

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.2 2013-14 held on 12th February 2014
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Ms. Alison Dack	(AD)	Chairlady, Siena One VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Mr. Michael Law-Kun	(MLK)	Vice-Chairman, La Vista VOC
Mr. James Heathcote	(JH)	Chairman, Chianti VOC
Mr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Ms. Lee Huen Yee	(LHY)	Chairlady, Parkvale VOC
Ms. Maggie Chan	(MC)	Chairlady, Neo Horizon VOC
Mr. Sam Cole	(SC)	Chairman, Parkridge VOC
Mr. Rene Buts	(RB)	Vice-Chairman, Greenvale VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Mr. Eddy Shen	(ES)	Chairman, Headland VOC
Mr. Tony Cheng	(TC)	Representative, Registered Owner
Mr. Derek Chu	(DC)	Representative, Hotel
Mr. Edwin Lu	(EL)	Representative, Clubs
Mr. Vincent Chua	(CKC)	Director, DBSML
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

Apologies:

Mrs. Judy Mathews	(JM)	Chairlady, Greenvale VOC
Mr. Colin Boshier	(CB)	Chairman, La Vista VOC
Mr. Leslie Fung	(LF)	Representative, Registered Owner
Mr. Grant Ramsay	(GR)	Representative, School
Champion Associates Ltd.	(CAL)	Chairman, Bijou Hamlet VOC

Secretary:

Mr. Kenneth Chan	(CYY)	Senior Manager, Estate, DBSML
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Assistant to Secretary:

Ms. Key Lam	(KL)	Assistant Manager, Community Relations & Admin, DBSML
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By Invitation:

Mr. W.S. Yau	(WSY)	Senior Manager, Contract Management and Works, DBSML
Mr. Peter Tsang	(PT)	Senior Manager, Transportation, DBTPL
Mr. Mark Chen	(MKC)	Representative, ARUP
Mr. Ivan Lo	(IVL)	Representative, ARUP

Staff of City Management:

Mr. Wilson Chan	Manager, Estate, DBSML
Mr. Daniel Ma	Manager, Estate, DBSML
Mr. Steve Kwok	Manager, Estate, DBSML
Mr. G. H. Koo	Manager, Estate, DBSML
Mr. Kenneth Kan	Manager, Estate, DBSML
Mr. David Chan	Assistant Manager, Estate, DBSML
Mr. Samuel Ip	Assistant Manager, Estate, DBSML
Ms. Peggy Lam	Assistant Manager, Accounts, DBSML

Mr. Frankie Tsang
Mr. Kenneth Kwong

Assistant Manager, Security, DBSML
Manager, Maintenance, DBSML

Observers:

Mr. Geoff Lovegrove	Owner, Beach
Mr. Victor Riley	Owner, Midvale
Mr. Andrew Burns	Owner, Headland
Mr. Thomas Gebauer	Owner, La Serene
Ms. Deborah Wan	Owner, Peninsula
Mr. Al Dack	Owner, Siena One

The Meeting was declared duly convened with the necessary quorum of Members present.

		<u>Action</u>
1.	<p>APOLOGIES</p> <p>CYY announced that apologies had been received from JM of Greenvale and CB of La Vista, whereas representing on their behalf were RB and MLK, the Vice-Chairmen of these villages. Apologies were also received from GR of Schools and LF of Registered Owner. He also welcomed JH, the newly appointed Chairman of Chianti.</p> <p>AY reiterated the statement she had read out in the last COC meeting that she would take part in this meeting to protect the interest of Beach Village but it did not imply that she had recognised the legitimacy of this COC meeting.</p>	7:32 PM
2.	<p>CONFIRMATION OF THE MINUTES OF PREVIOUS MEETING</p> <p>2.1 CYY advised that the draft of the previous meeting minutes had been sent to members on the 23 January, with reminders on the 28 January, 4 February and 10 February 2014 respectively. So far no comments had been received.</p> <p>2.2 AY then gave two comments :</p> <p style="padding-left: 20px;">i) Agenda Item 9.16 of the previous meeting minutes- to change the name from "FKW" to "FC" with reference to remarks made to RB.</p> <p style="padding-left: 20px;">ii) FC left after the discussion of Agenda Item 9.6</p> <p>2.3 Subject to the above amendments with BH proposed and SC seconded, the minutes were confirmed.</p>	7:33 PM CYY
3.	<p>MATTERS ARISING FROM PREVIOUS MINUTES</p> <p>3.1 Introduction of Resident's Card</p> <p>CKC advised that after the last COC meeting, CM had further discussed with DB transportation companies regarding the proposal of upgrading the Octopus Card reader on both buses and the ferry pier. However, they did not agree to take up the "Whitelist System" set up cost of \$1.1 million. Under such circumstances, CKC announced that the proposal of introducing a resident's card for Discovery Bay could not proceed further.</p>	7:35 PM

