

RESIDENTS COMMUNITY ASSOCIATION

N E W S L E T T E R

**Budget Questions Raised
Pertaining to 2008***Legal fees, loans, fee collection.***Page 2****2009 Budget***Income and expenditure***Unfinished Buildings****Page 3****Questions from the AGM***Security, vacant block
maintenance, etc***Page 4**

In this, the 3rd newsletter for 2008, the RCA Committee Members aim to follow-up issues raised at the recent AGM.

Key Issues

Key issues covered are:

- Budget questions raised pertaining to 2008
 - Refund from Council as part of the Top-up Landscape Agreement
 - \$7,171.60 in legal fees
 - \$12,000 loan from Vercorp
 - Collection of outstanding association fees
- Budget prepared for 2009
- Other questions from the AGM
 - Security Patrol
 - Council's Procedure and Standards for Getting Blocks Cleared/Mowed
 - Overview of Landscaping top-up agreement scope of works
 - Overview the 'special-rate-charge' system in consideration and progress
 - Unfinished Construction of 3 Houses at the Entrance to the Canal
- Agenda items for our next RCA Committee meeting arising from the AGM

Future Contact

If you are interested in receiving the RCA newsletters via email let Grant Mifsud know at grant.mifsud@abcm.com.au - it helps keep our costs down. Your comments/suggestions are welcome and can also be sent to Grant.

Goals and Committee Activities

The Pacific Harbour Residents Community Association has been set-up to proactively manage landscaping, maintenance, security, graffiti, traffic, public safety and other issues impacting on the current and future residents of Pacific Harbour. Current aims are:

- To maintain the high standards of presentation in public areas,
- To optimize Council service levels to the estate,
- To maintain high levels of communication and cooperation between residents and local and State Government departments,
- To enhance community spirit, quality of life environmental values,
- To facilitate decision-making for ongoing improvements to areas and facilities.

Committee Members

The PHRCA Committee comprises up to four members each of Residents and the Developer (QM Properties) representatives. Only 4 residential nominations were received prior to the AGM, as such they were elected un-opposed. They are:

Resident Members

Bill Taylor (President)
Jab141@bigpond.com
Brian Wilson
briangwilson@hotmail.com
Simon Rees
simon@designheads.com.au
Stewart Ager
shogun1@aapt.net.au

Developer Members

Michael Bourke
michael.bourke@qm.com.au
David Young (Treasurer)
david.young@qm.com.au
Garth McGraw (nominated since the AGM by the developer)
garth.mcgraw@qm.com.au

Grant Mifsud from Archers Body Corporate Management is the Secretary and is a non-voting member of the Committee.

Budget Questions Raised Pertaining to 2008

How was the refund from Council for the under-spending of the Top-up Landscaping Agreement accounted for?

This figure does not show up in the Statement of Income and Expenditure period July 2007 to June 2008 as reported for the AGM as it pertains to a refund in the current financial year. The refund will be applied to the first Top-up Landscaping Agreement invoice for 2008/2009.

What comprises the \$7,171.60 Exc GST in legal fees found on the Statement of Income and Expenditure prepared for the AGM?

- Clayton Utz Lawyers: \$3,417.00 Re: Membership fee recoveries.
- Rudd and Company: \$3,754.60 accrued Re: Membership fees recoveries, and Association Rule interpretations in the same regard.

How is the \$12,000 loan from Vercorp being handled?

This loan was put in place to balance the accounts prior to 2006 because of an income shortfall. Interest on the loan is not payable, and the RCA has not paid any of the principal down. This item has been put on the agenda for the next RCA Committee meeting, the results of which will be reported in due course.

Process for Collection of Outstanding Association Fees

The process involves following the Rules of the Association. Each part of the process requires a certain time-period to progress and entails:

1. Sending a "show cause" notice. This notice asks for a reason why the debt should not be paid. This letter has been sent to all outstanding accounts where the owner can be verified.
2. Sending a "Decision Notice". This notice advises that the Association still considers the account outstanding. This letter has been sent to all outstanding accounts where the owner can be verified.
3. Sending a "Letter of Demand". This notice advises that if the account is not settled that the matter will be put in the hands of a debt collector and legal fees will be charged. This letter has been sent to all outstanding accounts where the owner can be verified only recently.
4. Sending a "Statement of Claim". This is executed by a debt collector and incurs cost to the association. Accounts successfully settled have the legal costs reimbursed. The RCA Committee has not decided on if/when this part of the process will be implemented, and is on the agenda for the next RCA Committee meeting.

As reported in the August newsletter: the RCA was recently successful in obtaining court judgment on an outstanding levy: money was subsequently paid and received. This case confirmed the robust nature of the association, and the RCA resolved to chase outstanding accounts and commence court action where appropriate in other cases.

