

AGM 2013

1. Housekeeping and evacuation information advised by LM on opening the meeting at 7.30 whilst Kathleen Grace and Martin Dawes (H&P) finalised the registration paperwork. No details were confirmed regarding the numbers in attendance or if a quorum had been achieved as per previous meetings. The proxy forms received required confirmation of validity by H&P. MD of H&P left the meeting at 7.35pm whilst KG held the proxy forms for handing over to David Doran and Colin Devon of H&P who were due to arrive at 8pm. Confirmation was received on the following day from H&P that a final count of 74 attendees and their proxies were present.

Committee members were introduced to the audience by LM, Annette Gray, Kathleen Grace, Dr. Alicia Salceda, Donald Hart, Rod McKendrick, John Midghall (Chairman), Alan McClelland, Vice Chairman, Tom McGuire and Liz McGlinchey. Before asking the Chairman to deliver his report on the previous year's achievements LM proposed the adoption of the minutes of last year's Annual General Meeting on 11th November 2013 requesting firstly from the audience present a first and second from anyone who had been present at that meeting. Following no uptake from the audience, Annette Gray and Tom McGuire from the committee adopted the minutes.

LM then advised the owners of the proposal to make a number of changes to the constitution to bring it in line with the terms of the title deeds. Advising that the current document was drawn up by the committee as a guide for committee members however it is not fit for purpose as it is in conflict with the deeds. The committee intend to compare both documents and provide you with the changes at a future meeting. Liz then handed over the meeting to the Chairman to deliver his report.

2. Chairman's report

John began by thanking everyone on the committee for all of their hard work and commitment to the community of owners over the past year acknowledging that it has been one of the most challenging so far for all committee members. Special thanks was given to Liz Tracey for her help with production of the newsletters, Murdo MacDonald for his help with the registration process, to the previous Chairman Malcolm Carrick and ex committee member Simon McGillivray for their work and dedication to bringing the NHBC claim to fruition acknowledging that without their tireless work over the years the claim would never have happened.

John listed a number of improvements which the committee have authorised on your behalf including new hot water taps to improve the quality of cleaning, targeted areas of cleaning within the basement areas, improvements to the lift lighting for the purpose of reducing electricity consumption and the ongoing garage lighting which is proving to be a bigger challenge than first anticipated. John hoped that everyone was enjoying seeing the finished artwork in the entrances, thanking photographer Iain McLean for his efforts. Further advising our commitment going forward to holding one monthly meeting throughout the year however this past year has seen a huge increase in the time spent mainly due to supporting the Factor Project.

This coming year we plan to finalise the factor project, the lift and garage lighting and hopefully will be

in a position to address the re-decoration of the basements once we see which areas the contractors will put right under the provision of the NHBC claim. Currently we are seeking quotations to revarnish the wooden banisters. John finished by thanking everyone for listening, handing over to Tom McGuire.

3. Factor Project Report

Tom McGuire presented the facts from the initial stages of this project to the present day taking us through each stage in depth, illustrating by use of an overhead projector.

Stage1. PQQ – PRE QUALIFICATION QUESTIONS

Tom explained that initially he contacted factors to whom the committee had been recommended, seeking their interest to tender. These included Ross & Liddle who declined, Newton Property Management, Speirs Gumley Property Factors, A&K Property Management, Life Property Management & Walker Sandford Property Management. The incumbent factor H&P, he explained, would be automatically included in the process however did not require to be included at this initial stage.

A series of meetings were arranged to meet with representatives from the interested parties, sending them a list of questions in advance which had been compiled in order to be fair and equitable whilst allowing us to score the responses against an agreed criteria. Each company delivered their answers to the committee, some providing impressive documentation in support of their business models. Each member of the committee independently marked the answers to the questions out of 5. Using the grid, Tom demonstrated how by collating all achievements, he was able to eliminate two companies namely LPM & Walker Sandford. Committee members did not confer at this stage of marking, the outcomes being advised to the members by email from Tom.

The top 3 results were, Newton Property Management, A&K Property Management and Speirs Gumley Property Factors along with the incumbent. Next step was to inform the unsuccessful candidates and move on to stage 2 which would take the shape of a site visit again on an individual basis, hosted by 2 members of the committee over a period of 3 half day visits to allow the candidates a full and comprehensive view of the scale of the development. Next they would be required to present to the committee their vision of how best they would approach management of GH. Another set of meetings was arranged whereby the potential new factors and including H&P delivered their presentations to the committee. These took place over two evenings with slots dedicated to each company. The scoring of this stage took the shape of advantages and disadvantages, again scored individually by the members of the committee and sent to Tom for collating. The stage we are now at is to decide who goes through to the voting stage which will then be your chance to choose who you wish to factor your properties. Tom highlighted the importance of this decision for each and every owner.