6.	<p>COC SUB-COMMITTEE / WORKING GROUP UPDATE</p> <p>With the Chairman's approval, this agenda item was moved forward at the request of Ms. Deborah Wan who was present on behalf of CB.</p> <p>6.5 Rehab Bus Working Group (COC Paper 434/14 was circulated to members)</p> <p>6.5.1 With a power-point presentation, DW gave a brief summary of the project update. The ACCESSDB Rehabus service commenced operation in December 2012, and has been utilized by about 20 to 30 regular users with mobility difficulties.</p> <p>6.5.2 After operating for 6 months and despite conducting subsidised promotion activities among the community and sharing the use of the bus with another organisation (Pneumoconiosis Compensation Fund Board) there were still insufficient funds to continue the services due to lack of new donations and adequate demands of bookings from the community.</p> <p>6.5.3 Hence, the Working Group put forward a proposal to subsidise a fund for employment of a full time driver by the Hong Kong Society for Rehabilitation in order to retain the Rehabus as a valuable resource for DB residents</p> <p>6.5.4 The Rehab Bus Working Group (RBWG) proposed the following resolution to the COC: <i>"That for the financial year 2014/15 the Management Fund should subsidise the operation of the ACCESSDB Rehabus up to a maximum amount of \$240,000 to provide services for the benefit of Discovery Bay owners and residents."</i></p> <p>6.5.5 FKW stated that under the Principal Deed, CM could only be allowed to use Owners' Fund when the duties and obligations were to be performed by CM. The proposed subsidy was outside the duties and obligations of CM who had no duty and role in the project. As such, CM had no ground to support the resolution. Having said so, CM would however be willing to allow a budget in the sum of \$150,000 (same as 2013) to be used for the promotion activities of the Rehabus project</p> <p>6.5.6 BH asked if that budget could be increased. DW expressed that with a higher allocated budget, the RHWG could do so much more to enhance the service</p> <p>6.5.7 FKW said that subject to the finalised budget for 2014/15 the amount could potentially be increased to \$240,000.</p> <p>6.5.8 CKC emphasised that CM would fully support the project but being the manager under the DMC, it would be difficult for CM to directly subsidise the operations of the Rehabus because the service was not exclusively provided for DB residents. He further advised that flexibility in the budget amount of \$240,000 for the promotional activities of the Rehabus would likely be provided in the coming financial year 2014/15.</p> <p>6.5.9 A member queried what would be the nature of promotional activities</p>	7:38 PM
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	<p>that would qualify for the fund. FKW replied that he would leave it to RHWG to work out the details for the COC's endorsement.</p> <p>6.5.10 In response to the Chairman's enquiry of withdrawal of the proposed resolution, DW advised that she was not in a position to decide and she would advise CB accordingly.</p>	
4.	<p>CM REPORT</p> <p>4.1 Upcoming Tenders</p> <p>4.1.1 With a power-point presentation, WSY updated members as to the status of those tenders in progress and upcoming tenders in the following 3 months.</p> <p>4.1.2 Road Resurfacing Work in Plaza Lane and Water Tank Cleansing Work – Both tenders had been returned and analysis was in progress.</p> <p>4.1.3 Supply and Installation of Octopus Card System and Associated Works at Permit Collection Office / Permit Return Office – COC paper was issued to members and an invitation to tender would be sent out to contractors.</p> <p>4.1.4 Broker Services for Insurance for 2 Years – COC paper had been issued and a tender would be issued shortly.</p> <p>4.1.5 Consultancy Services for Reviewing and Improving Communal Facilities of P&D and Sewage Discharge System – Consultation expected in April 2014.</p> <p>4.1.6 Replacement of 2 Defective Water Leakage Devices – Tender expected to be sent out in March 2014.</p> <p>4.2 COC Paper Endorsed (COC Paper 428/14)</p> <p>4.2.1 CYY said that COC Paper T948/14 Tender for Dam Monitoring & Associated Works was issued to members on the 15th January 2014 and no objections were received from members and the 4-year contract had been signed commencing on the 1st March 2014. Funding would come from the Repair and Maintenance Water Works account. As a formality, FC proposed and MC seconded the resolution to be endorsed as described in the COC paper 428/14. There were no objections from members.</p> <p>4.3 Report on Customer Satisfaction Survey</p> <p>4.3.1 CYY advised that this biennial survey was conducted between November 2013 and January 2014. Altogether 1269 forms were received representing 15% of the total number of units in DB.</p> <p>4.3.2 With a power point presentation, CYY advised that the overall rating of above average scores was 90% of the surveys received, while they were 2% below the average score of the total number of surveys received.</p>	7:58 PM

4.3.3 CM would continue to follow up with some respondents who had given ratings at below average and Estate Managers would report the scores of their village directly to the VOC.

4.4 Security Issues Update

4.4.1 Due to recent burglaries in DB, CYY informed the action taken by Tung Chung Police, ISS (the security contractor) and CM over the past few months.

4.4.2 A lot of concern had been raised over the past few months with regards to burglaries and bicycle thefts in DB, questions had been asked by owners and residents as to what CM has done to combat these crimes.

4.4.3 Apart from extra manpower from the Police and ISS, CM had devised a special task force to combat these crimes. In addition, installation of HD CCTV systems in City areas and other villages had been actively worked on. Due to the effectiveness of the HD CCTV systems, a vandalism case in Headland Village was detected and the images were clear enough to identify the vandals, which evidently led to the arrests. The case is currently under police investigation.

4.5 Update on the DB North Sports Pitch

4.5.1 Currently there are around 40 regular bookings including the free public sessions offered to the community.

4.5.2 The total income from bookings in November and December 2013 stood at \$93,625. The estimated income for the year of 2014 with bookings and storage charge would be \$850,000.

4.6 Community Events

4.6.1 3 local churches with Christmas carols in the Plaza and the Narcissus Class on 3rd January 2014.

4.6.2 The Airport Authority visit would be held on the 26th February 2014 regarding future developments of the 3rd runway and the environmental initiatives taken by HKIA.

4.6.3 The Annual Dragon Boat Races and Carnival would be held on the 1st June 2014, the day before Tuen Ng Festival in order to ease the pressure on recruitment of steer-man and provide a safer environment to competitors and spectators. CYY also said that a portion of the entrance fees would be used to purchase one more dragon boat.

4.6.4 Stringent measures would be implemented in all future Flea Markets, as the purpose of organising this event was to promote the environmental aspect of selling reusable goods. In the past CM had noted that some booth operators have been selling new or commercial products.