Overview the 'special-rate-charge' system in consideration

Looking forward, the Committee is exploring a different system for maintaining the increased landscape amenity. Previously not suitable with the CSC, the amalgamation into Moreton Bay Council opens the door for a 'special-rate-charge' system that is used elsewhere in the new council area.

A 'special-rate-charge' system entails the collection of 'landscaping top-up' fees by council, rather than by the Community Association. The Council is then responsible for the added works. We anticipate this will substantially reduce costs and administration time for the RCA.

RESIDENTS COMMUNITY ASSOCIATION

Budget prepared for 2009

Attached is a detailed copy of the budget prepared for 2009. As mentioned in the August newsletter, the levies have risen by CPI. Here is the overview.

INCOME	Final Budget inc GST
Levies - Administrative Fund	\$278,069.94
Less: Discount - Admin Fund	-\$ 34,758.74
Total Net Levy Due	\$243,311.20

LESS EXPENSES	Final Budget inc GST
Doubtful Debts (Second Debtors)	\$ 11,000.00
Audit Fees	\$ 3,630.00
Bank Charges	\$ 550.00
BAS Returns	\$ 968.00
Community Power	\$ 3,300.00
Insurance	\$ 2,021.25
Insurance Stamp Duty	\$ 152.00
Legal Fees	\$ 8,250.00
Management Base Fee	\$ 42,103.60
Disbursements	\$ 24,209.90
Prep Income Tax return	\$ 308.00
Top-up Landscape Maintenance Agreement	\$121,784.30
Develop. Contrib. Sunderland	-\$ 23,992.10
AGM Room Hire	\$ 55.00
Newsletter	\$ 1,100.00
Management/Caretaking Fee	\$ 20,166.30
Totals	\$215,606.25
Add GST Remittable	\$ 2,582.45
TOTAL EXPENDITURE	\$218,188.70

Total Units of Entitlement	634
Levy per Unit of Entitlement (Including discount)	\$ 383.77
Levy per Unit of Entitlement (Excluding discount)	\$ 438.60

* In addition to the budget, the developer funds additional landscaping services: two people, maintenance of equipments, and materials. The estimated value of this is \$180,000 per annum.

Unfinished Construction of 3 Houses at the Entrance to the Canal

Following up on a question from the floor, below is an overview of the progress in fixing the unsightly unfinished homes. The association has asked the developer for a status report and we can report that the developer has in fact tendered signed contracts for the purchase of these properties in accordance with independent valuations fully in accordance with the default provisions in the original contract of sale. The owner has refused to accept those valuations and has lodged a defense in the courts. The developer has followed up with writs for specific performance and has obtained demolition permits from Council to further bring this matter to a head.

We understand that prior to Christmas there will be a hearing to strike out matters which are not relevant in the owner's defense and, based on the courts determinations, the matter will either be settled or set down for trial early 2009. We will keep you posted.

PS: the developer has indicated that members can assist by forwarding their concerns regarding the partly completed structures to either the association and or the developer direct. These letters may assist if the matter proceeds in the courts in the New Year.

Other Questions from the AGM

- **Security Patrol**

As per the advice in the March newsletter, the decision to cease security patrols was made by the previous **RCA** Committee. (The decision was not opposed by the developer). The decision was part of a cost cutting exercise to have all lots paying less than \$8.00 per week. The RCA has since requested that Pacific Harbour make all sales personnel aware that this service has ceased.

Unfortunately during school holidays there is an increase in incidents. We can all assist each-other by keeping an eye out for unacceptable behaviour. In addition to informing the police of any matters, members can call Ray Jeffery 07 3408 7722 from Pacific Harbour (developer) who might be able to provide further assistance.

- **Council's Procedure and Standards for Getting Blocks Cleared/Mowed**

Your RCA has investigated the process involved with Council ensuring the shire is kept presentable and safe, specifically with regard to overgrown vacant blocks. The following overview is offered.

1. When a person complains to the customer service department, a work order is sent to the compliance department to inspect the block in question. A reference number of the work order is provided and the caller's name is kept anonymous.
2. The compliance officer inspects the block and determines if it needs to be cleared based on:
 - a) Is it unsightly? Rubbish, dumped items, tall vegetation/grass, etc
 - b) Could it harbour vermin? Snakes, etc.
 - c) Is it a fire danger?
 - d) Any other feature the officer doesn't like?
3. The compliance department then issues a letter to the owner providing 30 days to clear it or have it cleared by council at a much higher cost than would normally be paid.

