



HOMEOWNERS ASSOCIATION

Annual General Meeting

Report

2022

Chair's Welcome:

The Chair will open the meeting and welcome the Members, providing a vote of thanks to Members that have volunteered their services to the HOA this past year.

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Estate Management:

Mr Derek More replaced by Bryan Hart as our full-time Estate Manager on 1 September 2022, with responsibilities for:

- the coordination of the efficient day-to-day management of the estate;
- the estate safety, security, protection and maintenance for Members' benefit;
- advertising and promoting the reputation of the estate;
- understanding and managing the HOA budget's position;
- ensuring that estate rules known and followed by Members and all residents;;
- to induct and welcome new members to the Estate;
- ensuring that all estate developments or improvements bring extra value, within the parameters of existing regulations.

The Estate Manager works closely with the Board Directors but is your first contact for all estate matters via estatmanagement@101acuttsestate.co.za , 031 880 2612 or 066 298 8770.

Directors :

The Directors appointed at the AGM in November 2021 were:

HOMEOWNER DIRECTORS

Sandra Keddie (Chair)

Adrian Joubert

Jim Parker

Dev Naidoo (resigned 22/03/22)

Stuart Rigby (resigned 31/08/22)

DEVELOPER DIRECTORS

Bruce Winship

Craig Bruton

Director's Portfolio Allocations are:

- DESIGN REVIEW: Craig Bruton / Cuan Lott / Franco Collarossi / Armand Redgard (Lead Architect.)
- FINANCE: Sandra Keddie / Stuart Rigby / Derek Spavins. *Following the resignation of Stuart Rigby, Adrian Joubert assists as the 2nd Director on the Finance Committee.*
- MAINTENANCE: *Following Dev Naidoo's resignation, this Portfolio was absorbed within the new Estate Managers' portfolio.*
- LANDSCAPING & ENVIRONMENTAL: *Following Stuart Rigby's resignation, these responsibilities have been absorbed into the Estate Managers portfolio and the Design Review Committee (for new landscape designs). Stuart Rigby works with the Estate Manager as a committee member.*
- COMMUNICATIONS : Adrian Joubert.
- SECURITY : Jim Parker and SPG committee members.
- COMPLIANCE: Estate Manager.
- CORPORATE GOVERNANCE: All Directors.

101 Acutts 2021/22 Income and Expenditure review:

INCOME :

In February 2022, 104 homeowners paid levies that allowed HOA to generate R3,353,238 (2021: R3,115,549) - a 9.3% increase on the previous year (as at February 2022).

93% of the HOA income is generated from levies, but 7% (R207,332) comes from other sources:

- Accredited Estate Agents - sales commissions & accreditation fees
- Builders Registration Fees Security access cards
- Sundry Income and Penalties paid for transgression
- Design Review fees
- Interest received

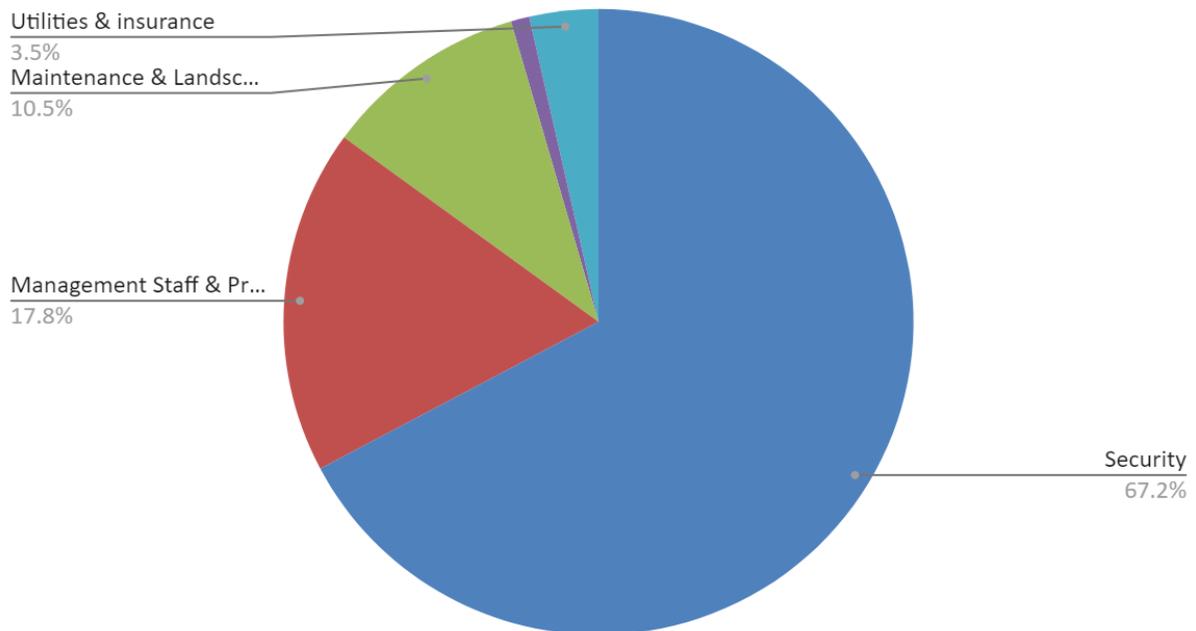
EXPENDITURE :