4.6.5 The Discovery College Charity Fun Run organised by Discovery

College would be held on the 1st March 2014 with the proposed route in Siena Park and Siena One Drive.

- 4.6.6 Two events sponsored by HKR, namely HKR ECO Workshop and Dream Come True Educational Adventure Park visit would be held on 16 and 22 of February 2014 respectively.

After presentation, members were invited to give their comments.

4.7 Feedback from Members

- 4.7.1 AY expressed that regarding the road resurfacing of Plaza Lane, she did not agree that it was the owner's responsibility and the maintenance should not be charged to the City account. She also asked if the Octopus Card System at the PCO/PRO would be installed on an amenity area and if so, she queried whether the facilities could be installed there.

- 4.7.2 CYY replied that it was the amenity area but the traffic arrangements had been in operation for many years. The installation of the Octopus Card system was to save cost. TC pointed out that traffic control is a use always permitted in any zoning. It was not the first time that people challenged the existing use of PCO/PRO and they could continue to pursue it with the government.

- 4.7.3 SC asked what the procedure was for endorsing the COC Paper T948/14 under the DMC.

- 4.7.4 FKW advised that the Principal Deed had specified that "*a resolution put to the vote of the COC meeting shall be decided on a show of hands or by poll....*" However the tender for Dam Monitoring and associated Works was a regular maintenance work and, strictly speaking, CM did not require the approval of the COC.

- 4.7.5 AD asked for more information on the upcoming tender of consultancy services for reviewing and improving communal facilities of P&D and sewage discharge system.

- 4.7.6 WSY said that the existing sewage discharge system had been in place for the last 20-30 years and it is about time for reviewing current maintenance practice plus consideration of any necessary replacement work. CM would appoint a consultant to review the current system and find out if there was any necessity of upgrading or improving the system for DB.

- 4.7.7 In response to FC's enquiry of the Broker Services Insurance tender, FKW explained that in previous years the response from the broker/insurance companies on the tendering exercise had been poor and hence proposing a two-tier system. Under the proposed system, CM would engage a broker to prepare a tailor made insurance package for DB in compliance with the DMC and BMO, then through the broker to work out the tender document and invite the insurance company for the subsequent tendered quote. The broker would continue the service, looking after the interests of residents after the engagement of an insurance company.

5.	ITEMS FOR DISCUSSION	
5.1	<p data-bbox="194 239 997 271">ARUP's Presentation of BMS Upgrading Tender Analysis</p> <p data-bbox="194 302 1203 533">5.1.1 ARUP presented a brief summary of BMS Upgrade Tender Evaluation, which recaptured the current tendering process and the return of tender price options. Three out of seven tenderers returned (including Honeywell Ltd, Analogue Technical Agencies Ltd and The Jardine Engineering Corporation Ltd). Two payment options had been proposed, i.e. the Standard Payment and the Payback Approach.</p> <p data-bbox="194 571 1203 734">5.1.2 Average annual costs based on a ten years model and the prices from the lowest bidder were shown to COC Members in the Meeting. Villages were required to confirm their participation by Mid-April 2014 and COC Members would be consulted again in next meeting on the final figures of the City expenses.</p> <p data-bbox="194 772 1203 869">5.1.3 In response to RB's queries of the lowest bidder. WSY replied that the lowest bidder would not be disclosed to Members until the figures were analysed and finalised.</p> <p data-bbox="194 907 1203 1339">5.1.4 AY circulated information showing the upgrading costs derived from the numbers of DDC at each Village. AY questioned ARUP on the cost allocation by the tenderers and the reasons of variation on upgrading costs per DDC between Villages. WSY explained that the tenderers priced for individual villages instead of cost allocated to each Village by ARUP. ARUP added that COC and VOC Members had been explained the rationale of upgrading tender and DDC installation at various meetings and at a site visit. WSY supplemented that the cost had been subjected to the man-works involved for connecting different numbers of data points to DDC and other factors on site, hence unit prices might not be the same in all Villages. ARUP would further check and clarify, with tenderers, the price variation per DDC between Villages before getting back to Members.</p> <p data-bbox="194 1377 1203 1574">5.1.5 SM questioned whether this project fell into a single price tender or should priced for individual villages. ARUP replied it was priced for individual villages. BH was concerned whether the opt-out village would affect the total tender price. WSY said that the tenderers understood that some Villages might opt out and the tender allowed partial award for several Villages.</p> <p data-bbox="194 1612 1203 1742">5.1.6 RB asked, 'In order to avoid all these forever, when will we be able to look at the return tenders? It's meaningless without looking at the return tenders.' WSY agreed Members could review the tender document upon request.</p> <p data-bbox="288 1780 1203 1944">RB continued, 'It is funny. Five minutes ago, you told me, Ken told me you won't. If I can have a chance to look at it, then I will know it.' WSY responded that Members could look at the document, but have to keep it confidential. RB replied, 'It's not difficult to tell that I will notice it on my own'.</p> <p data-bbox="194 1982 1203 2033">5.1.7 SM asked for the next step. WSY responded that following with VOC Papers, CM would further present to individual villages. Villages were</p>	8:45 PM

