

## JACK'S POINT RESIDENTS & OWNERS ASSOCIATION INC CHAIRMAN'S ANNUAL REPORT (1 July 2020 - 30 June 2021)

It is my pleasure to present the Annual Report for the Jack's Point Residents & Owners Association (JPROA) for the financial year 1 July 2020- 30 June 2021.

### Introduction

The last twelve months have been one of growth at Jack's Point.

Current developments are:

	Residential Precinct Dwellings	Village Precincts			Stand-alone Commercial Developments
		Village Dwellings	Mixed-use Apartments	Commercial Units	
Completed	539	25			1
Under Construction	58	72	28	12	1
DRB Approval not started	52	70	60	9	

- The Residential Precinct Controlling member declared the Residential Neighbourhoods 1-7 complete and resigned as controlling member of that area.
- Stage one infrastructure construction within the Southern Village is complete.
- Construction is underway on 4 superblocks within the village.
- The JPROA has been active in working with the developer on an amended village masterplan and a plan agreed by the JPROA has been submitted to the courts.
- The Area Committee is reviewing the Constitution with a review to combining the 3 Precincts and updating the bylaws.

### JPROA Overview

#### Our Team

Steve Murch, Kezia Evans and Sara Roy form the JPROA management team and on your behalf, I extend our appreciation for their efforts in ensuring our organisation runs smoothly and in a timely manner.

#### Your Committee

The JPROA is governed by an Area Committee and individual Precinct Committees who hold joint meetings. I would like to take this opportunity, on your behalf, to thank your committees for their significant contribution to the effective governance of the JPROA. Current committee members are:

Area		Mike Coburn (Chair), Clive Geddes, Neville Andrews, John Herlihy, David Whiteman, Noel Kirkwood
Residential Precinct		Clive Geddes (Chair), Steve McIsaac, Neville Andrews, Ilse Erasmus, Simon Taverner, Marcus Saxton
Southern Precinct	Village	Mike Coburn (Chair), John Herlihy, John Darby
Northern Precinct	Village	David Whiteman, Noel Kirkwood

### Sub-Committees

There are currently two sub-committees: The Jack's Point Well Being subcommittee, (chaired by Ilse Erasmus) and the Wastewater Infrastructure subcommittee (chaired by Neville Andrews). Reports from these Sub-Committees are included as part of this report.

### Nominations & Honorarium

Under the terms of the Constitution, two members of the Residential Precinct Committee and one member of the Southern Village Precinct Committee resign, they are: xx, xx and xx. They offer themselves for re-election at the AGM.

A nomination form for each Committee is included in the meeting notice and nominations will also be called for at the meeting, please however note that any late nominations will not have been included for those Members voting by Proxy. Historically Residential Precinct committee members who attend a minimum of 75% of all meetings are offered an honorarium of \$1,000, once again it is proposed that the same honorarium be offered for the current year, subject to Member's approval.

### Constitution and Bylaws

With the development closer to completion, your committee has initiated a review of the Jack's Point Constitution with a view to combining and simplifying the 3 precincts, bylaws and governance structures. This will also address amendments to the bylaws and constitution deferred from the 2020 AGM. We anticipate that consultation on draft amendments will occur in early 2022 with final amendments being included in a Special Meeting later in the year. Any changes to the Constitution require a Special Resolution – i.e., 75% of members who vote being in favour of changes.

### Leviable Properties

	Residential Precinct	Residential & Mixed Use	Village Precincts		Total
			Commercial Units	Development Lots	
Current	780	33	0	4	816
1 July 2020	777	0	0	2	779

The JPROA takes a conservative position and does not budget for an increase in leviable properties until those are under construction.

### Finance & Accounting

#### Financial Reports

The audited financial reports for the year ending 30 June 2021 are included with this report. While a comprehensive deficit of \$807,622 (prior year deficit of \$1,005,332) was recorded for the year in review, after adjustments for non-cash operating items such as depreciation of \$1,535,671 (prior year \$1,540,324) and other non-cash accounting adjustments required under various financial reporting rules, an underlying operating profit was derived of \$165,822 (prior year operating profit of \$253,332).

The result reflects the variable nature of the JPROA operations and the Committees and Managements intention to set budgets based on long term averages rather than short term seasonal variations. This methodology can result in swings between operating surplus and deficits each year but creates consistency for residents regarding their annual levies.

The Committee has allocated \$102,056 of the current year operating profit to the sinking fund reserve to offset current year and prior year capital asset additions funded via the sinking fund. Detailed information is included in note 2e of the financial statements.

