

DISCOVERY BAY CITY OWNERS' COMMITTEE
Minutes of Meeting No.2 2014-15 held on 11 March 2015
7:30pm at MPH, Discovery Bay Office Centre

Members Present:

Mr. Simon Mawdsley	(SM)	Chairman, COC & Midvale VOC
Ms. Amy Yung	(AY)	Chairlady, Beach VOC
Mrs. Baby Hefti	(BH)	Chairlady, Peninsula VOC
Mr. Michael Law Kun	(ML)	Vice-Chairman, La Vista VOC
Mr. Rene Buts	(RB)	Vice-Chairman, Greenvale VOC
Mr. Edwin Rainbow	(ER)	Chairman, Hillgrove VOC
Dr. Francis Chiu	(FC)	Chairman, Siena Two B VOC
Mrs. Maggie Chan	(MC)	Chairlady, Neo Horizon VOC
Mr. David Kwok	(DK)	Chairman, Amalfi VOC
Mrs. Alison Dack	(AD)	Chairlady, Siena One VOC
Mr. Kent Rossiter	(KR)	Chairman, La Costa VOC
Mr. Tony Cheng	(TC)	Representative, Registered Owner
Ms. Alberta Ng	(AN)	Representative, Registered Owner
Mr. Carl Chan	(CC)	Representative, Clubs
Mr. Vincent Chua	(CKC)	Director, DBSML
Mr. F.K. Wong	(FKW)	Chief Manager, Estate, DBSML

Apologies:

Ms. Lee Huen Yee	(LHY)	Chairlady, Parkvale VOC
Dr. Jennie Lee	(JL)	Chairlady, DB Plaza VOC
Mr. James Heathe	(JH)	Chairman, Chianti VOC
Mr. Eddy Shen	(ES)	Chairman, Headland VOC
Mr. Sam Cole	(SC)	Chairman, Parkridge VOC
Mr. Peter Chan	(PC)	Representative, Hotel
Mr. Paul Tough	(PT)	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)	Asst. Manager, CR & Admin, DBSML
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By Invitation:

Mr. W.S. Yau	(WSY)	Senior Manager, Contract Mgt. and Works, DBSML
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Staff of City Management:

Mr. Wilson Chan	Manager, Estate, DBSML
Mr. G. H. Koo	Manager, Estate, DBSML
Mr. Daniel Ma	Manager, Estate, DBSML
Mr. Kelvin Siu	Assistant Manager, Estate, DBSML
Mr. Rudy Lai	Assistant Manager, Estate, DBSML

Observers:

Mr. Vic Riley	Owner, Midvale
Mr. Reis Nick	Owner, Beach
Mr. Thomas Gebauer	Owner, La Serene

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

1.	<p>Apologies</p> <p>CYY informed Members that apologies had been received from LHY of Parkvale, JL of DB Plaza, JH of Chianti, ES of Headland, SC of Parkridge, PC of Hotels, PT of Schools and CAL of Bijou Hamlet.</p>	19:30
2.	<p>Confirmation of the Minutes of Previous Meetings (COC Meeting No.1 - 2014/2015)</p> <p>CYY stated that comments had been received from ER, FC and AY and they have been incorporated into the revised minutes sent to Members on 10 March. Since there was no further comment by Members, the minutes were confirmed as proposed and seconded by BH and FC respectively.</p>	19:31
3.	<p>Proposed Resolutions In Respect of Various Matters (COC Paper 473/15)</p>	19:32
3.1	<p>Tendering procedures</p>	
3.1.1	<p>ER said that he and several owners had worked together to propose four resolutions aiming to bring about higher transparency for improved governance. He proposed his first resolution:</p> <p>“RESOLVED that the principles and procedures set out in Chapter 2, Appointment of Consultants and Contractors, and Chapter 3, Supervising Maintenance Works and Managing Contracts and the relevant sample documents and forms in the Building Maintenance Toolkit 2013, issued by the Independent Commission Against Corruption (the “ICAC”) be adopted and employed, in particular, but without limitation, the sample forms (a) Probity and Anti-collusion clauses in Tender Documents; (b) Ethical Commitment Clauses in Consultancy Agreement; and, (c) Ethical Commitment Clauses in Works Contract, but to be varied in accordance with the particular requirements of Discovery Bay. Any proposed amendments to the standard format under the aforesaid documents shall be brought before the City Owners’ Committee (the “COC”) at a properly constituted meeting for approval.”</p>	
3.1.2	<p>FKW pointed out the following deficiencies of the proposed resolution:</p> <ul style="list-style-type: none"> – some Members might not be aware of Chapter 2 and 3 of the Maintenance Toolkit 2013 and hence they should not vote on the motion; and – if passed, the motion would imply that all tenders regarding consultancy service and contractors for maintenance would need COC’s approval. 	
3.1.3	<p>FKW recalled that Members raised concern about the above implication when a similar motion was discussed at the previous COC meeting. It was resolved that the matter should be discussed by individual VOCs. After the COC meeting, CM had sent a paper to inform individual VOC chairmen that CM would adopt the anti-collusion</p>	