	<p>allowed to decide whether to participate in the upgrading exercise. CM would consolidate village replies and further seek COC Members' consensus to proceed with upgrading at City Area (ie. Expenses on City account). CM's recommendation went for the lowest bidder.</p> <p>5.1.8 MLK enquired as to the details of the upgrading, the impact of opting in and out of the upgrading and the scenario for participation or not. WSY clarified that the details were presented by ARUP in May 2013 and distributed to all Members afterward. In order to refresh members' memory, SM requested that CM re-issued the previous presentation materials again.</p> <p>5.1.9 ES stated that villages were free to opt out. Upon opting out, the monitoring points of those villages would be disconnected from the BMS channels and opted-out villages should then need to arrange their own monitoring device. The returned tender price was cheaper than the current maintenance cost and it would be a good deal.</p>	
5.2	<p>Update on Bus Service Provided by DBTSL (COC Paper 430/14)</p> <p>The above COC paper was issued to Members on 4 Feb 2014 and also tabled at the meeting for Members' reference.</p> <p>5.2.1 TC sought Members' views on a special concession scheme that enabled elderly passengers to use internal buses free of charge on Sundays and public holidays. TC elaborated that in response to request made by some COC members, the scheme was introduced last year for a trial of one year. Since the scheme was welcome by many elderly passengers, the Seniors Community Group had requested for extension of the scheme.</p> <p>5.2.2 FC expressed strong support for the scheme.</p> <p>5.2.3 BH asked why the scheme was implemented on Sundays and Public Holidays when buses were usually more crowded. TC explained that the objective was to encourage more elderly to go out with their families on holidays.</p> <p>5.2.4 With no further comments or objections from Members, TC confirmed that the scheme would be extended for one year from April 2014.</p> <p>5.2.5 TC told Members that the bus company is working with PCCW to provide free Wifi service on all external bus routes to Tung Chung, Sunny Bay and the Airport. Since PCCW had found that the mobile phone signals along Discovery Bay Road was very weak, two applications were submitted to the Town Planning Board for setting up two radio base stations in order to provide stable Wifi signals along DB Road.</p> <p>5.2.6 The two installation sites would be at Discovery Valley Road near the obsolete water treatment plant and hillside at Discovery Bay Road opposite to Beach Village respectively. TC believed that these two base stations would not cause nuisance to residents while enabling passengers to enjoy free Wifi on all external bus routes. TC sought</p>	9:14 PM

	<p>wrong way so people could not read it and there should be a proper consultation. She queried how many people would use Wifi on external buses which were so crowded.</p> <p>5.2.8 TC believed that many passengers would use free Wifi on external buses if provided. Even if there were passengers who did not use Wifi, it would be an option for them if they wanted to use it. He appealed for Members' support if they considered that free Wifi service was good for residents.</p> <p>5.2.9 BH said that all people would use the free Wifi service because they wanted to be connected all the time. MLK added that many students did not have connection to mobile 3G for their iPads/iPods and they would use the free Wifi service.</p> <p>5.2.10 AD said that it could be a good thing for passengers not to have Wifi connection during the short journey time of external buses and she found the matter a bit bizarre.</p>	
<p>5.3</p>	<p>Temporary Relocation of DB01R Bus Terminal in Tung Chung (COC Paper 429/14)</p> <p>5.3.1 FC briefed Members that when the matter was discussed at the previous PLG meeting, members were all strongly against the proposed location of the temporary bus terminal. Following that meeting, FC, Peter Crush and Vic Riley conducted a site visit and identified a more suitable location outside Tung Chung MTR Station near where the Lantau Taxi Stand was located. The said area was currently occupied for illegal parking most of the time.</p> <p>5.3.2 Subsequently, Mr Peter Crush had kindly drawn up a very detailed proposal which involved minor changes to vehicular flow and traffic lights in the area (the Proposal). The Proposal had been sent to VOC members and the Transport Department. FC appealed to Members to support the Proposal. He further suggested that the COC Chairman could send a letter to the Commissioner for Transport to support the Proposal on behalf of COC.</p> <p>5.3.3 AY said that TD had rejected the Proposal and she tabled an email sent by TD to her dated 30 January 2014. Since TD had rejected the Proposal outright based on two technical reasons, residents should have a Plan B of having a drop-off point at the bus stop near Fu Tung Estate where all the E route buses stopped. She considered that this location could serve residents irrespective of whether they were going to Yat Tung Estate, taking the E route or Lantau buses or visiting Citygate. She added that she had just received a confirmation that TD would conduct a survey to confirm the number of buses using the said bus stop currently.</p> <p>5.3.4 FC pointed out that the bus stop mentioned by AY had been considered unsuitable when Mr Peter Crush, Mr Vic Riley and he conducted the site visit earlier. Setting aside the problems with this location, it could only solve half of the problem at most because residents would still need to walk a long distance to the temporary</p>	<p>9:25 PM</p>

