

ST BENEDICTS (TOOTING) MANAGEMENT COMPANY LIMITED

MINUTES OF ANNUAL GENERAL MEETING

HELD ON THURSDAY 19th NOVEMBER 2015 at 7 p.m. AT TRIDENT BUSINESS CENTRE,
89 BICKERSTETH ROAD, TOOTING, LONDON, SW17 9SH

PRESENT:	Kevin Herrmann (KH)	Director (chaired the meeting)
	Ravi Joshi (RJ)	Director
	3 other shareholders	(Property owners)
	Angela Petts	Senior Property Manager, R&R
	Solomon Drummond	Assistant Property Manager, R&R

PROXY VOTES: 2 proxies nominated the chairman of the meeting with instructions on voting
1 proxy nominated Mr Herrmann in a private capacity with discretion on voting
1 proxy nomination had not received by the deadline set by law so was invalid

Kevin Herrmann chaired the meeting, opened it at 19.05 and welcomed those present. The Directors and Property Managers introduced themselves. KH advised of the proxy nominations that had been received.

1. To receive and approve the Minutes of the Annual General Meeting held on 18th November 2014

The Directors invited those present to comment on the minutes. One shareholder asked about the electricity overspend and this will be covered in the next item.

Passed with 8 votes in favour and none against.

2. To receive and adopt the Report of the Directors and the Accounts for the year ended 30th June 2015

The Directors invited those present for any queries on the accounts. KH explained the two documents, with the Company Financial Statements now containing very little information and most information in the Service Charge Statement since service charges are held in trust.

KH drew attention to the electricity charges. Because of a faulty meter in 17-27 Carlisle Way, the electricity company estimates had caused an overcharge of around £3,000. After investigation, a refund was made. Because of the timing, the service charge statement shows an abnormally low expenditure for electricity as the refund was offset against later expenditure. In response to a question, KH explained the detailed entries involved. The contractor administering the electricity service now has to read the electricity meters at least twice per year to avoid a repetition.

KH also drew attention to the reduction in service charge arrears, which had decreased significantly following policy changes to chase arrears sooner and diligent work by Rendall and Rittner. Those not paid are referred to solicitors for recovery action at the owner's expense. Shareholders thanked Rendall and Rittner for their efforts collecting service charges.

Passed with 8 votes for and none against.

3. To present further information on the budget, service charges and how these are spent

RJ distributed the pie charts previously sent out to owners, which show how annual expenditure and periodic expenditure from reserves break down for freehold properties and for leasehold flats. In response to a question, the Directors explained what these showed.

KH explained that by extending the maintenance period from 4 to 5 years as decided at the 2014 AGM, quarterly service charges had been reduced by £25 for flats on average for two-bed flats and £17 on average for one-bed flats per quarter. The effect on charges for houses was minimal as periodic costs are small.

The Directors advised that, for the significant expenditure on gardening services, there had been only one increase in 5 years. They also referred to the beneficial action taken a couple of years ago to keep managing agent charges under control.

This item was for information so there was no vote.

4. To provide an update on periodic maintenance, flat wall repairs and other work

The Directors explained the major items of work undertaken during the periodic maintenance in 2015, covering repairs and decoration. Most work was to the blocks of flats but the Estate clock tower was also decorated with anti-graffiti paint and the top of the portico was repaired. Work had now reached the stage of 'practical completion' and the Directors had carried out inspections where they felt those by the surveyor were not adequate. The builder had remedied defects over the last couple of weeks, including those reported in response to the survey carried out by the Directors and Managing Agent. As is usual, 5% of the cost will be retained for 6 months in case any more defects became apparent.

Wall cracks found in 2010 and subsequent investigations have now been repaired according to the structural engineer recommendations. Work is not to specification around three roof-level corbels, leaving them with solid mortar as built originally rather than a flexible seal, so the Directors are negotiating that the builder will repair these if required for a period of five years to the next periodic maintenance instead of the usual six months. This answered a shareholder query.

Some further cracking has been found in 31-45 Church Lane and 105-135 St Benedicts Close, which will be referred to the structural engineer to advise if additional repairs are required. As with the previous wall cracking, which was mostly from thermal expansion, this is in the external facing brickwork, which is not structural.

Other work carried out during the year included:

- Roof repairs, where all visible defects were repaired but further investigation is required for two blocks in Limetree Walk where heavy rain still penetrates.
- Tree surgery to the trees at Church Lane, St Benedicts Close, Abbey Drive, and tree roots had been attended to which had caused parking spaces to rise.
- Repairs to parking spaces.

This item was for information so there was no vote.

5. To raise the cost threshold above which work is to be tendered and to set the new threshold

The Directors advised that the current threshold had been £1,000 for many years. The Directors were increasingly having to waive tendering, as approved at the 2013 AGM, because work had increased in cost and fewer contractors tender because highly priced ones do not win work and we stop using those whose services are not satisfactory. The Directors recommended a new limit of £2,000, which would cover the great majority of annual work, like repairs and tree surgery. The Directors confirmed that they would continue to seek best value and would tender some work to achieve this.