TOM then invited any questions from the audience.

Dr Salceda interjected advising that she wished to make a statement of her personal views on the matter of Mr McDivit of A&K. She advised that in her personal opinion “this man is to me a pit bull” and it would not be her wish for people in our development who found they could not pay their fees to

have their lift service removed or their lights switched off as he had indicated during his presentations. In her opinion he would not be a person who she would wish to deal with.

Mr Alan Henderson raised the point in respect of the debt situation, informing the meeting of his experiences at another development in which he is involved, Kingston Quay and the need for aggressive management. He advised that in his personal experience, this method saw a significant reduction resulting in almost no outstanding debt concluding that some elements of aggressive behaviour worked.

A question on what other factors do was raised with the point being made that a monthly payment system was an alternative.

David Burns raised the point that for any potential move to be decided upon, he believes that the underlying problem will be the floats. TM agreed with David and advised that the committee also understood this to be an important consideration for all owners. He advised that only one company had chosen not to impose a working float and one other has offered to look at ways to offset this and of course the incumbent would not hold any such costs. Tom further advised that the committee recognised the need to put this out to tender and see what options there were out there in order to reach a solution. As it is such a huge undertaking for both a potential new factor and for all owners it is vital for the committee to look into all possible choices and provide you with all the facts to let you decide.

Euan Miller asked “what is the level of debt going forward” AM answered providing an update on the current improvement in the debt levels from previous years however it is still sitting around £125,000 as far as we have been told. Further advising that H&P policy at the moment is that they do not wish to go down the road of re apportioning as it too difficult to manage. Alan advised the owners that there remain many in our development who hold back from paying their dues persistently only adding to the difficulties of managing such a costly development. Alan listed some of the running costs which contribute to the bulk of our common charges, namely 15 lifts, cradles, and of course insurance costs before any necessary repairs which will need to be considered as our development ages.

A question was raised from the audience “ who would chase the debt?”, would this potentially become a liability to a new factor. AM advised that he had in fact posed this question to H&P during their presentation to the committee and the reply was that H&P would pursue those currently in debt with Notice of Potential Liability for the period of 3 years. AM had asked what would be their intention after this time and was advised that it would be a commercial decision which would be assessed and made at such time. TM advised the meeting that none of the tendering companies had been able to provide exact service fees for their services acknowledging that the repayment of a new float would be a significant burden on every proprietor.

AM continued with an update on the current cyclical maintenance fund which is sitting around £40,000.

Money has been spent from this fund to complete the decoration of the main entrances with the recent addition of the artwork. The main aim for this fund was always to complete the well overdue

re-decoration of the basement entrances including removing the carpets and tiling. AM reminded all present of the delay in this due to the ongoing NHBC claim. The work has started however the subcontractors for the builders have been given two extensions to allow them to postpone with a new date proposed soon. Once this work has been completed we will then be in a position to assess exactly what needs attention as it is expected that some of the re-decoration will be done by the contractor and would be a waste of our money to go ahead until we can see what is required. Other areas already in the pipeline with quotes being requested are:- the cleaning of the render on the white walls which has been discussed and researched until we now can no longer accept this poor condition. The wooden handrails which again, we have already embarked upon a request for quotations to allow us to consider the best quote. Also already out to tender is the cleaning of our carpets in the common areas which in some units are in dire need of attention. This list as you will know is by no means exhaustive and we will need to consider your feedback from this meeting to help us to prioritise what is most in need of attention and also what we can afford as much as we hate to remind ourselves, everything has a cost.

8.p.m. Arrival of David Doran & Colin Devon of H&P

After introductions by LM, Colin Devon addressed the owners :- He began by thanking everyone in attendance and raised the question himself, what has been going on? In particular he was referring to the NHBC claim which he confirmed saw a resolution report in March 2013 in our favour instructing that the works be carried out by 1st August 2013. Colin continued, "This came and went as did the next deadline of 9th October extension. Currently we have been given a date for the contractors to start on 18th November 2013, this being the first date which the contractors VINCI Construction have given to start."