	<p>bus terminal near Ngong Ping 360 proposed by TD when taking the bus back to DB. He stressed that the Proposal could be modified if necessary, but he suggested that residents should push for it in the meantime.</p> <p>5.3.5 TC said that the proposed bus stop was unsuitable. He drew Members' attention to the Proposal which explained why the proposed location was most suitable. He supported the suggestion of sending a letter to TD by the COC Chairman.</p> <p>5.3.6 RB said that it would be more productive to follow the path of least objection by including the Plan B proposed by AY in the letter to be sent to TD. He would object to sending the letter if Plan B was not included in the letter. TC commented that there would be no chance of success for the Proposal if Plan B was mentioned as an option in the letter.</p> <p>5.3.7 With support of most Members, SM undertook to send a letter to TD to support the Proposal. FC undertook to prepare a draft for SM's consideration.</p>	SM/FC
5.4	<p>Proposed Fare Adjustment for Discovery Bay Ferry Service (COC Paper 431/14)</p> <p>5.4.1 TC said that as set out in the COC paper, DBTPL was applying for a fare increase of 4.1% for T-card users and 8.1% increase for single trip users in order to differentiate the fares for DB residents and non DB residents. He added out that it had become more and more expensive to run a ferry service. Unlike six of the 14 outlying island ferry routes which were covered by a special financial assistance scheme introduced by the government in 2010, DBTPL was not covered by the scheme. He emphasised that even with the proposed increase, DBTPL would still incur a loss of about \$20 million a year.</p> <p>5.4.2 AY said that the previous forecasts on loss made by DBTPL in previous years were inaccurate with the amounts of loss being overstated. According to the Interim Report of HKR International, a huge profit of \$61.5m was recorded in various services provided in DB in the first half of 2013/14 which represented a big increase over the profit in the previous year. It would drive residents away and have very heavy adverse impact on property price if HKRI wanted every single business unit to make profit.</p> <p>5.4.3 TC replied that the amount of profit quoted by AY was a consolidated figure for ferry, bus, tunnel, City Management, Recreation Club, Siena Club, Marina Club and Golf Club, with the last two being very prestigious clubs in Hong Kong. The construction cost of the tunnel amounting to \$500m was paid by HKR and residents had not been asked to share the cost. The increase in profit in 2013/14 was mainly due to the insurance compensation payment for the vessel (DB6) damaged by fire in 2010. He pointed out that TD already explained very clearly at the public consultation session on fare increase in 2013 that TD did not take into account any expenses incurred by DBTPL relating to DB6 when assessing DBTPL's previous fare increase applications.</p>	9:40 PM

- 5.4.4 JH said that the construction of the tunnel had led to increase in the property price of new flats in DB. As an owner of Chianti, he had shared the construction cost of the tunnel. JH added that he used bus when going to Central because ferry was too expensive. He considered that more people would use ferry if the fare was cheaper.
- 5.4.5 TC responded that according to a large scale survey conducted two years ago, the key factor for determining whether a passenger would take ferry or bus was the passenger's destination. Passengers heading for Central would mostly take ferry while passengers heading for Kowloon and NT would mostly take buses. JH disagreed because he took bus when travelling to Central.
- 5.4.6 On behalf of his VOC, SC asked for evidence for rising fuel cost. Also, given that DBTSL had been adopting very high safety standards, he could not understand why the enhanced safety measures introduced by the government after the Lamma Island collision would impact on DBTSL's operating costs.
- 5.4.7 TC clarified that the COC paper only mentioned high fuel cost but not rising fuel cost. Although the safety standards adopted by DBTPL were the highest among local ferries, the more stringent safety measures imposed by the government had resulted in higher operating costs. Immediately after the collision, the government shortened the docking cycle of vessels from 15 months to 12 months and it had increased the maintenance cost by \$3M a year. Although the docking cycle was subsequently relaxed to 14 months, the maintenance cost was still increased by at least \$1m a year. Other measures proposed by the government such as requirements to take formal courses before taking various seamen examinations and regular refresher courses would lead to increase in staff cost.
- 5.4.8 AY said that after the COC had approved an extension of the ferry licence for two years last year, DBTPL shortened its application to one year and applied for a higher fare increase. She criticised that DBTPL threatened to stop the ferry service which was HKR's duty stipulated in the lease and DMC. From the information she obtained from TD, there were 13 people who were worried that the ferry service would be stopped.
- 5.4.9 TC clarified that COC had never approved a license extension of two years last year because DBTPL changed its application for licence extension from two years to one year due to two reasons. The first reason was the worry that the enhanced safety measures to be introduced by the government after the collision would have huge impact on operating costs. The second reason was that DBTPL needed more time to study whether the loss could be reduced by replacing overnight ferry with coach. However, it was subsequently concluded that the amount of loss which might be reduced would be insignificant. This time, the fare increase applied for by DBTPL was for two years.
- 5.4.10 ES asked whether DBTPL had conducted any survey to find out if residents wanted it to continue to run the ferry service, and whether DBTPL would lower the speed of its vessels in order to save fuel.

	<p>While welcoming a higher fare increase for non residents, he was worried that residents would still be required to shoulder higher fuel cost. He noted that the ferry service for some outlying islands got government subsidy because their District Councillors had done a lot to push for it, but it was not the case for DB.</p> <p>5.4.11 TC replied that although lowering the speed of the vessels could save fuel, he would not do so because he understood that time was valuable for most residents. When the government first introduced the subsidy for the six outlying islands, DBTPL did seek the assistance of the LegCo member representing the Transport Functional Constituency, but the government refused to change its decision. TC believed that the true reason for the government's decision of not providing subsidy to DB and Park Island ferry service was because the developers of these two areas were required to provide ferry service under their DMCs. TC stressed that although HKR had an obligation to provide a ferry service, it would be unreasonable and unsustainable to require HKR to run the service at continuous loss.</p> <p>5.4.12 AY said that the government subsidy scheme had been discussed at the District Council and Legislative Council for several times. It was a policy decision by the Transport and Housing Bureau. To date, the government was still saying that it would review the policy. She said that she would be happy to push the matter together with Park Island if the latter agreed.</p> <p>5.4.13 AY asked if DBTPL would agree not to increase its fare if the government agreed to provide subsidy. TC replied that it was impossible for DBTPL to do so and he wondered whether AY understood the subsidy scheme. According to the scheme, the government would only provide a subsidy to cover the percentage of fare increase exceeding the inflation rate and ferry operators still needed to face rising costs due to inflation. AY said that since HKRI was making huge profit in its service operation, it would be unacceptable for DBTPL to increase the ferry fare continuously.</p> <p>5.4.14 LHY asked whether the small increase in estimated ridership was due to more population intake of new flats or commercial events. TC replied that it was due to both factors as well as increase in the number of elderly passengers.</p>	
5.5	<p>To discuss and decide the appointment of a surveyor to assess the proposed rental charges of STT CX1376 and CX1377 and make an appeal if necessary (COC Paper T955/14 & COC Paper 433/14)</p> <p>5.5.1 AY reported that 4 current and former COC Members had a meeting with the Development Bureau and with a COC Paper explained the meeting details.</p> <p>5.5.2 AY clarified that the Short Term Tenancies (STTs) were entered into by the Government and HKR, and there was not dealing with individual owners. Owners were neither in any position to negotiate with the Government nor pay for the STTs. AY objected against the COC Paper T955/14 which sought Members' consensus for</p>	10:12 PM

tendering out the consultation service of rental charge assessment. She further stated that HKR should take the responsibility to deal with the Government calling for reduction. COC should not take any further action.

