

DELAMERE PARK MANAGEMENT LIMITED

Minutes of Special General Meeting of Plot Holders on Tuesday 14th March 2017

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| <u>Present:</u> John Muir | Chair of Trustees |
| Carla Brown | Trustee |
| Paul German | Trustee |
| Ian Sharp | Trustee |
| Steve Hayes | Estate Manager |
| Tim Hopkins | Hopkins Coats Consulting Engineers |

Delamere Park Plot Holders

Apologies Darren Shepherd Trustee

Introduction

The meeting was convened at the request of the Chair to:

- 1 To approve the minutes of the last Annual General Meeting and of the Special General meeting of 12 July 2016
- 2 To approve the Hopkins Coats Associates' recommendation that Trenton Construction be contracted to carry out the Pool Room refurbishment project in accordance with their tender.

Statement by the Chairman of the Trustees and Estates Manager

- 1 The Pool Room is in urgent need of renovation. If we do nothing the fabric of the building will continue to deteriorate and we will be faced with greater expense in the future to deal with it and it is likely we will quickly encounter health and safety issues in using the pool.
- 2 For this reason you endorsed the Trustee's proposal to proceed with refurbishment work at last September's AGM.
- 3 Tenders were invited from 5 companies and 4 offers were received: from Carson Powell, SA Platt, Sandycroft Construction and Trenton Construction. The offers varied in value between £246K and £218K. Trenton Construction, of Stoke on Trent, were the lowest bid at £218,708. The fact that the tender spread was £28K gives confidence that the tender process was robust. Hopkins Coats carried out a thorough review of the bids and recommended that Trenton Construction's bid, which was the lowest received, be accepted. Trustees and the Estate Manager met with Hopkins Coats and after consultation agreed that Trenton's was the preferred bid.
- 4 But the winning tender is very much higher than the original estimate for the cost of these works which Hopkins Coates presented at the AGM. Hopkins Coats will talk in more detail about this but essentially it is because additional works were identified during the detailed design process, which could not have been foreseen from the preliminary surveys on which the original cost estimate was based. The original estimate for the work was £150K the recommended tender is for £218K.

- 5 Hopkins Coats and Trustees believe that the tender process was robust and if we were to re-tender we would be unlikely to obtain a more favourable price and most probably it would only increase the cost.
- 6 There may be some limited scope to negotiate with Trenton on the price. However because of the tight spread of tenders any saving is likely to be minimal.
- 7 Hopkins Coats and Trustees are very much opposed to attempting to save costs by lowering the specification of materials. We have made this mistake in the past to our cost.
- 8 At the AGM we said we would look into financing a portion of this work in order not to severely deplete our reserves. Sawyer Quine our accountants have advised that it would be prudent to borrow £100K medium to long term to help finance the work. Trustees and the Estate Manager are exploring potential loan products with finance providers.
- 9 A decision needs to be made in this meeting to (a) ensure staying within the tender fixed price bid validation period (b) secure the pre booked Air Handling Unit production window (c) retain our position within Trenton's schedule of work and (d) complete the project prior to the high usage period of the pool. .
- 10 We have waited a long time for this work, Trustees and Hopkins Coats believe that it is in our best interest to proceed, delay would be disastrous. A lot of effort and money has already been sunk in the project, if we pull out this will be lost. We ask Plot Holders to vote in favour of the resolution to engage Trenton Construction to carry out the pool room work at their tendered price.

Questions and Debate

There was an objection to the AGM minutes that they failed to mention the original £150k estimate by Hopkins Coats which was given at the 2016 AGM prior to the detailed pre-tender investigation works being undertaken. In addition there was discussion about an old resolution passed by previous Trustees that all future capital works should be funded by loan. Unfortunately these minutes could not be found and therefore current Trustees could not be bound by them. The Chair pointed out that draft AGM minutes had been displayed on the DPML website since September 2016.

A point of order was raised to say that the AGM minutes should not be put forward for adoption until the next AGM.

Questions were asked as to why there was an increase on the initial estimate - this was due to an uplift in specification upon further survey.

We were asked if the drains were being upgraded – yes

Have Hopkins Coats worked on similar projects – yes and Tim gave examples

Is it a fixed price contract – Tim said yes

Why did the tender process focus on the Stoke area – as Hopkins Coats had been asked to recommend their preferred contractors were based in Stoke.

Were the mosaics in the pool being restored as part of the contract - no, but Steve would oversee some remedial work

Discussion about 5 year plan and roof work in the future. We were asked what we thought future work would cost and a figure of around £70k was given. We advised residents they are welcome to view the 5 year plan if they wish.

Further questions were asked of the Chairman and Estates Manager particularly around the financing of the project and the potential loan from Barclays Bank. The Chairman advised that provisional indications were for a loan of £100,000 over a period of 15 years at 3.5% resulting in monthly payments of £723. The balance to be funded from reserves which currently stand at £150,000.

Plot Owners then raised the possibility of incremental increases in Annual contributions to fund further building improvements rather than a future large one off increase. The Chair agreed that this would be put to the next AGM for consideration.

The meeting voted for the resolutions as follows:

- **Approval of the Minutes of the Special General Meeting of Plot Owners held on the 12th July 2016**
For 51 Against 9 Abstain 34
- **Approval of the Minutes of the Annual General Meeting of Plot Owners held on the 17th September 2016**
For 27 Against 48 Abstain 9
- **To approve the Hopkins Coats Associates' recommendation that Trenton Construction be contracted to carry out the Pool Room refurbishment project in accordance with their tender.**
For 90 Against 4 Abstain 0

Closing Statement

The Chairman thanked the attendees for their contributions and acknowledged that the minutes for the 2016 AGM would be brought back to the 2017 AGM for approval.