R3,298,428 was spent by February 2022 (2021: R3,466,050) - a 5% (R167,622) reduction, due mainly to:

- A capital spend of R515,200 toward the fibre ring that supports the security upgrade not repeating in 2022.
- Savings made in our bookkeeping procedures, involving greater domestic work by volunteers, which is under review.
- Small savings made reducing the guarding complement, although the adverse effect on the guards is being monitored.
- Reducing garden and general maintenance spending unintentionally, due to a reactive programme. A larger budget and more detailed programme will change this.

The allocation of the 2021/22 financial year income is shown here.

Spend Allocation 2022



SURPLUS :

The Year End surplus was R54,810, which supplemented our stabilisation and security levies to consolidate our Reserve Fund

101 ACUTTS ESTATE RESERVE FUND :

In terms of Community Schemes Ombud Service (**CSOS**) guidance, HOA should keep a reserve fund of at least 25% of the levy income for the current financial year. This reserve fund is set aside for emergency repairs or maintenance. 101 Acutts HOA has built up its reserve fund from R496,933 (18% of levy income in 2021) to 757,945 (24% of levy income in 2022), using stabilisation and security levies provided by new homeowners on property transfers, plus any surplus funds at Year End.

101 Acutts Current Year To Date Report:

The developer estimates that the target of an additional 15 lands being sold during the current financial year will be met, which underwrites our levy income predictions.

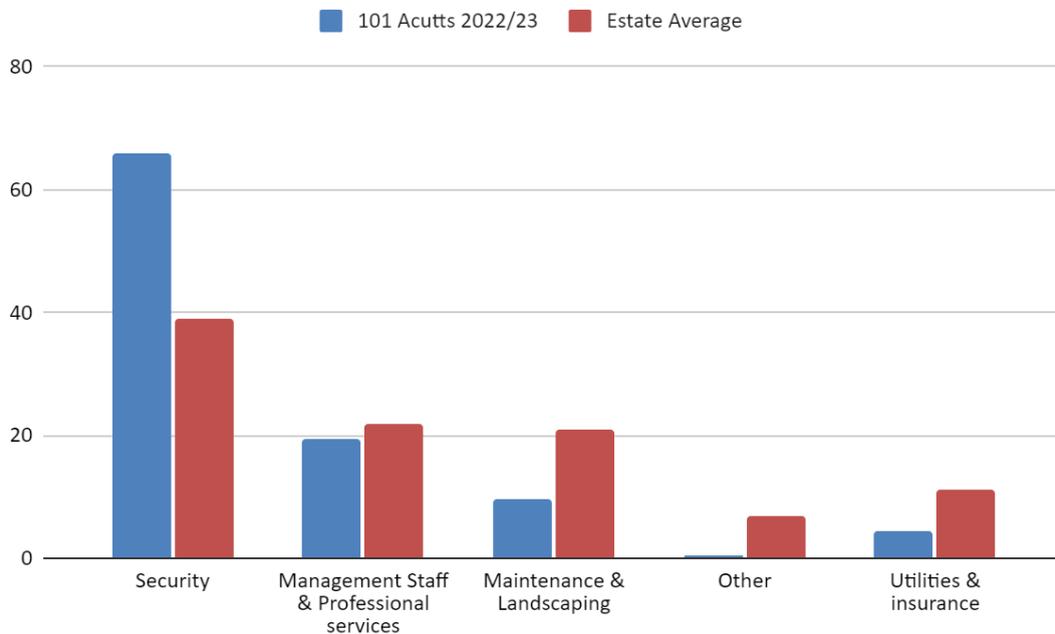
Following the Security review completed in 2021, a budgeted spend was made to maintain our ageing perimeter electric fence and improve the operation of the newly implemented Security upgrade. We want a system that runs seamlessly with limited downtime throughout load shedding and other power disruptions. A number of backup power solutions have been installed, including 2 generators at the front and back gates, and the extent of camera coverage has been increased to minimise dead spots.