10:16 PM

(DC and EL were excused from the meeting)

5.5.3 FKW expressed his disappointment in COC Paper 433/14, which was against the decision of COC, stated in 2011. FKW recalled that COC concurred to have joint effect with CM and HKR to process with the negotiation with Government Department.

5.5.4 The first meeting with the Government was attended by COC members, CM and HKR. Afterwards, a letter from the Development Bureau had been received, requesting a proposal of the way forward in dealing with the captioned issue. Then there was no further involvement of CM and HKR.

5.5.5 FKW questioned why the 4 current and former COC Members met the Bureau again without inviting CM and HKR. On the other hand, FKW questioned the accuracy of Point 1 in the COC Paper 433/14 since HKR, upon the request of CM, wrote a letter to the Lands Department asking for an extension of reply to the 24th April 2014, reasoning that the COC was considering engaging a consultant to assess the proposed rental charge.

5.5.6 The Lands Department replied recently that the extension was granted without mentioning Point 1 of the Paper. CM would, through HKR, ask the Lands Department to disclose their reply to the COC for reference.

5.5.7 FKW further pointed out that the rental charge was initially proposed by the Lands Department to increase by one-third of the current rent and CM appealed for Members' support by engaging a consultant to assess the proposed rental charge as such costs would be absorbed by the Owners' fund.

5.5.8 In order to ease Members' minds on the dispute of the responsibility, CM (i.e. Manager's account) would absorb the consultant's expense (i.e. \$25,000) if it were ruled by the relevant Authority that it should be HKR's responsibility to pay the rental charge.

5.5.9 AY stressed there was no role for CM to step in since it was HKR to sign the contract with the Government. She told FKW that she had no knowledge of the STTs until meeting with the Bureau provided more background knowledge of the case.

5.5.10 FKW clarified that it was not the first time the Government had reviewed the rental charge of the 3 existing STTs. FKW recaptured that the first renewal was in 2004. CM then issued a COC Paper relying on HKR to negotiate with the Government and the rental charge to be reduced by 80%. Year 2008 was the second time CM issued another COC Paper advising Members of the increase of STT charges. The current one was the third time.

5.5.11 FKW recalled that in 1995, the COC agreed to introduce the

	<p>Government water and sewage discharge. COC also took up the maintenance of the whole system. FKW interpreted that the rental charge of the STTs form part of maintenance responsibility. FKW proposed to let Members decide on the way ahead. If any owners considered CM had done wrong, owners might go for Lands Tribunal.</p> <p>5.5.12 AY supplemented that in COC record in 1995, COC agreed to introduce the Government water in principle and there was no mention about STTs.</p> <p>5.5.13 FKW requested to move the motion of T955/14, to appoint the surveyor (i.e. the lowest bidder of the contract – BMI) to assess the proposed rental charge of STT – CX 1376 & CX1377 and appeal when necessary. The motion was seconded by ES. At the demand of RB and SC, the voting was decided by poll.</p> <p>5.5.14 The vote was recorded as below:</p> <p>In favour : 2 representatives from CM and HKR, JL and ES Against: SC, AY and RB Abstain: AD,LHY,FC, MC, SM,MLK.BH and JH</p> <p>(Absent: Clubs representative, School representative and representative of Bijou Hamlet)</p> <p>The motion passed with the below vote result recorded : Agree: 129246 votes Disagree: 35932 votes Abstain: 66529 votes Absent:: 3239 votes</p> <p><i>(Post Meeting Notes: After clarification of Amalfi Residential Shares, the calculation of Agree Vote should be 127661)</i></p> <p><i>(LHY was excused from the meeting)</i></p>	10:26 PM
5.6	<p>Proposal for shared use of a sports pitch at Discovery College (DC)</p> <p>5.6.1 SM introduced a new project proposed by Discovery College and the possibility of the COC Sports & Leisure Sub-Committee working together on the project. The proposal was to use the grassed area beside DC and have that turned into a sports pitch for football, rugby etc.</p> <p>5.6.2 The project would be completely funded by DC and all maintenance would be carried out by them. SM asked for permission from the COC to have further discussions with DC and the Sports & Leisure Sub-Committee in the coming S&L meeting.</p> <p>5.6.3 RB pointed out that there was already a sports pitch in DB North so he didn't see the need to duplicate that by having another one at DC.</p> <p>5.6.4 SC was also against the proposal of having an enclosed artificial sports pitch, although he wasn't against the idea of further discussions with DC.</p>	10:30 PM