	clauses with suitable amendment to suit DB, in particular to provide a flexibility for the VOC to negotiate prices with contractors in the presence of CM.	
3.1.4	ER agreed that FKW had made some valid points and withdrew his proposed resolution.	
3.2	<i>Declaration of interest</i>	
3.2.1	ER stated that a form similar to his proposed resolution had been in use in Peninsula. He proposed that it be adopted by the COC and its sub-committees. His proposed resolution did not require members to specify all or any of their interests until they became relevant. It was possible that the member who had a conflict would also have valuable experience to offer, and that the committee should have the option to listen to the advice of the member, but expecting the member not to vote.	
3.2.2	ER proposed his second resolution: “RESOLVED that this resolution herein shall apply in the stead of the Sample Form for Declaration of Interest set out in page 109 of the Toolkit and furthermore, the members of the COC and any Tender Working Group (“Working Group”) formed under the COC shall soonest practicable declare his or her interest, direct or indirect, where such an interest could result either in the appearance or a potential or an actual conflict of interest. In the event that a member makes a declaration, the matter shall be brought before the COC, which shall consider how to resolve the issue and to proceed taking into account the overall and the particular circumstances with the overriding caveat of ensuring that the owners’ best interest shall be safeguarded. Where the issue arises in connection with the Registered Owner (Hong Kong Resort Company Limited, or “HKR”), the appointees of HKR on the COC and its related parties shall abstain from the decision making to resolve the issue. All discussions and decisions taken by way of resolutions shall be recorded in the minutes of the particular COC meeting.”	
3.2.3	DK said that there were a lot of grey areas in the proposed resolution. He suggested seeking legal advice before resolving anything. AY disagreed and stated that all public bodies and commercial organisations had to declare their interests. To avoid a conflict of interest, Members should make a declaration as they were accountable to all owners in DB.	
3.2.4	SM asked ER what the main difference between his proposed declaration and the declaration brought in previously by SM and AY was. ER replied that his proposed declaration would be renewed at the new term of each committee, and that new members were made aware that if they were in a situation where a conflict of interest arose, they would let other members know at the time that the conflict arose. Also, the current declaration was addressed to CM whereas it should be a pledge addressed to the owners who the COC Members represented.	