Passed with 8 votes for and none against.

There was then a further vote to confirm the new limit at £2,000 as the Directors recommended.

Approved with 5 votes for and none against (as this was not a resolution on the agenda, the proxy votes were not cast).

6. To deal with the election of Directors

The Directors explained that under company law, they do not now need to retire (but would do so if shareholders wished) and confirmed that both Mr Ravi Joshi and Mr Kevin Herrmann were willing to continue serving.

The Directors asked if there were any objections to their continuing and Shareholders indicated that they were content. There were no other candidates.

No vote was necessary.

7. To discuss the fitting of LED lamps, the risk of damage by contractors that could exceed the cost of the work and, if felt appropriate, to authorise one-off payment to the Directors to do this, which is otherwise against company policy, and to set the amount of payment.

The Directors explained that three different electrical contractors used over the years had not carried out work to a satisfactory standard and that the quality tended to deteriorate as the company grew and sub-contracted work to people who did not seem know what they were doing and carried out work unsafely. The delays before contractors attended was also too long. If work was not carried out correctly to fit new LED strip lamps, including removing the fluorescent starters, the lamps would be destroyed immediately.

Following successful trials, flat owners had previously approved fitting LED lamps in common areas that will cost more initially, but would pay for themselves in a few years and then save on electricity costs. There was not sufficient money in the flats reserves before the periodic maintenance, so this will be done as soon as it is affordable.

The valid tenders for contractors to carry replace the strip lights, which will cost around £1,600, were about £880, £3,300 and £7,070. The more expensive quotes are unaffordable and would destroy all benefit of using LED lamps. If the work were done cheaply and not correctly, the cost of lamps destroyed would exceed the cost of the work and could not easily be recovered, leaving flat owners out of pocket.

The Directors explained that they are willing to fit LED strip lamps themselves over time to avoid this risk, but estimated that it would take several days of their time to dismantle each of the 132 fittings, remove the starter, reassemble the fitting and fit the LED lamp. Current company policies do not permit payment to Directors except for expenses incurred. The Directors made no recommendation on this proposal and would not vote on it as it would be a conflict of interest. They sought the view of flat owners whether they would prefer to risk using a cheap contractor or will authorise a one-off payment to the Directors to cover their time to carry out this work and the amount of such payment, suggested as £300 to each of two Directors.

In response to a question, it was confirmed that the lamps in question are the strip lights by flat front doors, not the wall lights, although a proportion of the wall lights have already been replaced.

A shareholder asked if one of the Directors were injured whilst undertaking works on behalf of the management company, would there be a liability claim. KH explained the process in relation to installing light fittings in detail and considered that there was no risk of this as the work is not an height and the lamps can be disconnected from the electricity supply. The Directors committed to verifying the cover of the Directors' and Officers' Insurance to be sure that they are covered but stressed that they would not put themselves in danger.

Passed with 3 votes for and 1 proxy vote against (the Directors did not vote for the reasons stated).

There was then a further vote to confirm the payment to each Director for the work as £300.

Approved with 3 votes for and none against (the Directors did not vote for the reasons stated).

8. To report on private waste contractors as requested at the last General Meeting

As requested at the 2014 AGM, the Directors investigated the option of using private waste contractors to remove refuse from the Estate and allow use of wheelie bins. One quote was obtained, in the region of £80,000-£90,000 per annum, which was unaffordable. It was then established that such work requires Council licence and none of the contractors has this, so private waste collection is not possible. Despite resident petitions to do so, the Council has indicated that it does not propose to provide facilities for wheelie bins, which would be much more suited to our Estate.

The issues of refuse disposal and mice were discussed. Shareholders noted that no further options regarding refuse disposal could currently be found. The owner who offered at the 2014 AGM to translate information had not done so despite repeated contact from Rendall and Rittner. It was suggested and the Directors agreed that a specific strongly worded letter on refuse disposal should be sent to all residents.

If possible, the December newsletter would include a picture offered by a shareholder in attendance of waste dumped recently [this was not received in time so this proved not to be possible after the meeting]. After a suggestion by a shareholder, a Director asked Rendall and Rittner if it could carry out its weekly visit on Monday mornings in some weeks to identify the source of dumped waste where possible, and it will consider if this can be done. The Directors and Rendall and Rittner advised that, if the source of dumped waste can be identified, the owner responsible is required to remove it or pay for commercial removal..

It was stated that there are still mice in block 1-71 St Benedicts Close and the Directors described the repeated action taken on this. One shareholder noted that mice sought food, which was in kitchens, whereas the Company can only lay bait in the common areas and bin stores. Only owners and residents can take action in flats and not all do so, while the actions of some tenants have made the problem worse. The measures necessary to seal flats against mice, which can gain access through small holes, were discussed.

This item was for information and discussion so there was no vote.

9. To deal with any other business.

There was no other business.

KH closed the meeting at 8.16 p.m.