

FORUM SPECIAL CM 3/9/17 – CRTS –

Facilitator: Roger, Marijo, **Minute taker:** Urja, **Scribe:** Rejane, **Timekeeper:** Kris.

PROCEDURAL DECISIONS

1. Use of coloured cards. These will be used during this Forum/SpCM. Consensus.
2. Speaking time: Two minutes per speaker. Extension can be asked for. Consensus.
3. Unacceptable behaviour: if someone asks, there will be a straw vote to determine if the meeting agrees that a person's behaviour is unacceptable and it will then be noted in the minutes. Consensus.

This forum/meeting is an opportunity to ask more questions and address issues about the CRTS scheme. The idea of strengthening our legal structure was started in 2014. It emanated from the arbitration where some of our exposures to risk were highlighted. These have been addressed in a first step by tidying up our Co-op Rules and By-laws. The next step was researching different structural models to limit the Co-op's liability.

- The Co-operative Residential Title Shares (CRTS) would not change the structure of the Co-op, and therefore wouldn't be too expensive or difficult to adopt.

It was decided to go over the questions that were recently submitted to the legal team and answered by Nigel. Any further questions asked can either be addressed at this forum if possible, or be sent to Nigel to be answered.

The questions/answers that were discussed are listed below (the numbers refer to the questions on the document titled '*CRTS – more questions*' which was distributed recently by email and is available from Secretary).

Q1. With Company Titles, it is one share one vote. In the CRTS, will the 'one member one vote' still remain? We need to confirm that 'one member, one vote' will still remain.

- One of the main principles in developing the CRTS is that we want to keep our agreements as they are, including one member one vote.
- Because the CRTS ties the RMs' structures to the shares, the benefits would include an exemption from Residential Tenancy Act and limiting liability for the Cooperative (and possibly bringing more social harmony?).

Q2. What is the difference between Company and Co-op Titles? Changing to Company Titles would be a big expense.

- We are looking at Co-operative Titles, not Company Titles. CRTS is a Co-operative share structure that adheres to what we already have in place.

Is it possible to have the definitions of the different titles (Company, Cooperative, Strata, Community)? These were outlined in NL 153 in March 2015.

- We were a Company initially but the land tax was very expensive so we changed to being a Cooperative.
- With the CRTS scheme we will still be a non-trading Co-op and still be not liable for land tax.
- The CRTS will NOT be an individual title to your 'block'.
- We will not be changing our Cooperative status but we will have the 'exclusive right to occupy' attached to our shares. As we are now, this 'right to occupy' is implied, yet with the CRTS this will be explicit.

What about leasehold, which might be just as appropriate?

- A separate proposal would have to be put for a leasehold arrangement. Refer to NL 153 March 2015, for an explanation of 'leasehold'.
- It is expected that the CRTS will give us an exemption from the RTA.

The CRTS gives more strength to the LTO, it is more than mere permission.

- The CRTS is a much clearer arrangement around the relationship to our dwellings. The Co-op will be much better protected against risks from individuals.

Q4. One or two members are concerned that our share price is too low and propose that they will put a GM proposal to look at this. Phil suggests that a review could be done.

Q5. A review on alternative legal structures was in NL 153.

Q10. If there are two Members on one site, would they share one share certificate?

- A. There would be more than one share per site; however, the shares would generally be in joint names (just as the current Licences to Occupy are).

B. Would it then be like a shared share? No. The CRTS would not impinge on voting rights, which would be the same as they are now (one member, one vote).

Q11 & 12. How about nominated shared facilities when in actual fact they are not shared? This may be a more tricky issue. There needs to be a substantial amount of work done on this, but there are possible solutions.

Q16. The next stage involves what terms & conditions we want to attach to the shares.

- The Terms & Conditions attached to the CRTS will be based on our Rules and By-laws, as they stand presently. If someone wants to change anything in our Rules and By-laws (or in the Terms & Conditions of the CRTS), it will be the same process as it is now, i.e. through the GM process.

Concern raised: if the CRTS make our individual boundaries clearer, how will this affect our social relations?

Q17. Insurance companies require a defined area of responsibility for their purposes. What is it? Is it the "footprint of your house plus 1mtr around it" as someone suggested?

Phil is currently working with an insurer exploring if it would be possible to have one insurance covering everything on the land and everyone. This would be a separate proposal, and at this stage, the CRTS is the most important aspect to reduce the Co-op's liability.

Q22. Would a member be covered by Bundagen's public liability insurance in the case of the accident? Bundagen has a 'volunteers insurance' to cover people doing jobs for the community. Otherwise the public liability cover is a general cover for all. Where is this stated in our insurance policy?

Is it feasible to have chattels and CRTS to have a better liability cover?

- It may be possible to have both CRTS and chattels, but as Nigel said, the chattel concept is not a proven concept in Australia.

If the CRTS implies more individual liability and responsibilities within a member's structure, wouldn't the member be more vulnerable if someone wants to 'dob' them into Council for non-compliance? It is already possible for 'dopping' to happen and if a fine was given out to the Coop, it would be passed on to the member.

If we decide to change our By-laws in any way, would the CRTS Terms & Conditions change automatically?

- It is the plan that if we change any By-law that relates to the CRTS, the CRTS Terms & Conditions would be updated automatically.

Where do we get the 2nd lot of shares from?

- There has not been a decision made as yet: the CRTS may be an extra part added to the current shares, or it may be a second lot of shares. There is no limit to the number of shares we can have in a Co-operative.

Suggestion to get feedback from insurance companies on the CRTS scheme and if it would affect any cover.

Suggestion to get feedback from the Dept. of Fair Trading about First Home Owners Grant and Owners Builder's permits under the CRTS scheme.

Special CM – Decision

Decision: we will have another forum on exploring the issue of CRTS on 17/9/17. Passed (1 against).

Proposal that a second legal opinion be obtained and that a budget of up to \$5,000 from Legal Issues be agreed to for this. *This proposal needs to be addressed at a GM as the budget is too high for it to be dealt with at a CM.*

Amendment: present this proposal at the next or another GM. **LOST.** (11 For, 14 Against)

Amendment: that the money come from Accumulated savings, not legal. Not dealt with.

Proposal that this meeting present a proposal at the next (or another) GM to accept *in principle* the CRTS scheme, pending on all details being worked out and presented to another GM. **Withdrawn.**

Many wanted to postpone this decision as the feeling was that more of the questions/answers needed to be addressed and we were not ready as a group to move forward.

Decision: The next forum will also be a SpCM. Passed. (2 against)

'Straw' show of cards asked on how much support there is for the CRTS scheme so far: mainly all green (in favour) with a few against and a few abstain who want more information before making a decision.

Forum/Meeting ends 1pm.