April's floods caused significant damage to 3 areas on the estate which are currently being addressed. The cost of this damage is almost R200,000 (still being negotiated.) An insurance payment of R93,000 was received. Excess costs will be taken from our reserve fund.

There was a higher than anticipated cost for diesel to run the generators during Stage 4 and above load shedding.

A mid-year budget adjustment has been made to allow for a full time Estate Manager, covering his full responsibilities. Some relief for the Directors and volunteers to the HOA has resulted.

The graph below indicates this current year's spend allocation by percentage, compared to 220 other estates nationwide (37 Estates are in KZ)



SECURITY 101 Acutts' security spend percentage is inflated compared to other estates, due to the complex nature of our security arrangements while we have a relatively low cash flow. No security breaches have occurred this year. Our new estate manager is attending a weekly police forum meeting which provides us with up to date information on criminal activity in our area. This supports the efforts of Jim Parker and the SPG (security protection group) who have made good contacts with the surrounding estates and neighbourhood watches. We need to tighten our access control procedures, which are being adapted. You may be aware of some changes and we appreciate your support and cooperation.

Steps are being taken to ensure that the system operates completely and continuously. The 2024 budget has been allocated to maintaining the electric fence and upgrading power supplies in order to keep all camera views operating during load shedding. It is imperative that our security and safety of the Estate is maintained without neglecting other essential areas of expenditure.

MANAGEMENT/STAFF/PROFESSIONAL SERVICES is low in comparison to other estates. Research shows that the typical expenditure in this area should be around 25% of levy income (our current position is around 18%.) This explains the ongoing reliance on volunteer members in 101 Acutts to support the needs of the HOA and the estate.

Moving to a full time Estate Manager is an improvement on the previous position, but is not the final story. Money has been set aside for professional services as well as administration support for the Estate Manager. We believe that this will further relieve the burden on homeowner volunteer members and assist the Estate Manager in carrying out his role.

MAINTENANCE EXPENDITURE (INCLUDING GROUNDS MAINTENANCE AND BEAUTIFICATION)

percentage is also low in comparison to peers. Maintenance is important to retain our property values in 101 Acutts Estate and will be prioritised in the coming months.

HOA has responsibility for the wall, gatehouse and all common areas which include verges, roads and wetlands. We have contracted a professional valuer to ensure that our common property is not only properly insured but helps determine our calculate maintenance costs against property values. We have an asset register and are developing a 10 year maintenance and budget plan.

The maintenance taking place this year and still in progress includes;

- painting of a section of the boundary wall that was never painted previously;
- cleaning the entrance paving;
- painting and cleaning/refurbishing the gatehouse;
- replacing a glass door;
- improving the electrical connection supplying some of the cameras around the water treatment plant;
- air conditioner servicing in the gatehouse;
- annual fire hydrant safety checks and repairs;
- tracing and repairing faulty street lights;
- separating security plug points from general plug points;
- installations of speed signs;
- repair of street signs,
- painting of roads and grounds maintenance*.

The 2024 budget will include all these annual maintenance items plus the painting of the boundary wall which is now overdue. The wall also requires structural maintenance on the columns which will begin in the 2024 financial year.

*** GROUNDS MAINTENANCE:** The Developer removed his support to the maintenance of the grounds of the estate in 2020, including grounds maintenance staff and any access to a utility vehicle. The HOA responded by contracting an external grounds maintenance team and instructing DSW to remove refuse.

Stuart Rigby has implemented some noticeable landscaping improvements this year and a continuous effort is being made to optimise and improve the work from our contractor Ladybird.

An increased budget has been allocated to grounds maintenance in 2024 for better management of our grounds and common areas and finances have also been set aside for access to an estate utility vehicle.

Limited alien invasive control has been implemented this year and a small budget has been set aside to improve this in 2023/24.

INSURANCE EXPENDITURE: as stated, a professional valuer will advise on insurance of our common grounds. Insurance costs in 2024 will increase as the Common Property owned infrastructure, such as the Clubhouse, increases. The clubhouse will also require furnishing and maintenance costs.

We received R93k from the insurance this year against storm water damages. This covered claims for fence replacement cover at the River Gate and the Clifton Hills Wall. Gabions and soil wash-aways (Flat Crown Lane) were not covered.

LEVIES IN ARREARS: The Levies in arrears as at March 22 were R134, 571: approximately R79,000 was overdue from 7 Homeowners for over 60 days.

