

**THORNHILL HOMEOWNERS' ASSOCIATION
MINUTES OF THE ANNUAL GENERAL MEETING
OF THE THORNHILL HOMEOWNERS ASSOCIATION HELD
AT THE COMMUNITY CENTRE
ON SUNDAY 20 AUGUST 2023 AT 11:30 AM**

1. WELCOME, APOLOGIES AND QUORUM

The Chairman of the Thornhill Estate Board of Trustees, Stephen Burrow (SB), took the chair and opened the meeting at 11:30am. He confirmed that 60 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, and Carmen Van Wyk

2. APPROVAL OF THE MINUTES OF THE AGM HELD ON 22 AUGUST 2022

The minutes of the previous AGM of the THOA held on 21 August 2022, as circulated were tabled. Approval of the minutes was proposed by Linda Urmson and seconded by Gary Taylor. The Chairman authorised the approval of the minutes as a fair reflection of the proceedings.

3. CHAIRMANS REPORT FOR THE YEAR ENDING 28 FEBRUARY 2023

The Chairman's Report, as circulated, was tabled and taken as read, there were no queries.

4. FINANCIAL REPORT

4.1 Approval of audited financial statements for the year ending February 2023

The audited annual financial statements for the year ending February 2023, as circulated, were tabled and taken as read. The chairman opened the floor to questions regarding the financial statements. Emile Stoop proposed a question with regards to note 3 & 5 as follows; note 3 reflects creditors with balances, do they reflect prepayments? Ian Boxall responded yes. Emile noted that there are outstanding levies at 120 days+ and asked what the standard procedure of collection is. Ian advised the procedure as follows; The levy is posted, and generally after the 2nd month of non-payment Linda will follow up with the resident. If no response is received it gets handed over to Bennet McNorton who will send a letter of demand, if not finalised after that we will go to judgment or sequestration. Ian further advised that in general 98% of the estate is up to date with levies. We have a couple of homes that have grown to become large amounts but the rest is in good shape. Emile asked if the amounts for 2022 and 2023 were the same debts carried over and are we retaining all legal fees and charging interest. Ian confirmed that they were carried over and that legal fees and any other expenses incurred are charged back to levy statements as well as interest on levies.

Emile then referred to note 5, which states we have provision for municipal charges at R172,000.00 where we have a rates obligation of R30K, and wanted to know if we are 4 months in arrears of our rates or is it

a reflection of something else. Ian passed the question onto Bruce Crichton of KPS management to advised that as much as there is a debit reflecting, we believe it is not recoverable by The City of Joburg due to incorrect billing. Bruce confirmed that we have an ongoing battle with the City of Joburg which the trustees and management are continually working on to correct the billing. He confirmed that there are numerous accounts in credit and in debit mainly around erroneous charges by COJ. Emile asked if we have seen a marked increase on the value of properties, to which Bruce replied that valuations are mainly on open land, and most increases are coming from improvements and valuations, but the actual valuation of land and assessment rates are about 8-9%.

Emile requested that a detailed tax computation be included in the next set of financials, to which Ian agreed to.

An owner asked what our insurance premium covers in the estate. The Chairman advised that we have insurance on buildings, motor vehicle, cameras, and 3rd party liability. Emile noted a 10% increase in the premium to which Ian advised is due to a new vehicle and camera equipment which has been added to the policy. Ian also confirmed that besides a few lightning claims and damages to the perimeter fence we have not had any major claims over the past few years.

The Chairman put forward the proposal of approval of the 2023 financials. There were no objections, and they were unanimously approved.

4.2 Consideration of latest management accounts

The latest management accounts, as circulated, were tabled and taken as read. There were no questions, and they were unanimously approved.

4.3 Levy Increase for 2022

Ian Boxall stated that the Levy increase, based on normal budgeted items, is most likely to be within the CPI +50% for the next financial year. Ruling in the constitution, therefore no vote was necessary.

4.4 Re Appointment of Auditors

The Chairman put forward the proposal of re appointment of auditors. There were no objections and the vote to re appoint was carried unanimously.

5. GENERAL

5.1 ROADS – The Chairman advised all present that the THOA has a new roads committee made up of residents with various skills and qualifications. The team has been tasked with investigating the state of the roads and have done a full analysis on the roads in the estate and have come up with some plans to improve them. The Chairman introduced the chair of the roads committee, Mr Graham Hartlett to report the findings to all present.

Graham introduced the project and reported that the team has over 70 years of road design development skills between them. Since April 2023, they have been analysing the roads and it was soon realised that keeping up the maintenance of the roads will keep up the property values within the estate. Graham received feedback from some estate agents who work in the estate, and they said that the first impressions of the estate are that it is clean and well looked after with beautiful parks, which presents well to buyers. However, as you drive further into the estate the buyers' perceptions is changed when they notice the state of some of the roads which has a negative impact on the property values. The plan is to fix the roads as quickly as possible to maintain property values. The team has been broken into 4 teams; a technical team, a funding team to build the financial models, an implementation team and a JRA team who is responsible for communications between us and the City of Joburg.