Just to reiterate what was presented in the March newsletter; the 'top-up landscaping' agreement is not designed to maintain vacant lots, intersection plantings, nor street trees and nature strips. In each of these cases the responsibility lies with the owner of the lot, as per accepted practice Australia-wide.

The Moreton Bay Shire Council customer service department phone number is (07) 5433 3000. Residents should call the Council to register any concerns they have on an unkempt or unsightly block.

The developer is responsible for the presentation of any un-sold lots, but the Council should still be directed the complaint. The developer currently mows many sold vacant lots for free in an effort to keep areas on sale looking good. This practice will of course diminish as sales are completed in a specific area.

Overview of the Landscaping top-up agreement scope of works

This was overviewed in the March newsletter. Here it is again for those who missed it.

The Standard Council Landscaping Maintenance (your rate contribution) regardless of any top-up agreement;

- Maintains dedicated park areas and overland flow paths to shire standards.
- Approximately \$215.00 per annum, per rate payer goes towards landscape maintenance for the RCA designated area.

Council Top-Up Maintenance Agreement with RCA

- Maintain dedicated park areas and overland flow paths to an extended level including the nature strip in front of any parks.
- Additional mowing of park areas including the nature strip in front of any parks.
 - Once every 20 days during June to Sep
 - Once every 15 days between Oct, Nov, Apr, and May
 - Once every 10 days between Dec and March.(Standard council visits are about 13 per year.)
- Maintain median strips to an extended level
- The developer contributes an additional \$23,992.50 to the Sunderland drive median strips (50% of the allocation in the top-up agreement for this area) to account for the improved visual amenity being provided to Pacific Harbour Golf and Country Club residents.
- Approximately \$150.00 per annum per RCA resident goes towards the top-up landscape agreement. (The developer pays the levy on each registered unsold lot.)

The attached map indicates the areas covered by the agreement and needs to be considered with the details explained above, and below:

- Top-up includes both green and orange areas,
- But does not include the pink area.



Landscaping Top-up Agreement Budget Breakdown

○ Standard Council Landscape Maintenance (Shire standards)	\$139,176.60
○ RCA Top-up Agreement	*\$97,792.00
○ <u>Developer Contribution Sunderland Drive</u>	<u>\$23,992.50</u>
○ Total Landscape Budget for Pacific Harbour RCA Areas	

* The top up agreement amount payable is reduced by the refund from Council for incomplete works from the previous year. The refund amount is approximately \$25,000 and will be verified upon acceptance of appropriate invoices not yet received.

How is the Top-up agreement managed?

Currently the RCA Community Development Manager receives reports and invoices of work completed from the Council. This is cross-checked against the agreement to determine compliance. Both the reporting and the compliance has not been to the satisfaction of the RCA to date. Although this has been improved over the year with constant liaison and negotiations, there is still a way to go. The reporting last year indicated that the top-up budget was not entirely spent, and a credit was issued from Council.

The developer employs a landscape manager for the upkeep of areas in the estate not controlled by Council. Any maintenance issues identified in their weekly inspection, pertaining to the top-up agreement, is brought to the attention of the RCA Community Development Manager who follows council up.

All issues brought to the notice of the RCA from residential members are, similarly, given to the RCA Community Development Manager who cross-checks the matter against the agreement. If the issue forms part of the top-up agreement, the problem is taken up with Council.

The RCA Community Development Manager meets with Council as required, to discuss the level of service.

Agenda items for our next RCA Committee meeting arising from the AGM

- \$12,000 loan from Vercorp.
- RCA contribution to the electricity for the water feature on Marina Boulevard.
- Consider 3 year term for Community Development Manger appointment.
- Possibility of additional communications/meetings/workshops with residents.
- Acceptance of David and Darren to come onboard the PHRCA Team for the landscaping monitoring/management task (sub-committee), as offered at the AGM.
- A 'special-rate-charge' system for landscape maintenance.
- Consider employment of residential member as the Community Development Manager.
- Collections of outstanding monies.
- Letter from residential member (copy below).

Dear Grant

I was at the AGM the other night. There was a lot of talk about the landscaping maintenance of Pacific Harbour. I feel there should be some perspective put into the discussion.

As I drove to the shops this morning I took the time to look at the landscaping along Marina Boulevard and Sunderland drive. Whilst there is a few weeds and overgrown grass in a couple of areas; in contrast to other parts of Bribie Island the landscaping is far superior and presented vastly better.

I'm not sure how far a \$100,000 budget goes in the landscape maintenance game; as such I find it interesting so many residents can be so critical.

I offer my thanks to all members of the RCA Committee for their efforts.

Sincerely,

(Name and address withheld)

Banksia Beach