	<p>5.6.5 ES commented that the original structural plan of Discovery College was not meant to be that high, in which a grassed area on the roof top could be made for more use. It was also increasingly difficult for DB kids to enrol into DC because of the high debenture. If DC wanted to use a sports pitch, they should consider hiring the DB North Sports Pitch. Members including but not limited to RB supported ES's comments.</p> <p>5.6.6 MLK stated that the COC members should get more information before making a decision on whether or not to join.</p> <p>5.6.7 After discussion, it was unanimously agreed that SM and the Sports & Leisure Sub-Committee should continue discussing with DC to gather further information on the proposal before reporting it to the COC.</p>	SM
5.7	<p>Formation of Cleaning Tender Working Group (COC Paper T950/14)</p> <p>5.7.1 Referring to the above mentioned COC Paper, FKW advised that CM had proposed 8 pre-qualified contractors for tendering. The weight of tender price and tender interview performance for selection of contractor would be similar to the last exercise with 55% and 45% respectively. The tender document was also revised to cope with previous comments in the last exercise.</p> <p><i>(JL was excused from the meeting)</i></p> <p>5.7.2 As an established practice, a COC Cleaning Tender Working Group was recommended to be formed, to work with CM. CM would call a first meeting by the end of this month (February). Each member was invited to put forward a member from their VOC to represent their own village.</p> <p>5.7.3 In response to the query of time-frame, FK advised that the tender was scheduled to be sent out in mid-March with three week tendering period. The interview of short-listed contractors would be in early May.</p> <p>5.7.4 ES volunteered to join the Working Group and expressed his view that in light of the previous tender exercise, RB should be barred from joining this working group.</p>	<p>10:49 PM</p> <p>10:51 PM</p>
5.8	<p>Declaration of Interest (COC Paper 317/11)</p> <p>5.8.1 AY recommended all members to sign the Declaration of Interest and send it to the COC secretary who would compile a register open to inspection.</p> <p>5.8.2 SM queried if members who had signed the Declaration of Interest 2 years ago would need to sign them again. AY stated that it would not be necessary.</p> <p>5.8.3 To fully clarify who had already signed the Declaration of Interest, CYY would circulate the list to members.</p>	<p>10:55 PM</p> <p>CYY</p>

	5.8.4 ES stated that members should only sign the CM copy or the Government copy and not a private copy.	
6.	COC SUB-COMMITTEE / WORKING GROUP UPDATE	
	<p>6.1 Finance Sub-Committee (COC Paper 432/14)</p> <p>(AD was excused from the meeting)</p> <p>6.1.1 MC gave her report on FSC with COC Paper 432/14 circulated to Members before Meeting.</p> <p>6.1.2 AY claimed that the FSC report should include the discussion of the ledger of Beach Village, City and water works and the discussion regarding City Retained Area, which she found to not be recorded in the FSC report. She stressed that the owner of City and Village Retained Area should be HKR.</p> <p>6.1.3 AY clarified that the building plan of the DB Hotel had no copyright and she obtained a copy from the Government for circulation to Members. She suspected Members were misled. AY further circulated the calculation of management unit (MU) and the starting date of charging the management fee of DB Hotel. She pointed out that the MU of DB Hotel was 3583, however CM accepted the record from HKR, which was 2600. The difference of the calculation was viewed a shortfall of around one million dollars.</p> <p>6.1.4 AY questioned MC of her capacity of meeting with KPMG at the time where 9 villages were dissolved, all COC meetings suspended and there was no FSC meeting. MC replied she was invited by FKW and attended as the former FSC convener because FK wanted her to understand what CM did regarding the audit work and the communication with the auditor at the meeting. There were no comments or decisions made by her in the meeting. AY queried if MC had understood and concurred to the MU calculation provided by CM. MC restated her position in the meeting as a spectator.</p> <p>6.1.5 AY stressed that MC mentioned in the last FSC meeting that the meeting with the auditor took place at the time near the Mid-autumn Festival which was about 180 days after the year-end closing. The meeting might be for audit clearance of outstanding matters. It was obvious from the FSC report that MC agreed with CM's calculation of the MU and the starting date of charging the management fee. AY asked MC whether these two calculations by CM were correct.</p> <p>6.1.6 MC repeated that she was an individual DB resident being invited to the meeting to see how CM communicate with the auditor. She did not exercise any personal judgement or express any personal opinion during the meeting.</p> <p>6.1.7 AY asked CM to confirm whether it was a training course for an individual DB owner to learn about auditing or an audit clearance meeting.</p> <p>6.1.8 FKW stated that it was an agreed practice of CM to invite FSC</p>	<p>10:58 PM</p> <p>10:59 PM</p>

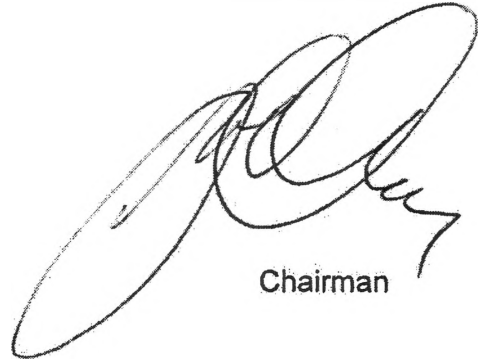
	<p>convener to attend when meeting with the auditor though nine VOCs ceased operations. CM respected the previous practice hence invited MC to attend the meeting.</p> <p>6.1.9 FKW explained that since FSC concerned issues regarding City Area, it was inappropriate to include the request of the ledger of Beach Village in the report.</p> <p>6.1.10 AY responded that 2 years ago whilst she was the FSC Convener, it was her idea to invite all FSC members to attend a meeting with the auditor and hence it was not CM's established practice. As only the "FSC convener" had been invited she wanted to know for what purpose this meeting was held, whether it was for training purpose or audit clearing.</p> <p>6.1.11 FKW responded that he had no more to add to his reply</p> <p>6.1.12 AY further requested that the FSC report should include all discussions. She stressed again that CM did not answer her question regarding the nature of the meeting with the auditor KPMG.</p> <p><i>(SC was excused from the meeting)</i></p>	11:05 PM
	<p>6.2 Environmental Protection Sub-Committee <i>(COC Paper 437/14)</i></p> <p>6.2.1 FC first reported on the recycling issue and confirmed with Yan Oi Tong who processed plastic recyclables locally. However, since there might be some new policies in the next few months to be introduced by the government on support of the recycling, he suggested the committee wait for a few more months until there are new policies from the Government.</p> <p>6.2.2 Currently, plastic would continue to be collected by the old plastic recyclers and would continue to be stored at their site.</p> <p>6.2.3 The Committee also suggested installing water fountains to reduce the amount of plastic bottle waste in the City. The committee would like to request CM to install them in public places including the DBN Sports Pitch.</p> <p>6.2.4 In conclusion the committee would like the opinion of the COC regarding the following issues:</p> <ul style="list-style-type: none"> - Would CM commit to only procuring electric vehicles as replacements to retiring vehicles or as additional vehicles when required and when possible? - Would HKR consider following that policy? - Could DB in the near future require all internal commercial vehicles, apart from buses and heavy duty vehicles, to be electric? - Would CM consider installing a drinking water fountain at the football pitch area and other CM administered locations? <p>6.2.5 Due to time constraints, FC said he would be happy to receive the responses by e-mail circulated among the COC members.</p>	11:12 PM

