

The Management Corporation Strata Title Plan No. 608
Minutes of the 2nd Council Meeting of the 40th Management Council

Date : 30 July 2024
Time : 3.00 p.m.
Venue : Management Office
#B1-05A High Street Centre, S179094

Present	Mr. Deepak Gurnani Mr. Johnny Ong Mr. Harry Gurnani Mr. Tarun Gupta Mr. Ramchandra Hegde Mr. Linus Lim Mr. Shawn Yang	Chairman Vice Chairman Secretary On behalf of Arun Gupta Council Member Council Member Council Member
Absent with apologies	Mr. Andy Kirpalani Mr. Sam Bhojraj	Treasurer Council Member
In Attendance	Mr. CK Khoo Mr. Alan Tan Ms. Leelavathy	As Managing Agent Management Staff

There being a quorum, the meeting was called to order at 3.10 p.m.

ACTION BY

1.0 TO CONFIRM THE MINUTES OF THE 1ST COUNCIL MEETING OF 40TH MANAGEMENT COUNCIL

There being no comments, the minutes were confirmed as proposed by Mr. Harry and seconded by Mr. Shawn.

Info

2.0 MATTERS ARISING

2.1 DECLARATION OF INTEREST

The meeting referred to the list of MCST's term contractors attached. All members absent from the last meeting were present and declared no interest in any of the companies listed as of 28th June 2024.

Closed

2.2 APPOINTMENT OF MANAGING AGENT

Based on discussions as minutes under item 2.9 below, the meeting unanimously agreed to continue with the services of M/s Corporate Real Estate Management Services Pte Ltd for another term under the same terms and conditions.

Info

2.3 APPOINTMENT OF AUDITOR

MA referred the meeting to the summary of quotations attached.

MA

The meeting discussed and with the collective sale gathering momentum, it would be wise to remain with the same auditor who is familiar with our books.

With that, the meeting agreed to continue with M/s DRC Growell for another term provided they maintain their rates at \$2,610. Otherwise, MA was to appoint M/s Tan Chan & Partners instead at \$2,180.

2.4 TO REVIEW AND DISCUSS THE DRAFT ENERGY PERFORMANCE CONTRACT

Referring to the attached report, MA updated that the realized savings for the month of June was 198,798 kWh, with a surplus over guaranteed savings of \$16,274, bringing the total accumulated surplus to \$827,265.

Info

2.5 NEW BCA MANDATORY PERIODIC FAÇADE INSPECTION (PFI)

Alan informed the meeting that there were still no updates from the PE nor BCA. Alan would continue to monitor and keep members posted.

KIV

2.6 PROPOSED PUB/BISTROS

Alan informed the meeting that he visited the building at around 11 pm on Saturday, 27th July, to inspect the premises.

MA

He also visited a few pubs at random but saw no irregularities. All activities were contained within the pubs, with minimal activities along the common area corridors. Everything looked under control. MA was to continue monitoring the situation and update.

2.7 PROPOSED LEASE RENEWAL FROM TENANT OF #01-K1

As approved at the last meeting, the lease was to commence 1st August 2024.

MA

However, due to alcohol licensing, their application has been delayed pending approval. As such, they have yet again appealed for further extension of the rent-free period as the delay was beyond their control.

After much deliberation, the meeting decided to grant them an additional 15-day rent free period, this the final concession regardless of any further delays in their application and licensing issues. MA was to advise the tenant accordingly.

2.8 #02-104B

Alan informed the meeting that there were still no takers for the unit. MA would update on any offers received.

MA

2.9 STAFF ISSUES

CK was pleased to inform the meeting that he had made the CPF contributions for December 2024 as well as the AWS. That meant that all outstanding contributions owing have all been cleared.

Closed

The Council was pleased with the efforts and commitment of CK despite his difficulties, and that the matter could finally be put to rest. With that, the meeting agreed to continue with the services of MA for another term.

3.0 CONFIRM AND ADOPT THE ACCOUNTS FOR JUNE 2024.

MA went through the attached summary, highlighting bank balances, expenses exceeding budget and FD updates.

MA

The Chairman noticed that the UOB bank charges for the Senoko Bank Guarantee was high in comparison to market rates and tasked Leela to engage the bank to reduce the charges.