Without your levies, this Estate will not have the cash required to keep this Estate running and your investment here will degrade. Your levy payments require to be paid on time to enable HOA to pay bills and create plans. Interest is charged on late payment and Members who continually default on their levies over 90 days are referred to a Debt collections process. The debt collector claims 20% of the outstanding levy which is passed on to the defaulting levy owner.

The Board has made a concerted effort to reduce these outstanding levies in 2022. Up to date outstanding levies will be discussed at the AGM

THE CLUBHOUSE:

The Developer had asked to be absolved from obligations to build a clubhouse, if Members required 'dedicated' funds to be diverted to other projects. This raised questions from homeowners regarding the legal implication of the HOA interfering with what is considered to be a contractual obligation between individual homeowners and the Developer to build a clubhouse. Particular note was also made to the reservations from homeowners regarding the security implications of allowing open use to the Clubhouse by non-residents. Following the SGM in March the following question was put to the Members and a vote was held against the following question:

"I agree to proceed with the larger 258sqm Clubhouse and I understand I would have to contribute to the cost of the build. This would require an estimated R11,300 lump sum per existing house-owner, in addition to the Developers contribution of R625K, before building commenced."

The voting options were YES or NO.

A total of 80 votes were cast, which was 75.47% of the total number of 106 eligible homeowners at the time. 68 votes cast were NO, and 12 votes cast were YES.

This means that 85% of those who chose to vote, voted NO, indicating that there is no appetite amongst the majority of homeowners to contribute financially to the building of a clubhouse, and this must be respected.

The clubhouse project will be handed back to the Developer to proceed with their obligation to build a clubhouse to the value of R625,000. This clubhouse will require no direct contribution from Homeowners.

At the date of writing of this report, the developers clubhouse plans have been submitted to the municipality and construction will commence as soon as possible once the Builders return in January 2023 provided that the drawings are approved

Design Review Highlights

Skylights have been added to the building design code - this is attached in Appendix A for your information.

The Design Review Committee continues to ensure compliance with the Design Code, with a view to maintaining a consistent and harmonious appearance within the estate. This applies to all new houses, alterations and amendments to current homes. Over the period of address, several homeowners submitted design requests, all of which have been reviewed. Approval was granted to all that fell within the design code. Alternative suggestions were given to those that did not comply within the code. Some alterations and additions have been done sans the process, and these non-compliances will have to be remedied.

All residents are reminded to please submit any new proposed design elements to the DRC for approval before any work commences. Prior consent from DRC will circumvent the possibility of costly abortive works to rectify a non-compliance or fines for non-submission to the DRC.

The Design Code is available on the 101 Acutts website, or email the Estate Manager(estatemangement@101acuttsestate.co.za) if uncertain about particular elements. A reminder that a design review fee is applicable and this is published on the MEL, Files section.

Compliance

Speeding remains a problem in an estate with an increasing child population. Members are reminded of the 25kph speed limit, with existing penalties. **Only Members** can make Acutts a safe and beautiful family eco-estate. 2 conduct rules changes are included within the AGM Pack and are to be approved by members at the General Meeting directly following the AGM 2022.

Communications

Since April 2021, a new look newsletter has been published and sent out to all residents and HomeOwners on a bimonthly basis. These newsletters have been well received by residents providing them with regular updates on the HOA and portfolio activities.

A more formal induction between the Estate Manager and new HomeOwners is ongoing and Adrian Joubert is working with Derek More to ensure the Induction Pack includes all the necessary details to populate the My Estate Life App (MEL). Homeowners are reminded that the app allows them to load essential data. This can be found on the Home Screen under the My Home tab. For general management reasons we ask Homeowners to update Vehicle, Staff and Pet details.

We have also welcomed the use of the Ticket System which now directs your communication to the right parties. We continue to encourage use of this method of communication with the HOA.

For such of the features please visit <https://www.myestatelife.com/features>.

Help for the App is available from My Estate Life by sending an email to support@myestatelife.com.

APPENDIX A - ADDITIONS TO THE HOME DESIGN CODE

the following regulations regarding skylights which have now been included in the Design Review Code:

13.3 Skylights:

Any roof-mounted light and / or ventilation-permitting structure / window / skylight must be rectangular in shape, and to closely follow the profile and pitch of the existing roof. No domes, vaults or feature shapes to be permitted. The framing must be a dark colour either Slate Grey or Dark Brown as per Acutts code. The glazing material to manufacturers specification, can be translucent or semi-translucent (with a dark tint). No coloured glazing or reflective films permitted. The size of chosen structure should closely resemble existing Solar Panels and must be installed by a competent person. A drawing of proposed skylight must be submitted to DRC for approval prior to installation.