3.2.5	SM said that if a member informed him of having a conflict of interest, he would relate it to the COC as that was the duty of the committee chairman. ER repeated that there would be times when members who had a conflict of interest could still contribute to the matter being deliberated. The COC could at that point decide whether to let the member to continue his participation. SM considered that ER's point was covered in the current declaration, but ER disagreed.	
3.2.6	CYY pointed out that the second last sentence of the proposed resolution which required HKR representatives to abstain from voting was in violation of the DMC provisions which allowed all Members of COC to vote. RB opined that CYY was mixing up conflict of interest with the right to vote. AY said that in any organisation, a conflict of interest would result in the relevant member not being allowed to vote.	
3.2.7	KR commented that any resolution should be kept simple. He agreed that the declaration should be addressed to the owners of DB, but he did not see anything wrong in addressing it to the COC. KR also suggested that as the COC only convened 5 times per year, resolutions should be passed both during and in between COC meetings.	
3.2.8	SM stressed that while he was always in favour of declaration of interests by Members, there was no provision in the DMC prohibiting any Member from voting. ER withdrew his proposed resolution.	
3.3	<i>Confidentiality</i>	
3.3.1	ER proposed his third resolution: "RESOLVED that with respect to any Working Group, all information in respect of prices or any information that could potentially bias the tendering process in respect of the tendering exercise shall be kept in strict confidence by the members of the Working Group, save that the members of the Working Group may brief the members of their respective Village Owners' Committees on any issues, or that any member of the Working Group may disclose information if required to do so by a competent authority, for example, the ICAC, or the court."	19:58
3.3.2	FKW was confused with the proposed exemption which allowed working group members to brief VOC members on any issues. This was against the current practice requiring members to seek permission from the working groups before disclosing information to other persons. ER agreed with FKW and withdrew his proposed resolution.	
3.3.3	KR said that the confidentiality issue was discussed at the last meeting of his VOC. Instead of requiring the VOC Chair to judge what information could be disclosed, he requested CM to indicate clearly in the paper if any information was considered confidential and hence should not be disclosed. SM supported KR's request. CKC undertook that CM would do so.	CM

3.4	<i>Binding effect</i>	
3.4.1	ER proposed his fourth resolution: “RESOLVED that, for the avoidance of doubt, these resolutions when passed shall also be binding on the appointees of the two representatives of the Registered Owner (HKR) on the COC.”	
3.4.2	FKW pointed out that all resolutions passed by COC would be binding on all owners including representatives of HKR, but not on the Manager.	
3.4.3	SM asked if there was anything to resolve. ER said that one reason for his proposed resolution was to educate new COC Members. He would wait until his other proposed resolutions had been redrafted before proposing this resolution again. ER withdrew his proposed resolution.	
4.	Insurance Service	
4.1	<i>Overview of the 2014/15 insurance service and proposed renewal for 2015/16 – presentation by AON</i>	19:58
4.1.1	JL and her colleagues from AON made a presentation on their service provided to CM in 2014/15 and their proposed strategy for the coming year. JL explained that the insurance program structure of 2014/2015 consisted of property all risks insurance (PAR), top-up insurance for individual owners (top-up), public and productions liability insurance (primary layer and public liability), public and productions liability insurance (excess layer), private vehicle insurance, commercial vehicle insurance, money insurance and contractors’ all risks insurance (open cover).	
4.1.2	JL highlighted AON’s key achievements: increased response rate of insurance companies in submission of tenders, increased limit for third party property damage under private and commercial vehicle insurance to \$5,000,000, reduced the PAR premium rate by 28%, reduced the public liability premium by 19% and achieved a \$1,180,754 premium saving over the previous year.	
4.1.3	JL explained the 2015/2016 renewal strategy as follows: <ul style="list-style-type: none"> – maintain “all risks” cover on whole building (including individual flats) with consideration to the leverage of claims impact leading to a stable loss ratio and to eliminate the argument of claims for damage to building structure or common areas – speed up settlement of outstanding claims especially for PAR – present the claims data to market in an analytical way to advocate portfolio underwriting – review the existing coverage and propose enhancement according to CM’s development – conduct a broad remarketing exercise to create competition – minimize CM’s total cost of insurable risks – place in secure markets with the broadest cover at competitive terms 	