The below outlines the key points from the financial reports for the year ending 30 June 2021:

- Interest income has decreased from \$77k to \$37k due to the reduction in general interest rates received on term deposits.
- Bulk Water Charges in the current year returned to long term averages. In the prior year there was a reduction in consumption and a repairs and maintenance expense were below long term averages.
- There has been a decrease in consulting costs as in the prior year additional consultants were engaged to assist with a variation to the waste water discharge consent.
- Management fees expense has increased in the current year as additional administration resources were required. The additional resources were below budget. There was no increase in the management fee charged by entities associated with the developer.
- Management engages insurance experts to ensure JPROA has sufficient, cost effective, cover for the infrastructure assets. There was an increase in the insurance cost as a result in general uplift in insurance costs, which was within budget.
- Included in the repairs and maintenance figure are the costs associated with completing the 10 year road reseal project. The total cost of this project was \$565,115, which is made up of \$53,357 in the current year and \$139,973 in the prior year.
- Green space maintenance costs returned to long term average in the current year and were 1.5% over budget. Further, as bare land continues to be built on the maintenance of those areas increases to ensure that residents expectations are met. In the past undeveloped land or less populated areas had a reduced maintenance requirements, which have now increased.

For a full breakdown of operational costs please see page 10 - 12 of the audited accounts. Management continued to focus on ensuring services are being supplied to residents at a satisfactory level but in a cost effective manner.

### Sinking and Capital Reserve Funds

The JPROA collects and holds sinking funds for future capital expenditure. The sinking fund reserve is fully funded and as at 30 June 2021 has a balance of \$3,307,926, compared to \$2,634,777 in the prior year. The sinking funds is progressively increasing as Jack's Point grows, and as the Jack's Point Village comes on-line and those owners are also contributing to the sinking fund.

As requested in the prior year Annual General Meeting, the movements through the sinking fund have been itemised on a line by line basis and are detailed on page 12 - 13 of the financial statements.

A proportion of the funds are held on short term deposit and these amounts are regularly assessed to ensuring sufficient funds are available each month for capital projects. Due to the economic impacts of COVID-19 the interest income expectation has decreased compared to prior years.

### Non-Levy Income

In addition to the JPROA levies and water & wastewater charges, the JPROA recovers costs from other sources including interest & penalties from late payment of levies, forfeiture of bonds, administration fees for transferring memberships, recovering of lot specific administration items and DRB administration. These recoveries are to offset additional administration costs associated with specific activities of the residents.

### Infrastructure & Asset Management & Maintenance

#### Insurance

The insurance for JPROA assets has been increased this year in line with the increased value of those assets. This has resulted in increased premiums by \$4,677 to \$86,965.

#### Reserves

The overall landscape planting at Jack's Point is performing well. All areas of Jack's Point are now regularly maintained with large reserve areas also requiring maintenance to limit potential fire risk. Costs vary from year to year due to growing conditions. Reserves and road corridor maintenance is the largest operational cost area of our organisation with a spend of \$501,578, including the placement of 1,036 trees & plants.

Delta Utility Services are the supplier for open space maintenance. Our agreement for these services remains on a time & materials basis, the Committee believes that this delivers the best value for money.

We carried out planting on the along the Northern boundary between Jacks Point and Hanley Farm. As this planting matures and development progresses the JPROA will continue to consult with its members on additional planting.

Construction of the new trail along the northern boundary of N2/3 reserve up to Orford Drive is complete with another trail planned to start construction soon running from Mckenzie's Shute to the N2/3 reserve. This trail will through the valley between Hanley Farm and Big Valley Dr/Double Cone Rd. This trail will provide easy access to the school, playground, pump track and the planned Hanley Farm bus stop.

#### Road Maintenance

A condition assessment was undertaken by WSP to assess the roading network. One road was resealed last year by Fulton Hogan Ltd. The capital cost was \$53,357. The Re-seal was carried out on Matagouri Drive.

## Potable Water Supply

The spend for operating the potable water system was \$233,218 an increase of \$39,754. The increase was 6% overbudget with 87% of the budget variance made up of an unbudgeted increase in electricity costs. The increase in electricity costs were due to a significant spike in the wholesale rates during the year, which were outside of the control of management.

There was no capital expenditure in the current year.

## Wastewater

### Secondary Wastewater Treatment

The spend for secondary wastewater treatment maintenance for residential neighbourhoods was \$318,201 an increase from the prior year of \$32,746, which was budgeted for as part of the cost escalation clause in the multiyear management contract. There were no significant changes in the way the system was run compared to the prior year.

Upgrades were completed at the N1/4 and N2/3 plants to improve plant performance after a formal warning was received from ORC for noncompliance. These upgrades were carried out and paid for by Innoflow at no cost to the JPROA.

## Management & Administration

The JPROA provides the services of a mini-council and with such a small team, requires key team members who can deliver a wide range of services, Darby Asset Management LP is contracted to supply many of these and the JPROA intends to review this contract in the coming year. The JPROA contracts directly with McCulloch and Partners for accounting and finance. Fees paid to Darby Asset Management, McCulloch and Partners and to Prima Ltd for Sara Roy's time were as per budgets.

## Rules compliance

The JPROA is responsible for enforcing both the Bylaws and Jack's Point Constitution. Enforcement of the existing rules is consistently supported by members when surveyed.

Under the Jack's Point Constitution, the JPROA can recover its costs for addressing any breaches of the rules and we continue to put focus on ensuring that where possible, these costs are recovered.

## Design Review Boards (DRB)

### Residential Precinct DRB

As the Residential Precinct comes closer to completion, there is a natural decline in the number of DRB approvals issued each year.