There being no other comments, the statements were adopted as proposed by Mr. Harry, seconded by Mr. Hegde.

4.0 ANY OTHER BUSINESS

4.1 COLLECTIVE SALE RELATED MATTERS

As the Chairman of the Collective Sales Committee, Mr. Johnny Ong shared some of the conditions/negotiations with the potential buyer as followed:

4.1.1 To increase the PL Insurance Coverage to \$10M and Plate Glass insurance coverage to \$1M

MA circulated the quotation from Great Eastern (GE), the current insurer, for review and consideration. The current MCST insurance policies with GE are on a 1- year term effective 14 January yearly. The coverage for Plate Glass and Public Liability are \$821,000 and \$2M respectively.

Johnny/MA

For Plate Glass Insurance, MCST could just top up the existing policy at \$821,000 to \$1M by paying the difference in premium for the remainder of the term.

For Public Liability insurance however, a \$10M policy's premium is \$6,000 for a 1- year coverage. However, the excess is \$20,000 as compared to our existing \$2M policy in which the excess is only \$1,500.

As advised by the broker, MCST could take up the new \$10M policy on its own, terminate the policy on 13th Jan 2025 and get a pro-rated refund on premium paid. MCST could then get a fresh quotation from various insurers for all the insurance policies for a fresh 1-year term come 14 Jan 2025.

The existing \$2M policy should remain as it is for in the event of any claims, the excess is only \$1,500 in comparison.

The meeting agreed. MA was to wait for confirmation from the CSC before committing to the proposed increase in coverage.

4.1.2 Decommissioning of SP Substation

MA managed to get an email confirmation from SP Services that the ballpark cost for decommissioning the substation would be in the region of \$70,000.

Info

As the potential buyer was ready to set aside up to \$250,000 for this, there should be no concern.

4.1.3 Potential claw back of grant under BCA Green Mark scheme

Under the Green Mark Grant Agreement, BCA has the right to recover part, or all monies disbursed under the scheme, in our case, about \$2.4M, should MCST remove the equipment installed within 7 years from the date of second grant disbursement, in our case, before 19th July 2026 to be specific.

MA

The Chairman had discussed this with Mr. Lim Fatt Seng of M/s Comfort Management only to understand that this has yet to happen with any other Green Mark projects subsidized by BCA under the grant.

If the En bloc is successful, we would need the expertise of Comfort Management, with the familiarity and their close working relationship with BCA, to help us negotiate with BCA on the claw back, with the best outcome being pro rata claw back over the 7-year term.

This is an obligation under MCST to which the potential buyer needs MCST to resolve. Be it the full amount or pro rata claw back, MCST must set aside the eventual amount as part of the collective sale proceeds to be paid back to BCA.

M/s Comfort Management had reverted with their proposal as followed:

- 1) \$5,000 upfront to engage BCA, draft and appeal letter, attend meeting and negotiations, including mitigation plan to conserve the equipment.
- 2) \$15,000 on successful appeal on pro rata claw back.

Looking at the situation, the Chairman felt that the discussions with BCA could include a possible tripartite agreement between BCA, MCST and the buyer, there being a possibility that the new buyer might continue running the building and equipment after the completion of the sale.

In addition, negotiations with BCA should also determine the basis of calculating the pro rata rate, if accepted. With the completion date yet to be determined, and the building possibly to continue running beyond completion, the pro rata claw back period could well be reduced to a year or less to the July 2026 deadline.

With that, the meeting discussed further and decided for MA to:

- 1) discuss with M/s Comfort Management to include the tripartite agreement and pro rata basis in their negotiations with the BCA.
- 2) negotiate with M/s Comfort Management to review their fees to \$3,000 and \$12,000 respectively.

Finally, as the sum would be substantial, MA advised that it would be prudent for the Council to get the final figure approved via a general meeting of the Management Corporation.

4.1.4 Certificate of Completion (CSC) for the recladding works.

The Chairman shared that Mr. Johnny Ong and himself would handle the subject matter with Mr. Tham of CIAP.

**Deepak/
Johnny**

There being no other business, the meeting ended at 4.30 pm.

Deepak G Gurnani (Mr.)
Chairman