4.1.4	Members then discussed various aspects including the number of claims, pay out amount, the progress of settling claims, the meaning of reserve amount and the estimated increase in premium for the next year etc.	
4.1.5	FKW explained that after expiry of the current policy, AON would invite most insurance companies in Hong Kong to submit tender for the next year. After a systematic comparison, AON would identify a suitable insurer to take out the insurance policy at an agreed and fixed fee. He reiterated that AON had helped reduced the premium for 2014/15 by \$1.1 million by presenting a good claim record of DB to the insurance companies.	
4.1.6	SC thanked JL and her colleagues for making their presentation and answering Members' questions. JL and her colleagues were then excused from the meeting.	
4.2	<i>Renewal of broker service for 2015/16</i>	
4.2.1	FKW said that renewal of AON's service for the second year was subject to AON's performance as assessed by DBSML. The fee for the second year would be \$118,000, which was about \$20,000 less than the \$138,000 for the first year. If its service were renewed, AON would prepare a new policy for the next insurance tender after a comprehensive review of the existing policy.	
4.2.2	Since no objection was raised by any Member, CM would proceed to renew AON's service.	CM
4.2.3	RB asked if individual villages could be informed of the amount for which they were insured. FKW replied that each village would be informed of the amount insured for the village through management notice and every unit would receive a management notice showing the insured amount for the unit.	
4.2.4	RB asked if owners could get an evaluation of their property value again. FKW said that the independent evaluation would be carried out once every 3 to 5 years and the most recent exercise was conducted last year. As requested by RB, FKW would send a copy of the evaluation to Members.	FKW
5.	CM Report	20:39
5.1	<i>Upcoming tenders</i>	
	WSY gave an update on the upcoming tenders for 'Security and Customer Service Tender 2015-2017', 'A/C Cleaning Work in all Villages/City Areas', 'Maintenance in Inclined Lifts', 'WR2 Defect Rectification in Major P&D Plants in City Areas' and 'Consultancy Services for Road System and Utility Review'.	
5.2	<i>COC papers endorsed (COC Paper 474/15)</i>	
	WSY reported that two COC Papers on 'Appointment of Contractor for Provision of Pest, Rodent, Termite & Mosquito Control' and	

	'Replacement of Defective Water Leakage Monitoring Devices on Discovery Bay Road near Plaza Lane & Outside Graceful Mansion' had been endorsed by Members.	
5.3	Community Events	
5.3.1	CYY highlighted two successful community events: 'Dog Fun Day' on 31 January and 'Day Trip to Lau Fau Shan Aquaponic Farm' on 3 February.	
5.3.2	CYY reported that the Flea Market scheduled for 17 May would be cancelled to enable CM to review all existing arrangements with a view to ensuring that booth operators would follow all rules strictly. He explained that the Flea Market held on 15 February ended up in chaos when booth operators blocked covered public areas in the Piazza due to rainy weather. New arrangements would be introduced for the Flea Market to be held in September.	
5.3.3	KR was shocked to know that the Flea Market scheduled for May would be cancelled as it was an excellent community event. It would be most unfair for residents who had been waiting for their turn. TC noted KR's disappointment and stressed that it was a difficult decision by CM based on the need to maintain order in Piazza. He assured KR that residents who had been allocated a stall for the event in May could retain their eligibility in September.	
5.3.4	CYY briefed Members on the arrangements for the Dragon Boat Festival to be held on 20 June, highlighting that the stage would be set up on the beach and an extra income of about \$30,000 through rental of seven dragon boats to Lamma Island.	
5.3.5	BH asked if CM could generate more income by following Stanley's practice of renting the dragon boats to teams for practice, or to commercial companies for training or staff functions. SM pointed out that since Stanley held its race on the same day, only limited number of boats would come to DB.	
5.3.6	Turning to the sports pitch in DB North, CYY reported that the day time rental rate would be increased from \$630 to \$700 whereas the night time rate would be increased from \$750 to \$820 with effective from 1 April. The recent utilization rate of the pitch stood at 60%.	
6.	Finance Sub-Committee Report (COC Paper 475/15)	
6.1	MC highlighted several items in the paper: financial subsidy of the Rehab Bus for 2015/16, follow-up on related party transactions on accounts payable and receivable, 5-year estimate of upcoming major reserve fund items, recovery rate of the works and landscape departments and hiring of a full-time qualified accountant for the Owners' Fund.	
6.2	AY said that she was alarmed to see the late payments by Hong Kong Resort Company Limited (HKR) Group in the record of related party transactions. Despite her request made to CM in February for an	