The focus of the Residential Precinct DRB remains the approval of new applications, ensuring that completed properties are in accordance with the approvals. We thank the DRB for their considerable contribution towards the development of Jack's Point in line with the vision.

## Southern Village Precinct DRB

Updated Southern Village Design Guidelines give the village a unique but complementary look and feel in relation to the neighbourhood design. The Village Guidelines reflect the higher density, urban and mixed-use village character whilst maintaining the recessive Jack's Point look and feel. Recently requirements for parking have been updated.

The Southern Village Design Review Board has been formed by the developer and design review occurs over stages throughout the sales and development process.

## Northern Village Precinct DRB (RCL)

The Northern Village Precinct Design Review Board operates independently under the Northern Village Bylaws.

## Jack's Point Village

### Village Development

The Jack's Point Village development is progressing with construction of the first stage of the Village infrastructure complete. The first of the assets are likely to be vested with us in this financial year.

Over the last year, your committee has been active in ensuring member consultation and advocacy in the proposed new master development plan for the Jack's Point Village.

## Sub-Committee Reports

### Wastewater Sub-Committee

Members : M Coburn, N Andrews, J Pritchard, C Geddes assisted by S Murch

The sub committee was formed at the 2018 AGM with the purpose of investigating options for the disposal of wastewater and provides the following update for members :

- The variation to the discharge permit for wastewater lodged with the Otago Regional Council (ORC) in 2019 was after lengthy negotiations granted. This provides greater short-term certainty for the current system but the ever increasing demands for higher quality discharges from central and regional government will continue to be an engineering and financial challenge.
- The Queenstown Lakes District Council (QLDC) has not, over the past year, made any progress with its proposal to construct a wastewater main that would service the southern corridor. A number of alternatives, proposed by landowners, are currently being considered but progress is very slow.
- The governments Three Waters draft proposal and the bill that is currently before parliament pose a number of significant risks to the owners of wastewater and water supply systems. Not the least of these is the liability of elected members for failures in

the extensive monitoring and reporting systems in the proposal and for members the cost implications of meeting a raft of requirements that are additional to those currently in place.

- The QLDC have circulated for submission a draft policy on the adoption by council of water supply and wastewater systems. The subcommittee has sought external advice on the implications and opportunities presented by this policy and has asked to meet council in order to better understand the proposal.

There is no doubt that the future costs of operating independent wastewater and water supply systems will be a challenge. The subcommittee is closely monitoring the implications of the changes proposed by local and central government and will keep members advised on all of the matters which it has under consideration.

### Well-Being Sub-Committee

Members: I Erasmus, O Day, C Geddes, G Harris, J Clowes, G Churton, K Holland , B McCullough, D Bryce, E Gardgoss, G Broadbent, G Braun, H Bennett, H Martin, I Barry, J Seymour, J Miller, J Thornton, K Page, K Burns, K Buttar, K Bowbyes, L Ormond, L Smith, M Marshall, M Ferguson, R Joiner, R Lelievre, S Williams, T McDonald, T Smith.

The Jacks Point Wellbeing Subcommittee would like to thank members for their support over the past 12 months. Our volunteer committee has taken time to attend meetings, coordinate projects and volunteer their time freely to help make Jacks Point a Great Place to Live. Key Projects & Deliverables

**Community Pump Track** Developed, built and launched the upgraded Community Pump Track including a Little Tykes circuit. Special Thanks go to Josh Clowes and Grant Harris for their lead roles on this project. We would also like to acknowledge the significant contribution made by the following residents and community businesses who helped to build the track: Elevate Trail Building, Cammell Projects, Twin Peaks Earthworks, Smith & Sons, Wilsons Contracting & Kennards Hire. I would also like to acknowledge the generous donation made towards funding the pump track. Working bees to support ongoing maintenance of the track and plantings has been undertaken by the community.

**Council Funding Grant** The Wellbeing Sub-committee submitted, on behalf of Jacks Point, to the QLDC 2021-2031 Ten Year for community funding of strategic projects over the next 10 years. This submission focused around projects that promote community connection, urban greening, community facilities & waste minimization as these aligned with the wider community QLDC Vision Beyond 2050. Council awarded Jacks Point a \$4500 grant for 2021 towards an additional backup generator as part of our Community Civil Defense & Emergency Management Plan and monies for increasing our native landscape plantings through Community Planting Projects.

**Civil Defense & Emergency Management** We have been working with the regional CDEM committee to create a community preparedness communication campaign. Jacks Point members will receive a household flyer, due out shortly, identifying key protocols and contacts in the event of an Emergency. This will include meeting points, the role of first responders, links to CDEM Otago information and a mini household preparedness guide.

**CDP** In light of the level of community engagement we wanted to encourage during the CDP process all committee and Jacks Point members were encouraged to review and submit on the extensive CDP proposal and participate in the continuing community consultation over the past 9 months. Discussions with the developer have included further expansion of amenities, the development of a community facility and an urban greening programme across the Jacks Point Development

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We look forward to seeing you on 30 November.