CD further advised owners that debt figures continue to reduce, on 15th November £143,817 was outstanding of which £125,000 is considered bad debts. This is an improvement as prior to August 2013 we sat with £154,000 against bad debts of £136,000, a reduction of £10,000. Due to robust debt collection we have served 18 Notices of potential liability. AM interjected to ask if this was 18 flats or 18 owners.? CD said he would come back to that.

CD continued advising that the cyclical maintenance fund is currently holding £40,000 which as an integral part of what the factor does in setting aside funds in a separate bank account for necessary work. Stating that he would like to see this fund possibly increased in order to meet the needs of future necessary upgrading of your properties. Colin also highlighted his proposal which he has discussed with the committee to power wash the external walls.

The ongoing scenario with the car park lighting has seen us meet with a number of contractors, using Interlink as one of the best in terms of understanding our complicated systems. They undertook the task of checking and replacing the emergency lights to meet the required levels, identifying a possible 50% saving by replacing T8 bulbs with T5 as and when they need replacing, giving the same lux levels. 200 emergency light bulbs have been changed. Also he advised that the lighting in the lifts was problematic due to the movement of the lifts, the bulbs were failing due shakey fittings. A trial has taken place at 323 Glasgow Harbour Terraces whereby an alternative set of light fittings and bulbs was

tested with the successful combination being, we hope to see , rolled out sooner rather than later. Finally Colin stated it had been good working with the committee.

Standing down of the committee and re-election of members.

CD confirmed that all members with the exception of Kathleen Grace were standing for re-election.

He proposed re-election of all members to the audience, requesting proposer and seconder. John Di Mambro proposed from the audience and Pauline Taylor, also an owner from the audience, seconded. LM asked if anyone had any objections to the re-election of any members, there were no objections .

Three people put themselves forward for election onto the committee as new members, Mr Singal, Mr Henderson and Ms Lee. They were asked to provide their details to LM to verify eligibility.

H&P then answered questions from the floor.

Mr David Burns asked Why do you think people are really unhappy about the running of the development? A? This is definitely Glasgow's flagship development and is very important to H&P. We don't always get it right. We know we need to do more to get out there and meet with people, it's not what we want to be - faceless. The factor role has gone through a sea of change, we want to meet and talk to people. Everyone can talk to us and come and go through invoices. Mr Burns further commented that it was not up to the committee to take on the responsibility of running the development but the factor's job to do that. A/ CD concurred 100% with that, agreeing that we meet on a regular basis with the committee explaining that H&P should have more free reign to go ahead and attend to things however have been stopped by previous committee decisions. CD reiterated that in life we don't always get everything right. He also recognised the need for more communication to all owners.

Mr Henderson asked" If you successfully retained the business here, what would you do differently? " A/. I'd like to spend time with the committee to discuss a number of innovative ideas for example, there is a need for an odd job person doing more around the developments and in fact we are in discussion with other contractors looking at the DMO role."

Mr Henderson made the point of comparing Glasgow Harbour to Western Harbour in Edinburgh in which he advised the vast difference in costs he found when he went through the various contracts. CD advised that no two developments are ever the same, for example take the lift contract. GH moved from Kone to Apollo to save money however that didn't work out and we had to go back to Kone to get parts. There are quarterly costs for window cleaning, hoists, dry risers, water tanks. Cheapest is not always the best. Mr Henderson then asked Colin what he felt the costs should be? CD replied that he wants the bills to show value for money adding that H&P have nothing to gain by high bills for their clients explaining that he wants to be working for the owners constantly looking at best value.

Pauline Taylor expressed her views to CD advising that H&P should have shown initiative and been proactive in their role, only acting at the point whereby the committee intervened. PT asked why are we sitting here and you have done nothing?

CD answered, I am a straightforward kind of guy and yes there are things we could do better but I am the Property Manager, it is my responsibility to get things right, we can only strive to do better.

David Burns asked CD if he visited the development? A/.. Yes regularly at least every 4-5 weeks, as often as required.

Colin Boyd asked, "What is a normal level of debt and what do you think led to this reduction recently of £10,000, were there specific initiatives in place?" A/.. David Doran(H&P) answered that it depended on if people pay us and when, then it is discussed in the debt management department. The Notice of Potential Liability against various properties would be in part successful in recouping the common charges, also the number of repossessions, tragic to individuals, does mean a recovery against the property once sold. We constantly review the direct debits and the levels increased accordingly. Debt management is very important and we have specific initiatives in place to recover debt.

Mr Boyd replied, "If you take a NPL against the building, doesn't H&P then recoup the money that will have been lost? David Doran (H&P) replied, we carry out a constant review of direct debits and credit levels and will propose increases as required. Our new system is helping but we continue to work at it.