	<p>'aging analysis' on related party transactions, she still did not get the required information from CM. Since the credit policy was clearly stated in the Principal Deed of Mutual Covenant and the Management Fee Note CM should charge interest on overdue payments. TC asked why picking on the HKR Group. AY replied that because they were related parties and the amounts involved were huge. The average payment period ranged from 80 to 130 days. CM should charge HKR group interest for overdue payments. Since CM refused to produce the aging analysis she had to base on her own calculation. The interest payable by HKR in the past five years would amount to more than \$7M. The amount would be even larger if the interest was calculated on a monthly instead of annual basis. CKC said that anyone could claim to be a professional accountant and CM had their own professional accountants who might have different interpretations, just like the lawyers who had different legal opinions. AY stressed that the figures in the accounts speak for themselves. The information requested by her was essential to verify the issue, a point which FC agreed. FK indicated that since resolutions were proposed, he left the COC to decide. AY asked if she withdrew the proposed resolutions, would FK produce the aging analysis. FK responded that he would answer her later.</p>	
7.	Resolutions on Related Parties Transactions- Overdue Accounts and interests (COC Paper 480/15)	
7.1	<p>AY proposed her first resolution:</p> <p>“RESOLVED that the aging analysis of Amounts due from/to HKR Group Companies as at 21 March 2010, 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 respectively be provided to the City Owners’ Committee (COC) within seven (7) days of this COC meeting.”</p>	
7.2	<p>AY stressed that HKR’s representatives should not vote on the resolution as they were related to this issue. TC responded that it was very biased to single out HKR among so many owners in DB and HKR representatives would exercise their rights according to the DMC.</p>	
7.3	<p>RB seconded the proposed resolution. TC and AN requested for a poll. The proposed resolution was not carried based on following voting results:</p> <ul style="list-style-type: none"> – in favour: MC, FC, ER, AD, AY, RB and KR (48,363 shares) – against: TC and CC (95,244 shares) – abstain: BH, DK, SM, ML, CKC and FKW (69,673 shares) 	
7.4	<p>AY proposed her second resolution:</p> <p>“RESOLVED that CM to declare whether the provisions regarding the charging to and collection from the HKR Group companies of the management and service fees have been adhered to.”</p>	
7.5	<p>RB seconded the proposed resolution. TC and AN requested for a poll. The proposed resolution was not carried based on following voting results:</p>	

	<ul style="list-style-type: none"> – in favour: MC, FC, ER, AD, AY, RB (43,776 shares) – against: TC and CC (95,244 shares) – abstain: BH, DK, SM, ML, KR, CKC and FKW (74,260 shares) 	
7.6	<p>AY proposed her third resolution:</p> <p>‘RESOLVED that CM to charge interest on overdue accounts, if any, according to the PDMC and take the appropriate actions as stipulated in the PDMC to collect any outstanding debts.’</p>	
7.7	<p>FC said that he had a problem with this resolution as in some villages, such as Sienna Two B, there were individual owners who could not pay the management fee due to financial hardships. He considered that there should be discretion for dealing with special cases.</p>	
7.8	<p>FKW briefed Members that under current practice on handling outstanding management accounts, CM would charge interest only when payment had become due for two months in order to be more reasonable to all owners. He shared cases of owners requesting for discount on the amount of interest payable due to financial difficulties or illness. He agreed with FC that there should be discretion for dealing with such cases.</p>	
7.9	<p>AY was glad that CM was kind to residents, but stressed that there were other options for residents having financial difficulties. CM could not use one or two cases to justify for every other case.</p>	
7.10	<p>RB seconded the proposed resolution. FKW and TC and requested for a poll. The proposed resolution was not carried based on following voting results:</p> <ul style="list-style-type: none"> – in favour: ER, AD, AY and RB (37,424 shares) – against: TC, CC, CKC and FKW (117,944 shares) – abstain: MC, FC, BH, DK, SM, ML and KR (57,912 shares) 	
8.	<p>Environmental Protection Sub-Committee (EPSC)</p> <p>FC highlighted several achievements of EPSC: encouraging results of the new glass implosion machine introduced by the cleaning contractor, drafting of a waste management policy for residential and commercial units, feasibility of using bio-diesel fuel for DB transport and significant cost saving in using LED lighting. The Recycling Day event was successfully held on 18 January and he thanked EPSC members for their help in organizing the event.</p>	21:58
	<p><i>(DK was excused from the meeting at 22:01 hours.)</i></p>	
9.	<p>Sports and Leisure Sub-Committee (SLSC)</p>	22:08
9.1	<p>SM told Members that the works for the public sports area near Discovery College (DC) were progressing well with completion scheduled for end of May. Since the sports area would be open to the public free of charge, he asked Members’ views on whether the current “free slots” for the sports pitch in DB North managed by CM should be cancelled.</p>	