The project was started with a visual inspection of each road in the estate, which was done in line with the authorities approved process for inspections, using the same standards that JRA or anyone else would do to value the roads. The inspection was done to look for cracks, surface breaking, structural cracks, deformations, and functional issues, such as skid resistance etc. The report was then given to the senior technical representative to check if anything had been over or underestimated by the team which then provided a standard of quality of the roads. A high-level traffic analysis of all cars in and out of the estate was conducted which provided the impact that those cars would eventually have on the already deteriorating roads which in turn lead to a list of roads which needed to be repaired and they were ranked from really poor to good. The committee also arranged for the JRA to conduct a meter-by-meter analysis of the roads. Graham is hopeful that we will receive a copy of their report to compare with ours. The report has revealed that only 20% of the roads in Thornhill are in a good state, another 22% are good and the other 58% are poor to very poor. Graham stressed the importance of fixing the roads now, as they will continue to deteriorate and become more expensive to fix.

The JRA have advised that our roads are not a priority to them, so the team has engaged with our ward councillor from the DA as well as a gentleman who is the councillor for the COJ, the DA deputy provincial chairperson, the DA deputy corpus leader and he is a member of the economics forum of development and governance committee. Engaging with these two gentlemen will assist us in overcoming all the obstacles we have encountered to get this project on the JRA's agenda as soon as possible.

Our options are to provide the technical report to the JRA and ask if they have the capacity to fix it and if so by when, which is highly unlikely. Option 2 will be to ask the JRA if they are able to do a joint venture with Thornhill whereby the costs are split between the two parties and the project is done as soon as possible. If all else fails, the third approach would be to do get permission from the JRA to do it ourselves.

Based on all the information provided by the roads committee, it is estimated that all repairs will cost R13,000 000.00, however, it may be as low as R9,000 000.00 with a worst-case scenario of R19,000 000.00. There are currently 5 levels of roads. Priorities will be given to roads ranked in level 1 and 2, while 3 can wait a while, 4 could wait a couple of years and 5 are only maintenance. Priority 1 & 2 will be done in the first year, priority 3 in the second year, priority 4 in the third year and we'll have money left over to complete maintenance over the next 2 years. Which means that within in 3 years, all our roads will be up to spec, and we will be able to maintain them for 5 years from date of starting point. Graham reported that any delay in this project will increase the cost of repairs. A 3-year delay will push the total cost up to 21,000 000.00, a 6 year delay will push it up to 30,000 000.00, these numbers proved the urgency of the project.

The rules of the financial model built for this project is as follows:-

- It must be self-funding.
- There will be no negatives and cashflow throughout the project.
- Each phase must pay for itself.
- Least cost as possible to the homeowners.

Should we have to go with option 3, doing it ourselves with no contribution from the JRA, the cost to each homeowner, over a 3-year period would be R730 per month.

Emile asked if this would be a flat rate for all homeowners, i.e: a 1-bedroom home vs. a 10-bedroom home, which Graham confirmed it would, however he mentioned that the financial model is not set in stone and could be refined.

An owner asked if the money paid by residents could be recouped in some way. Graham advised that while the discussion has not been had with the authorities yet, it is something we could propose to them. It was stated we have a surplus of R1,200 000.00 reflecting on the financial, and asked if that could be used towards this project since we have been contributing to the surplus over the years. Ian Boxwell confirmed that there is no provision for the surplus to cover the project on the roads, however we have not discussed it yet and if we can contribute, we will consider it. Emile enquired if the THOA is subject to the same requirements under CSOS as sectional title units. Ian Boxwell confirmed that we are not subject to the CSOS maintenance 10-year schedule. A resident questioned the state of water issues that deteriorate our roads, if we spend this money fixing the roads, how do we control the water issues. Graham said that the team is solely responsible for the roads, however he suggested that other issues could be incorporated into the team going forward. It was also asked if

we would be able to build in a levy for contractors who frequent the estate with large trucks, causing further damage to the roads, which Graham advised will be looked into and included as and when the new developments starts to take place at the front of the estate, another resident confirmed that the roads are already been affected by the construction that is taking place, so it is a big concern. Nitesh Padiachy asked if there is a long-term plan to cover the costs of maintaining the roads after the 5-year period is up, such as reduction in levies etc. Graham advised that once the roads are fixed, we have about 6 years to come up with an alternative plan to cover the costs.

Graham pleaded with residents to complain to the JRA about road issues as it strengthens his case with them if they receive several complaints from the same area.

Graham mentioned our biggest task is the speed at which we receive a response from the JRA, for approval to do the repairs. The other task is our ability to raise funds out of the community.

Graham concluded by thanking the roads committee for all their hard work.

The Chairman closed the roads discussion off by assuring residents that information will be shared, discussions will be held, and a majority vote will also have to take place before any decision can be made. He thanked the committee for their dedication and time.

6. VOTING

- **Election of Trustees**

The Chairman announced and welcomed the new trustee to the board, Mr Graham Hartlett. The four other trustees Ian Boxall, Steve Burrows, Armour Gittings and Carmen Van Wyk remain.

7. CLOSING

The Chairman Thanked the social committee for the outdoor blinds installed on the patio and thanked all the residents for their presence.

As there was nothing further to discuss, the Chairman closed the meeting at 12:12 and thanked all present for their attendance.