AM asked the question If you are unsuccessful in the Tender process, What would happen to the £140,000 of debt would you continue to pursue? A/... The decision would be difficult at this time, I couldn't say if the debt would be pursued by H&P. Also saying sequestration debt would not be passed on to others, it's like a moving target.

Ms Zaheer asked the question if this would include the float?

A discussion ensued regarding the collection of debts from different perspectives as Ms Zaheer said she worked in debt management therefore had an understanding.

Mr Moffat, asked Can you give us the figures of the number of people with outstanding debts over 3 months A/ CD replied yes that was available. (not provided at the meeting)

Alan Waugh asked the question is there still a debt problem with flats that are let out, whereby not paying their fees but still continue to collect rent? DD answered /. Yes, this is a big problem for us as much of it is investors. It can take as long as 18months but as you recover some debt, another property goes into debt. AW. asked is it possible that rent arremts can be made? DD/A..Yes.

AW further asked if these debts were paid effectively at the end of every 3 months? DD Answered, they can be as our cash flow figures don't include months 1, 2 and 3.

Ms Zaheer asked what number of NPL were currently applied? A/- David Doran advised he was unsure exactly but could find out.

Mr Steve Hodgins commented on the lack of information available on the bills and when he asked for a breakdown of the accounts was not given the information. After falling behind with his bills, he was then threatened with legal action. CD replied that a copy of the breakdown of repairs is made available

in the DMO office following every account issue. He further advised that Mr Hodgens should phone him and come into the office.

Following this session, LM thanked David Doran and Colin Devon for their time and input in the proceedings inviting them to leave the meeting. Collecting the proxy forms David and Colin exited.

Mr Henderson advised the meeting that H&P had made an offer of reduced charges to him if he didn't pursue a complaint. Ms Zaheer also advised that she had been made a similar offer of reduction in her account.

An Owner who did not provide his name, advised that recently he experienced a problem with the flue hatches during the boiler maintenance visit, the gas engineer could not say that the system to his flat was safe?

LM responded saying that whilst the hatches had been fitted by Taylor Wimpey to assist in viewing the flues, we are aware that there seems to be an inconsistency in what gas service providers are looking for.

Anna Fan raised a question regarding the car park gates which had been out of service twice recently for an unacceptable length of time and which posed a problem for her as her fob does not work for both gates. She had been advised by H&P that she required to pay £40 for a new fob.

AM answered, yes that is correct.

Mr Sewnauth raised a complaint regarding his continued dissatisfaction with the unsightly slime evident on the external walls, claiming that NHBC should have been approached further expressing that this has been ongoing for a ridiculous length of time.

AM advised that the committee already have quotations in hand however there is some concern regarding the appropriate course of action in order to protect the render and not add to the problem.

Simon McGillivray provided information regarding the position of the render defect, advising that only a certain area would be attended to under the current NHBC claim.

Mr Sewnauth interjected his expectation that the committee should be dealing with this as a complaint through the Home Owners Housing Panel. Dr Salceda responded that these type of demands should not be put onto the committee explaining that we are all in full time jobs and the owner could himself pursue this via the HOHP or the NHBC claim web site.

Mr Waugh referred back to the Tendering process, firstly thanking the committee for the work that has been done to date. He continued with a question regarding the candidate A&K Property Management noting that they did not want to take a float therefore raising the question how would they finance the development? Tom answered that we have been advised we would receive a demand for payment on day one of their taking over the role and every month thereafter as and when bills came in.

Mr Di Mambo asked if A&K had produced accounts expressing his concerns about the risks associated

with this? Tom responded saying that to date they had not yet produced them.

Mr Henderson asked the question of Speirs Gumley if they were successful, when would they be looking for the initial floats? AM answered, Yes Alan, they have indicated as such however have expressed a wish to work with the committee to try where possible to alleviate the burden on homeowners, understanding that a float is already held by the incumbent.

Mr Moffat advised he has had a bad experience with Speirs Gumley when they had not supported a serious maintenance defect.

Mr Miller expressed his concerns regarding the safety of our floats in the event of handing over to a new company believing that it may also cloud the issue of pursuing debt on our behalf.

LM then called an end to the meeting at 9.20, apologising to those for whom time had once again run out. Thanking everyone for their input and support advising that further updates will be available in the next newsletter and eventually the minutes will be available on the website.

Dr Canales intervened to thank the committee on behalf of everyone present.

Next AGM proposed November 2014.

Approved : _____ **Date :** _____