9.2	In response to AD's question, SM confirmed that the pitch managed by CM had lighting whereas the sports area near DC had no lighting. Since all existing "free slots" of the pitch managed by CM was within day time, there was no need to consider the lighting factor. He urged Members to further consider this matter before the next COC meeting.	
9.3	SM sought Members' view on whether he should approach the Catholic Diocesan with a view to understanding the timeline for the school project near Parkridge Village and the possibilities for temporary use of the site.	
9.4	KR supported SM's idea, stressing that leaving the site idle was a great waste. It would be good to utilize the site as a pitch even for 5 years only. Since no objection was raised by any Member, SM would proceed to approach the Catholic Diocesan.	SM
9.5	AY requested SLSC to look into the facilities of Club Siena to ascertain if any of them should be opened to the public.	SM
9.6	AY suggested that CM should invite more residents to join SLSC in order to generate more ideas. SM pointed out that the lacking of additional space was a factor discouraging residents from joining SLSC. AY undertook to forward suggested available spaces to SM.	
10.	Security Liaison Group (SLG) (COC Paper 477/15)	22:20
10.1	Referring to the COC paper, FC highlighted the significant decrease in crime rates in the past three months. He also reported on a burglary case in Beach Village and a traffic accident involving a golf cart near Seabird Lane. For the traffic accident, there was suspicion that it might be caused by drug abuse. FC would update Members when he got further information from the Police.	
10.2	AY commented that for the traffic accident, the Police was slow in arriving at scene and the security guards presented did not offer assistance. As a result, three residents needed to keep the 17 year old, who smashed the windscreen of a golf cart and was acting frantically, under control whilst waiting for the ambulance.	
10.3	CYY stated the timing of the case reported, arrival of security guards and police. He said what AY said was different from the information he had gathered. The golf cart was actually driven by a woman and it ran into a boy. There was indication that the boy might be dashing away from home after a quarrel. The first security guard arrived at scene within about 7 minutes of a call made to CM's hotline and CM did not receive any complaint against the guard from the woman driver. He urged Members not to speculate on what actually happened and to wait for the outcome of police investigation.	
10.4	FC said that a resident had made a request for erecting a traffic sign to remind drivers to slow down when approaching DBIS and Wei Lun area. CYY replied that there was already a school sign at the said area and six no speeding signs had been erected along DB Road. Hence, it was not necessary to put up another sign at the said area.	

	<i>(AD was excused from the meeting at 22:28 hours. ML was excused from the meeting at 22:31 hours.)</i>	
11.	Senior Citizens Working Group (COC Paper 478/15) Since JL was absent, Members noted the paper and raised no comment.	22:36
12.	Road System and Utility Review Working Group (RSURWG)	22:37
12.1	WSY introduced the kick off of RSURWG and discussion about the proposed mandate and consultancy scope. He sought Members' endorsement on the mandate proposed for the working group.	
12.2	SM elaborated that Members were asked to confirm whether they agreed to the following: <ul style="list-style-type: none"> – mandate of RSURWG – scope of consultancy project: utilities condition survey (drainage and water and consultation with power, LPG and Telecom providers), facilities condition and functionality review (i.e. sewage pumping stations and water treatment plant) and road surface replacement or upgrade – appointment of a resident project manager capped at \$50,000 per month for procuring and supervising the consultancy project – proceed with EOI for the consultancy project – proceed with the VOC information pack – proposed programme approach 	
12.3	AY said that on receiving the proposed mandate the night before, she sent it to her VOC members. They commented that the proposed mandate could be refined and they would send their suggestions to RSURWG members for consideration. Hence, AY suggested deferring confirmation of the proposed mandate to the next COC meeting. SM agreed.	
12.4	After further deliberation, no objection was raised by Members. WSY would proceed with EOI for the consultancy project.	WSY
13.	Security Tender Working Group (STWG) CYY reported that the STWG was progressing on schedule. He wished to thank Mr G W Lovegrove, RB, ER, CB, Victor Riley, MC, BH, and FC for their contribution. Invitations were sent to 8 companies and 4 of them had returned their tenders so far. The STWG would meet again on 24 March and would submit its recommendation to COC for consideration.	
14.	Rehab Bus Working Group (RBWG) No update on RBWG as CB was absent. SM said that the Vice Chair of Parkvale Village had raised the following comments: <ul style="list-style-type: none"> – whether CB was still the convenor of RBWG 	

