to be paid in relation to the electricity trading fund.

Carried 6 For, 0 Against, 0 Abstain

General Business:

Refund to Notre Dame

Peter Zunker raised advice from audit report which required Notre Dame to be refunded \$15,319.17 as the amount was paid twice.

RESOLVED that Notre Dame be refunded \$15,319.17 in accordance with the advice of the auditor

Carried 6 For, 0 Against, 0 Abstain

Electricity – Oxford & Cambridge

The report from Geoff Magoffin, who is conducting an audit of electricity charging in the complex, on the consumption being recorded on the meter for Oxford & Cambridge was discussed.

The report shows clearly that the meter is recording far more than what Oxford & Cambridge could be using. Geoff Magoffin is currently investigating. Peter Zunker advised that Oxford & Cambridge are paying electricity accounts in accordance with the current report.

The difference between the amount invoiced to Oxford & Cambridge and the recommended amount on the report will need to be dealt with.

Outstanding Accounts - Payment

Peter Zunker raised the non-payment of electricity accounts by Cathedral Village. Body Corporate Manager advised payments made/not made from the current statement, which shows a balance owing of \$2901.00.

John Gilliland acknowledged that some accounts remain unpaid, and that, following being sent a copy of all outstanding invoices by the Body Corporate Manager he would undertake payment.

Peter Zunker raised that the Drains-r-us credit for copper pipe ordered by John Gilliland was not being returned to the CBC because drain-r-us have a dispute with the village body corporate regarding an account for work done for them. John Gilliland advised that the CBC should be taking action to recover the credit from Drain-r-us and that had nothing to do with the village body corporate. It was agreed that recovery action should commence to get the CBC credit off Drains-r-us.

John Gilliland advised that he had recently paid some levies owing.

Peter Zunker raised the non-payment of \$15,493.62 by Cathedral Village, which appears to be the painting for Year 5 \$8369.02 and other painting costs totalling \$5763.48 and lift maintenance costs of \$1324.42.

Body Corporate Manager advised the original invoice (SSKB) is dated August 2006, and a further copy had been sent to him. John Gilliland requested the Body Corporate Manager provide a copy of all invoices regarding painting that are unpaid for him to consider. Peter Zunker asked that if payment was not made by the next meeting, that the CBC should take action to recover outstanding funds from the village body corporate.

Confirm Minutes:

RESOLVED that the Minutes of the meeting held on 3 March 2008 be accepted as a true and correct record of proceedings

Carried 6 For, 0 Against.

General Business:

False Alarm Charges

The charging of false alarms was discussed. The previous policy was to charge for all false alarms. Body Corporate Manager advised some tenants had been charged when the Body Corporate had not been charged due to some free callouts each quarter.

RESOLVED that the Body Corporate prepare a By-law for recovery of false alarm costs from owners and this be placed on the agenda of the Annual General Meeting

Carried 6 For, 0 Against.

The next committee meeting was agreed to be the 12th May 2008.

The meeting was closed at 8.00 pm

Confirmed.

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Chairman