	<p>6.2.6 TC said that HKR supported the idea of making DB more environmentally friendly and would further examine all the technical issues relating to the use of electric vehicles.</p> <p><i>(MLK was excused from the meeting)</i></p> <p>6.2.7 CYY replied that a budget had already been allocated to install a drinking water fountain on Discovery Valley Road to cater for the runners and dog walkers. He would further consider one at the DB Sport pitch.</p>	11:18 PM
	<p>6.3 Sports and Leisure Sub-Committee</p> <p>6.1.1 SM said there had not been a meeting but would soon arrange one to discuss the DC proposal.</p> <p>6.1.2 AY asked if the Public Recreational Centre in DB North Commercial Centre could be turned into a skate park for teenagers and if the Club Siena basketball courts could be opened for public use.</p>	11:20 PM SM
	<p>6.4 Security Liaison Group <i>(COC Paper 435/14)</i></p> <p>6.4.1 FC updated the fellow members on the security issues highlighting the burglary cases in DB.</p> <p>6.4.2 FC advised that after discussions with the Tung Chung Police and CM, he learned that an anti-burglary team was formed in mid-November 2013 with CM security Manager, Frankie Tsang, leading 4 members of staff from the security contractor.</p> <p>6.4.3 The police also organised a coordinated campaign at the end of December 2013 with a team of CID's, a special task force and a patrol unit which started operating on the 22nd December 2013.</p> <p>6.4.4 Finally FC urged all members to put forward the importance of installing CCTV to their VOC's. According to the police, CCTV had proven to be the most significant factor in reducing burglaries, as criminals like to operate on easy targets. The deterrent effect of CCTV is enormous.</p>	11:22 PM
	<p>6.5 Rehab Bus Working Group The item had been discussed earlier</p>	
	<p>6.6 Seniors Community Group</p> <p>6.6.1 ES reported that there were 250 survey forms returned in the recent Senior Residents Statistic Survey with some good information and feedback from respondents.</p> <p>6.6.2 The first Seniors Community Working Group meeting would be held at the end of February with the following proposed items:</p> <ul style="list-style-type: none"> - Shuttle bus to Tung Chung hospital running Monday – Friday 	11:29 PM

	<ul style="list-style-type: none"> - Recreational indoor area for the elderly - Chinese Opera lessons - Tai Chi Class - Priority lane at bus terminus for elderly on boarding buses - Health talks such as heart problems, diabetes etc. - Monthly outing & - Short trip to China (2-3 nights) 	
	<p>6.7 Unresolved Issues Working Group</p> <p>6.7.1 CYY advised that although comments from the Working Group regarding the draft layout plan (i.e. City Retained Area licensed to CM as City Common Area) had been passed to HKR for consideration, HKR replied that they would not give their comments for the time being.</p> <p>6.7.2 The reason was that a VOC member had filed a complaint to the government department against HKR regarding the same issue. Hence, HKR would wait until the complaint had been resolved by the government before it could respond to the Working Group.</p>	11:34 PM
7.	<p>AOB</p> <p>7.1 Underground Water Pipe Replacements</p> <p>7.1.1 ES would like CM to consider hiring a consultant to explore different possibilities of replacing the underground potable water pipes. WSY advised that the same had already been incorporated in the proposed consultancy services for reviewing and improving communal facilities of P&D and the sewage discharge system as mentioned in CM Report.</p> <p>7.1.2 SM replied that it would be further discussed in the next COC Meeting.</p> <p><i>(FC and MC were excused from the meeting)</i></p> <p>7.2 To request CM for the progress update of the Owner's Meeting of La Costa and Hillgrove Villages</p> <p>7.2.1 AY enquired about the Owner's Meeting of these two villages, as there were no representatives from these two villages in the COC Meeting, which could damage the legality of the COC?</p> <p>7.2.2 CYY said that the Owner's Meeting of the two villages would be convened around May 2014.</p> <p>7.3 Circulation of COC minutes, tenders and other documents to all VOC members</p> <p>7.3.1 BH requested a guideline on how to deal with COC documents if she were to distribute them to her VOC.</p> <p>7.3.2 CKC replied that CM were reviewing the current practice and would</p>	<p>11:35 PM</p> <p>11:37 PM</p> <p>11:38 PM</p> <p>11:39 PM</p> <p>CM</p>

	put forward the proposed guidelines to the COC for discussion.	
8.	Items for Discussion at the Next Meeting	

The meeting was adjourned at 11:42 pm



Chairman