	<ul style="list-style-type: none"> – the RBWG should be considered a COC working group in view of the MOU signed by COC – an audit report should be provided to COC according to paragraph 16 of the MOU 	
15.	<p>Major Expenditure for Financial Year 2015/16 (COC Paper 479/15)</p> <p>FKW explained that due to time constraint for the meeting, he would not go through the COC paper as he trusted that Members would have already read through it. SM asked if Members had any comment or question on the paper and there was none. FKW said that CM would prepare the budget accordingly and would provide a copy to Members. A copy would also be posted on the village notice boards.</p>	23:01 CM
16.	Number of Vehicles Licensed by CM in DB	
16.1	AY raised that CM had issued licence for 161 vehicles to companies in DB as at 16 December 2014. She questioned whether there were too many licensed vehicles and if there were enough parking spaces for all of them. She wanted to know the criteria used by CM for issuing licence.	
16.2	CYY responded that there were two main criteria, namely operational need of the companies and adequate parking facilities. He pointed out that there were currently less licensed vehicles than 2014.	
17.	To Resolve to Increase the Entry Fee for External Vehicles Operating in Discovery Bay Roads Managed by City Management from HK\$11 to HK\$20	23:06
17.1	<p>RB said that the idea was initially raised by the Finance Sub-Committee and he proposed the following resolution:</p> <p>“RESOLVED to increase the entry fee for external vehicles operating in Discovery Bay roads managed by City Management from HK\$11 to HK\$20”.</p>	
17.2	CYY pointed out that the proposed increase was roughly 81% which was extremely high and it would have a direct impact on students taking school buses. He elaborated that the purpose of the Road Usage Levy (RUL) was to recover the repair and maintenance costs for roads and to build up a reserve to meet future expenses. Currently, the amount of reserve had reached over \$22 million. The monthly amount of levy collected from external vehicles was \$150,000 which far exceeded the \$100,000 monthly operational cost for PCO/PRO. Also, the actual road maintenance cost in 2014 was \$0.9 million as compared with the budgeted \$1 million. Hence, a gradual increase of RUL should be sufficient to cover future expenses.	
17.3	BH pointed out that IKEA charged each customer \$250 for delivering goods to DB, even though its truck only came to DB once a week and might be delivering goods to more than one household on each occasion.	
17.4	AY said that her group had discussed the feasibility of charging	

	different amounts dependent on the weight of vehicles. She asked if this approach was feasible. CYY replied that in addition to RUL, external vehicles were currently subject to over-staying charge. Also, an additional guard would be needed for PCO/PRO if the said approach was adopted. He reiterated that the whole matter should be looked at in a more comprehensive way.	
17.5	AY seconded RB'S proposed resolution. FKW and CKC requested for a poll. The proposed resolution was not carried based on the following voting results: – in favour: MC, FC, BH, ER, AY and RB (66,788 shares) – against: TC, CC, FKW and CKC (117,944 shares) – abstain: KR and SM (12,057 shares)	
18.	To Review Charging Mechanism on External Vehicles for Road Usage Fees Between Heavy Duty Vehicles and Ordinary Delivery Cans for a Fair Share of Road Repair Costs In view of the deliberation of the preceding proposed resolution, this item was not further discussed.	
19.	A Request to HKR for the Update on Slope Maintenance ER noted that there were works on the slope behind Hillgrove and he wanted to know the purpose. TC undertook to check with HKR and inform Members of the purpose.	TC
20.	Control Regulation in Relation to Drones BH told Members a recent incident in which a large drone was flying above her house and garden causing safety and privacy concerns. She had asked the Police whether there was any law governing drones in Hong Kong but there was none. She raised this matter because drones could become a bigger problem in the future and she urged Members to give more thoughts to it.	
21.	Date of the Next Meeting The next COC meeting would be held on 27 May. Meeting was adjourned at 23:25 hours.	

Chairman