**Community Corporation 25691 Inc.**

Dear member,

Prior to our 2014 Annual General Meeting I would like to take the opportunity to share with you information on important events during the last year.

**Management Committee structure**

The new management and operational structure advised this time last year has helped us considerably as we try to address the many responsibilities before us. The previously provided Organisational Chart is still in place and this type of structure was very helpful in our dealings with the Department of Health and our waste water application. It showed that we are organised and trying our very best to comply with our extensive Scheme and By Laws.

During last year the following committee members assisted the Committee significantly with their contribution to the allocated roles and portfolios

**Treasurer** Dennis Hales

**Secretary** Henri Mueller

**Water Services** Dave Edwards

**Bushfire Prevention** Ian Chambers

**Native Vegetation** Tom Angelos

**Cultural Heritage** Romas Vieraitis

**New Buildings** Dave Edwards.

The Committee’s achievement of the Department of Health’s approval of the interim waste water treatment system was mainly down to the extraordinary efforts of Dave Edwards and his knowledge of the existing infrastructure and with contribution of many volunteer hours. Thanks Dave.

The Committee’s goals of effective management and action plans, particularly with compliance matters, remain our priority and we would certainly appreciate the support of members, whether by being an elected committee member or offering support.

**Water and Waste Services**

The Committee, in achieving the long awaited approval from the Department of Health of the Interim Waste Water Treatment System, was required to make sure that all existing houses at Point Boston were compliant to the Plumbing Guidelines which accompanied our application. With the assistance of our contractors, being the Water services Operations Managerand thePlumbing Compliance Coordinator, we have achieved this goal. The alternative was the eviction of occupants in all non compliant houses.

At this time we are receiving Biolytix treated waste from occupied homes to holding tanks and a contractor carts the waste to the SA Water site in Port Lincoln. This is a temporary measure we hope as the cost is restrictive.

The current approvals to operate this Interim system are subject to temporary licences from Department of Health and Environment Protection Agency.

With every application of this type, we must provide a Risk Management Plan to ensure all risks are identified and mitigated as best as possible. Regular inspections of occupied properties for compliance with servicing and reporting to agencies are mandatory. It is these reporting requirements and appropriate actions that are critical as failure to comply will easily have temporary licences cancelled. The ramifications are high as occupation of houses would not be allowed and the future of Point Boston would be at risk.

The cost to commission the Interim System was kept as low as possible. The financial statements show a total cost of approx $106,000 to finalise the repairs, engineering certification and report submission to government agencies. As the Committee, along with specifically qualified consultants, worked through the list of actions required to commission the System, significant savings were achieved by drawing on the collective skills of the committee. The Committee is currently undertaking a review of how we can best deal with regular reporting to ensure compliance and continue to keep cost to a minimum.

Over the next year, with systems and technology evolving, the Committee will embark on research on ways to better manage the waste. We are restricted by Department of Health and Scheme Description requirements.

**Annual General Meeting voting**

The Management Committee now seeks your help. Included with the agenda for the Annual General Meeting (AGM) is a proxy form. In addition you now have the option of voting for committee members and motions, even if you cannot attend. Please take the time to attend in person, vote by mail or provide a proxy vote. If you do not have a proxy please nominate Ian Wallis of Whittles who will hold the proxy on behalf of the Presiding Officer.

**Financial statements.**

You will note our Treasurer, Dennis Hales, has expanded the financial data normally provided in a Whittles format to help appreciate the detailed cost of running Point Boston.

Also a balance sheet with estimates of values has been provided to show the value of the common property assets your Committee is managing. The asset values were estimated from a formal report on replacement values commissioned for insurance purposes. This report also helped with the estimates on future replacement cost which we have used to model our Corporation’s sinking fund. You will note there is a motion supported by the Committee to increase the contributions to the Sinking Fund which I suggest is a responsible approach to safe guard against wear and tear and replacement of assets over time.

Treasurer Dennis Hales and Ian Wallis from Whittles would welcome any questions on the financial statements.

**Legal actions**

The Management Committee has carefully considered the need to instigate legal action against the owner of Development Lot 3003 and the District Council of Lower Eyre Peninsula.

The purposes for these actions are to protect the integrity of the Point Boston development as a whole and not allow other parties who are part of the Scheme to ignore the Scheme Description, By Laws and the Development contract which all members and the associated development lots are bound. We are insisting that Council should support the Scheme Description they ratified in 2009 when the Point Boston Development was approved.

In brief, Lot 3003 is operating tourism and well being type business from the premises previously known as the Community Club, they applied to Council for an additional room which Council subsequently approved. In our view the Development lot 3003 is no longer undeveloped and must now lodge a Community Plan for division and in doing so becomes a member of the Community Corporation. The owner of Lot 3003, without consultation, utilised an access road across our common property owned and maintained by the Corporation members. We are challenging this access.

The owner of Lot 3003 and Council insist the Lot is undeveloped and does not need to be a member of the Community Corporation. We contest this view based on the operation of an existing business on the property. Council has allocated a street number and there is a capital value for the property determined by the Valuer General for application of Council rates. It is unclear how the land can be deemed undeveloped and we are seeking clarification or a court judgment.

We are mid way through consultation to try to resolve these issues amicably, but will continue to contest actions which may undermine the integrity of the Point Boston scheme and ultimately affect the assets of our members. This is a role the Committee has an obligation to perform.

There is a cost for this type of action, but the Committee sees it as sound investment to protect against unacceptable risks being introduced which could derail our current achievements.

**Motions**

There are 3 motions supported by the Management Committee to be presented at the AGM for consideration

1. Nominations for Committee – these are still welcome and I make the point that to be one of the 8 committee members we really need active participation. Other than the roles of Presiding Officer, Secretary and Treasurer a portfolio will be allocated to a successful candidate. If you are interested and would like to know more please contact me.
2. The financial statement for the period ending 31 December 2013, and forward budgets to 31 December 2014 with the recommendation to:

1. Leave administration contributions at current level.
2. Transfer $50,000 from the administration fund to sinking fund.
3. Increase sinking fund contributions by 25% per lot (for my lot this increase will be around $45 extra per year)

1. Refer to attached proposal to Committee to amend By Law – Point Boston – Body Corporate Fire Management Plan – item 7.5 "*On site Fire Fighting Equipment*"

**General Requests**

*New Builds -* Please remember that all planning applications **must** be approved by the Point Boston Design Review Architect prior to submission to the District Council Lower Eyre Peninsula

*Email -* Please ensure that all owners supply Whittles with their latest email address so that we can keep you informed and reduce the cost of postage and stationery.

*Contacting the Committee -* The Committee would welcome any information. If you have any concerns, suggestions or you are able to offer your assistance please contact Whittles who will direct the information to the most appropriate person.

I acknowledge the dedication and significant contribution your Committee members have given to the Corporation over the last year.

I look forward to representing you for another year and hope to meet you at the AGM.

Kindest Regards

Ian Crossland

Presiding Officer

Community Corporation 25691 Inc.