

Strandmeer Homeowners Association
Chairman's Report
December 2017

Welcome to the annual general meeting of the Strandmeer Homeowners Association.

The past year has been a challenging one for Plettenberg Bay, with runaway fires and very low rainfall. Nonetheless, thanks to the commitment of the management and staff and with the support of the homeowners, Strandmeer continues to provide a beautiful and smoothly running environment for permanent residents and holiday makers alike.

Improvements made to the Estate over the past year include resurfacing of the tennis court, replacement of the main gate and motor, upgrading of the pedestrian gate and developing a website for Strandmeer. Installation of a new camera system at the gate is nearing completion.

Financial Report for the Year ending 31st October, 2017

Our administrators, Plett Property Management, have circulated the audited financial statements and management accounts for the last financial year.

General Expenses and Repairs & Maintenance totalled R593 168 for the year. This represents a 4% increase on last year (after adjusting for the extraordinary payment to the municipality in 2016). Actual expenditure was R18 552 under budget.

Extraordinary expenditure totalled R121 747 against a budget of R129 000.

After Extraordinary Expenditure, a transfer to the pension fund reserve of R30 000 and a transfer to the Maintenance Reserve of R60 000, the HOA had a net surplus of R59 424 for the year. The deficit in the employees' pension fund provision has now been filled.

Your committee is pleased to report that Strandmeer HOA is in a healthy financial position, with Members' Accumulated Surplus at year end standing at R318 680. Our objective is to build our reserves to 50% of annual revenue, approximately R420 000.

Budget for Year Ending 31st October, 2018

Your committee has budgeted for an increase in last year's General and Repairs & Maintenance expenses of 9,2% to R648 244. We anticipate significant expenditure on road maintenance and upgrading of street lighting in the year ahead. Projects covered by this budget include installing lighting along the wall next to the pool and diverting part of the sewage system which currently runs under a new house.

Total expenses, including extraordinary items, are anticipated to increase by 7,8% to R771 244. To support this budget, we recommend a 5% increase in the levy to R1 450 per month, backdated to the 1st November 2017. No special levy is anticipated.

Security

Security is always a concern and we are fortunate that there have been no incidents of crime in the Estate over the past year. Other estates on the river have not been so fortunate and it is important that we remain

vigilant. While the camera system at the gate and the lights and beams on the river front act as deterrents, it remains the responsibility of homeowners to ensure that their homes are secure.

The new camera system will allow us to record the movement of cars and pedestrians into and out of the Estate, including number plates and facial features. It will also allow homeowners to view remotely who is at the gate before giving them access.

Building Approval

By far the most challenging task of the Committee is to approve plans for alterations and new houses. Recognizing that we are not experts in this field, we have formed an Aesthetics Committee consisting of the four trustees and a consulting architect to perform this task. We seek to implement the mandate provided by the members at the 2015 AGM, which is to ensure the look and feel of Strandmeer is maintained while not being overly restrictive on the individual homeowner.

The consulting architect is a key member of this committee. During the year we concluded that Mr Scheepers was not providing the input we required and have replaced him with Mr Boni. We have agreed a 3-stage process with Mr Boni whereby he will approve sketch plans, detailed drawings and completed buildings.

This process is made far more difficult by homeowners' reluctance to comply with the building guidelines. It is the exception for us to receive a set of plans which meets the guidelines when initially submitted. This places an unreasonable burden on the Trustees and we request the cooperation of the homeowners to reduce the amount of conflict and stress associated with this process.

Short Term Rental Levy

A levy on short term rentals was introduced in 2013 to reflect the additional load that these tenants place on the estate management, infrastructure and other homeowners. At the last AGM, this levy was increased from R50 to R100 per day. This was not received well by some of the homeowners. A homeowner applied to the Ombudsman to have the levy declared unconstitutional. With the intervention of the Ombudsman, there was agreement between the homeowner and the HOA that the levy should stand until a resolution is passed at an AGM removing or altering it. The homeowner has tabled a motion to have the levy removed.

The ombudsman also recommended that if the homeowners choose to retain the levy, the HOA should seek to make the levy more proportional to the rental collected, rather than a flat rate.

Pet Policy

The current house rules do not include a pet policy. A proposal in this regard is included in the pack for approval at the meeting.

Changes to the Constitution

1. Removal of the Homeowner's pre-emptive right to purchase property in Strandmeer. Your Committee is of the view that this clause impacts the seller's rights and could result in the homeowners Association incurring liabilities. It recommends that this clause be deleted.
2. Increase in the percentage vote required to put the Homeowners' Association into liquidation. It is proposed that the proportion of members present at the meeting required to be in favour of such a motion be increased from 50% to 75%. This aligns the clause with other similar clauses in the Constitution.

Acknowledgements

I would like to thank my fellow trustees for their hard work and commitment, Gerhard Kies for his help with the gardens, Henry Timme for his assistance on all things electrical, and Rowan Jones for assisting in installing the swimming pool lighting. Thanks also to Patrick Sassin and Johan Koch at Plett Property Management for their unstinting support and sage advice.

A very big thank you must go to everyone who participated in the neighborhood fire watch and contributed to supporting the emergency services during the devastating fires which hit Plettenberg Bay.

I wish to pay a special tribute to Ron Scott-Brown and his team for their tireless commitment to keeping Strandmeer running smoothly and in pristine condition. It is largely due to Ron's efforts that the increase in operating expenses has been kept below inflation for two consecutive years, despite double digit increases in administered costs such as electricity and municipal rates. We are indeed fortunate to have an estate manager with his expertise, experience and dedication.

Conclusion

In closing, I wish you and your families all the best over the festive season and a peaceful, healthy and prosperous 2018.

Peter Gent
Chairman