

THORNHILL HOME OWNERS ASSOCIATION

MINUTES OF THE ANNUAL GENERAL MEETING OF THE THORNHILL HOMEOWNERS ASSOCIATION HELD AT THE COMMUNITY CENTRE (9 NAMUR AVE, THORNHILL ESTATE) ON SUNDAY 29 JULY 2018 AT 10:00 AM

1. WELCOME, APOLOGIES AND QUORUM

The Chairman of the Thornhill Estate Board of Trustees, Stephen Burrow, took the chair and opened the meeting at 10:00am. He confirmed that 52 homeowners were present, which constituted a quorum and the meeting was duly constituted. Stephen welcomed all present to the Annual General Meeting (AGM) of the Thornhill Homeowners Association (THOA) and thanked everyone for taking time out of their weekend to attend the meeting.

Trustees present: Stephen Burrow, Ian Boxall, Armour Gittings, Janita Janssen and Stefan Deruyter.

2. APPROVAL OF THE MINUTES OF THE AGM HELD ON 25 JUNE 2017

The minutes of the previous AGM of the THOA held 25 JUNE 2017 as circulated were tabled. Approval of the minutes was proposed by Tony Bagnall of 22 Karee Crescent and seconded by Gary Venter of 41 Golf View Drive. The Chairman authorised the approval of the minutes as a fair reflection of the proceedings.

2.1 QUESTION FROM THE FLOOR

A question from Mavis Arthur of 35 Oak tree village on item 6.1 of the previous AGM of the THOA held on 25 June 2017 – Can we have a report back on the Stabilisation fund?

Chairman Stephen Burrow asked Tony Bagnall (proxy for Mrs SM Bagnall – 22 Karee crescent) to comment. Follows:

We did not have such a fund in name at THOA. Payments into such a fund would be tax exempt but would require a change to the Constitution. The idea was to start and populate such a fund from other sources of income than the general levy, e.g. agent fees, contractor fees, fines and penalties and the like, such that owners would not be subject to added expense.

After studying the legislation and in particular SARS interpretation note 64 dealing specifically with this item, and also obtaining expert advice, we were advised that we could only populate such a fund from either entry or exit fees from new owners or leaving owners, as the case may be: not from other sources of income. As a result, the project was discontinued.

This was accepted by the questioner.

3. CHAIRMANS REPORT FOR THE YEAR ENDING 28 FEBRUARY 2018

The Chairman's Report as circulated was tabled and taken as read.

4. FINANCIAL

4.1 Financial report

Ian Boxall read the financial report and stated that the financial year ending February 2017 has been a good one for our finances. THOA income of R8.9 Million is slightly better than the budget of R8.8 million; Ian Boxall confirmed that this is thanks to a solid record of levy payers. Ian thanked all owners for their prompt payments of levies.

Other sources of income include interest from the reserve fund that THOA holds, Estate Agents fees, contractor's fees and once or twice a year we have film shoots within the Estate which we charge for.

Expenditure at R8 million was substantially lower than the budget of R8.7 million. Main expenses were security (which accounted for 60% of THOA's spend) estates and gardens and employments expenses. In the past our municipal expenses have been overcharged and over rated and in the past financial year THOA have managed to get credit passed on from historical bills to the value of R600K which we managed to recoup through diligent research by Tony Bagnall and we retain the services of a municipal expert. These credits have been moved over to other accounts of rateable properties.

Projects which have been successful are the gatehouse roof structure and maintenance on the water course to alleviate and prevent further erosion. The security fence plinthing project is almost complete with just a small section of 250 metres to be completed from The Villas to the main entrance.

Ian Boxall announced that the budget circulated to members on the 11th of January 2018 shows the planned 2018 – 2019 expenditure rising by 6.7% which is in line with inflation and the levy has been adjusted accordingly in order to balance the books.

In closing, Ian Boxall confirmed projects for this year were completion of the water course and plinthing of the perimeter fencing, new batons for the security guards and the upgrade to the community centre.

4.2 Approval of financial audited statements year ending February 2018

The audited annual financial statements for the year ending February 2018, as circulated, were tabled and taken as read. There were no questions and they were unanimously approved

4.3 Consideration of latest management accounts

Chairman asked Tony Bagnall to comment:

The rate increase from GV2018 on the 16 of our rate carrying properties was set at an incredible 193%, an additional R24 000 per month or R46 per month per household.

Objections had been logged and acknowledged in terms of due process, but it was unknown how they would be received and what relief we may obtain, if any. The authorities are swamped and we may have to wait until next February for outcomes. Added increases in water and sewer charges etc., take these municipal charges to some additional R50 per household per month.

Current levy is R1 455 per month. CPI is also at the low level of 4.4% and if this is maintained, the next levy increase per the Constitution would be a maximum of 6.6% (CPI + 50% CPI) yielding an added R96 per month. Since over half of this has already been accounted for by the GV2018 imposition indicated above, there will be very little left to maintain the standards of security and environment that we enjoy. We would then be forced into dipping into reserves. Ultimately, they would need to be replaced for reasons of prudence, which would mean more substantial levy increases down the track.

If a levy increase of more than CPI +50% CPI is needed, it must be agreed by members at an AGM or EGM. The proposal is that the Board be given leeway of up to R50 per household per month in addition to the maximum increase of CPI + 50% CPI at the next levy increase time. The proposal is further, that this be agreed at this meeting rather than having to call for another one at a later time. Clearly the Board will continue to do all it can to support the GV2018 objections in the interim to minimize this additional amount.

Chairman put this proposal to the meeting and it was carried unanimously.

4.4 Levy increase for 2019/20

See 4.3

4.5 Re Appointment of Auditors

Chairman put the proposal of re appointment of auditors which was carried unanimously.

4.6 GV2018 Levy Roll

See 4.3

5. GENERAL

There were no additional items added to the agenda.

6. VOTING

6.1 Election of Trustees

Of the five trustees, two of the trustees automatically take up their second year. They are Ian Boxall and Stephen Burrow. The other three trustees stood again for re-election for a second term and were unanimously re-elected. Carmen van Wyk was also unanimously elected. The Board of Trustees is as follows

Stephen Burrow
Ian Boxall
Armour Gittings
Janita Janssen
Stefan Deruyter
Carmen van Wyk

7. CLOSING

In closing the Chairman thanked the team that look after the estate and stated that the estate as a whole was looking great. The Chairman also thanked Kevin and Linda Fisher for all their hard work in the office. As there was nothing further to discuss, the Chairman closed the meeting at 10h25 and thanked all present for their attendance.