



## AGM - SECRET BALLOT

Our Annual General Meeting, with secret ballot, will be held at 9.30am on 8th March 2010 at Kurrawa Surf Club rooms, Broadbeach.

## EXTENSION MOTION

### Highlights of this article

- Staymint the current owner of the caretaking and letting contractor agreements has submitted a motion to the AGM to extend only the letting agreement.
- Owners almost unanimously (94%) rejected an extension motion moved by Staymint to extend both of these agreements at our last AGM. **Your votes told your Body Corporate Committee very clearly your views on the granting of any extension - Don't extend.**
- Our current 15 year old outdated contracts need to be rewritten and then put out to tender to achieve the best outcome for Carmel owners, in particular rental owners who provide Staymint with substantial income.
- Splitting the management roles into two separate and un-coordinated caretaker and letting agreements as proposed by Staymint would be costly and unworkable. Within three years all owners can benefit from a new and current set of agreements.
- Your Committee unanimously believes that this extension motion is not in your best interests therefore we recommend that you vote and you vote "NO".

**PLEASE READ THE FULL ARTICLE BELOW – important issue**

## Progress Report

We currently have two contracts with Staymint, a caretaker and Letting Agreement. Both agreements presently cannot be separated without owner approval. Staymint has put forward a motion to separate these agreements and extend just the Letting Agreement for a further five years. Expiry date of these agreements is currently 16<sup>th</sup> October 2012.

If this motion was agreed to by Carmel owners the letting agreement would be extended to a total term of almost 8 years (to October 2017) and we owners would have “voted away” our ability to seek tenders for a better and fairer “package deal” letting and caretaking arrangement after expiry in 2012.

After our last AGM a panel called the Management Options Panel (MOP) was formed to explore all building management options. One conclusion unanimously agreed to at the MOP's November meeting was that the caretaker and letting tasks **should be performed by the same service contractor.**

- Irrigation System working with adequate ground water available
- New concrete path to George Ave, provides level access to BBQ and pools via new gate
- New adjoining staff relaxation area established
- Bridges in ponds area have had the surfaces recoated
- New steamer for Steam Room
- Owners Workshop Room nearing completion
- Carmel by the Sea logo has now been trademarked
- Residents, Wayne and David are doing remedial work around the neglected garden for handover to the new gardeners

**REMINDER - If your security swipe was not registered by 31st January it will no longer work . To reactivate see reception.**



**NEXT OWNERS FUNCTION —To be held at 5.00 pm on Sunday 7th March 2010 at the BBQ area. All owners welcome.**

## AGM - LETTING AGREEMENT EXTENSION MOTION *CONTINUED*

The panel strongly believed that the splitting of tasks would increase costs for owners and create a blame game - "that has nothing to do with me, it is a letting issue" or "that problem is not mine it is the caretaker's responsibility". Your Committee has accepted this strong message from the MOP.

During the last twelve months we have seen a noticeable improvement in on-site management performance for which we are very pleased and appreciative. This happened after owners **rejected** the extension motion at the last AGM. After the AGM your Committee had visits from Staymint Directors and performance then improved after Greg Elix transferred to Carmel. This reaction demonstrates once again what we said before the last AGM and what we all know to be true and that is: "when you think you cannot be dismissed for a poor job humans tend to underperform."

Staymint purchased defined term agreements several years ago with the knowledge that they would expire in October 2012. The previous contracts owner (Bondcrown) had wanted to extend these agreements but decided to withdraw the extension motion and sell when he became aware of your Committee's objection to an extension. Your vote at the last AGM confirms that your Committee's attitude to an extension is "in step" with the views of the vast majority of Carmel owners.

The current letting agreement provides a substantial income to Staymint through commissions, cleaning mark-ups, credit card charges, advertising levies, PABX charges and maintenance charges. The owners of Carmel receive no benefit from these charges yet we collectively own the building and have granted Staymint the right to operate a letting business. Upon expiry of the current agreements we will be in a position to negotiate a better deal for all Carmel owners and in particular rental owners based on new owner friendly contracts. An experienced on-site operator will be selected by tender process to provide both rental and caretaker services to clearly defined standards. This operator could be Staymint. We will be seeking a better deal for all owners.

As stated last year it makes no sense to lock Carmel owners into agreements with any service provider (no matter how good they may be) beyond say two or three years particularly if there is limited ability to "dismiss" a contractor for poor performance, as is currently the case.

Over the last few years three groups have owned the management rights to Carmel and we have had six on-site managers, four employed by Staymint. Extending the letting agreement will result in Carmel's management rights becoming more attractive and valuable to a potential purchaser. This is when most rights are sold. This happened when the rights were last extended. As owners we have virtually no control over whom the rights may be sold to if they are sold AND we could therefore be stuck with a manager we may not want (BreakFree or a clone) and still with inappropriate 15 year old agreements. Therefore why extend now or next year or the year after? It makes no sense.

Your Committee unanimously believes that the granting of a letting contractor extension potentially disadvantages all owners and in particular rental owners therefore we cannot support this extension motion and therefore recommend that it should **NOT** be granted. **PLEASE** vote "NO". Your Committee believes that this is also the view of most owners of apartments at Carmel by the Sea.

**IT IS IMPERATIVE** that you do vote. If you do not it is possible that a small number of "yes" votes could result in the motion being passed. Please VOTE and please VOTE "NO".

For more information visit our website (go to the Current Issues section within the Owners Area), send your Committee an email - our email address is [carmelbodycorporate@gmail.com](mailto:carmelbodycorporate@gmail.com) or ring one of the Committee members listed below.

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