

## REPORT OF THE TRUSTEES OF THE BIG BAY RESIDENTIAL HOMEOWNERS ASSOCIATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

It is again with pleasure that we report to the Homeowners of our Association with regard to the events that took place over the year under review, and also the reasons therefore.

### 1. SECURITY (KEVIN CONDON – CHAIRMAN)

A change of Security Service providers was due to the previous service provider management team not correcting, short posting of staff, and a number of other serious breaches, i.e. guards awaiting trial for rape.

During this past year we have had to continue making major improvements to the physical security of the Estate. The reason for this is the result of incidents taking place in and around the Big Bay area. There has been an increase in the criminal activity in the surrounding area.

We have got Spikes / Beams / Flood Lights / Armed Response in place and this has resulted in a large portion of the budget been allocated to security.

The Recall Armed Response team has been responsible for the arrest of;

- 13 Suspects found on the perimeter of the Blouberg & Sandown Estate.
- 4 House Breakers in possession of stolen goods from other estates.

Although it is not possible to obtain the statistics from the SAP, Ben has been to all the Estates/Complexes in this area and collected some statistics as recorded by the individual Estate/Complex.

The amount of break-ins, arrests, attempted break-ins for the past year are from Atlantic Beach, La Paloma, Big Bay Beach Club, Seaside Village, Kingshaven, Dolphin Beach, Ocean Tide, Eden on the Bay, Benguilla Beach, Mont Bleu and Dune Ridge.

- In total they have had 32 break-ins, 40 attempted break ins, 10 arrests,

It is evident from the number of incidents that are taking place around our estate; we have been very fortunate not to have had a single incident over this past year and would like to congratulate the armed response Team on an outstanding job.

### 2. FINANCE (EDNA BUNN – VICE CHAIRMAN)

The finance portfolio was given to Chris Parsons, but due to work demands needed assistance and Edna offered her assistance.

Running an estate of the caliber of the one we live on, demands a fair amount of funding, to maintain the standard that was set at the outset and maintained over the past few years of its existence by the past Board of Trustees. Providing the security and upkeep of the gardens and common areas to the high standard that we have become accustomed to is no mean feat when one does not have endless supplies of money. At the last AGM the homeowners were given the option of increasing the monthly levy of R700 to R800pm so as to bring the levies in line with the rise in operational expenditure, or to continue subsidizing the increase of operational costs out of the estate cash reserves. The decision was taken not to increase the monthly levy but to keep it at R700pm and use the cash reserves for extra costs, as it was felt that we had a "large" cash reserve and to rather use this reserve for special projects like Security Beams if the cash reserves were sufficient to allow for this.

Although the estate continued to collect building period penalties and endowment levies the reserves have not been maintained, or grown, due to a few unforeseeable occurrences such as the following:

- The downturn in the economy has slowed the sale of properties and thus lowered the amount of endowment levies received from house sales (R100, 000.00 less than budgeted).

- The price of houses has dropped also influencing the amount of revenue received from endowment levies.
- The estate is almost built up, also decreasing the amount of penalty levies receivable
- The current economic climate has also impacted on managing the debtors list.
- The recession has influenced the wellbeing of our estate as much as it has the country.
- Unforeseen increases in expenditure such as increasing the security on the estate.

Having said all that, it is not all gloom and doom, the three year building period penalty clause has allowed the budgeted +/- R250, 000.00 to be increased by almost R500, 000.00 in income. The trustees have also been very strict in controlling expenditure. The major improvements and maintenance expenditure accepted at the last AGM; such as the painting of guard houses and the estate boundary walls, as well as upgrading the fences with beams and installing a generator to keep the systems up and running in event of the power outages; have been within the budget. About R 20,000.00 was exceeded over the budgeted R 635,000.00 for major improvements & maintenance even although the R15, 000 allowed for architect's fees for major improvements was not spent so as to keep as close as possible to the total budgeted amount.

As security is the main reason people buy into this estate, the security trustees found it necessary to implement certain measures which again forced us to dip into our reserves. Due to the fact that the levy was not increased last year, the "large" reserve fund has dwindled to accommodate the requirements of running the estate effectively and improving security. However, we do still have a fair amount of reserve funds available to the estate.

Should the home owners want to maintain the current cash reserve funds and not dip into it for the operational costs of the estate in the next financial year, it is recommended that there be a substantial increase in the next years levy. The proposed budget for the 2009/2010 has been thoroughly scrutinized by all the trustees and unnecessary expenditure has been done away with. We have kept to the bare minimum as we are aware that the recession is currently a hard fact of life. Should the home owners want any "frill" items in major improvements, we will probably have to implement a special levy as proposed in the Draft Budget. A comparison of levies for a number of Estates in the Cape area indicate a range from R750 to R2264.00

The proposed budget would require an increase in levy to R1000 pm, should home owners decide to take the approach - of not using (or using very little) of the cash reserves that are left - to fund the operational expenses of the estate. At the end of the day, the increase in levy is for all home owners to decide.

### 3. LANDSCAPING (ISABELLE SPENCE)

The landscaping of the common area and parks within Sandown 1 & 2 and Blouberg Hills Estate is done by our gardening maintenance team under the supervision of the Estate Manager. The landscaping maintenance duties fulfilled by our garden maintenance team has been very successful and less expensive than the outsourcing option as used previously.

Although most of our Property Owners/Residents comply with the expected standard of maintaining their gardens/verges, we have still encountered problems with some of the residents who are not maintaining their gardens/verges to keep up with the standard expected from the Big Bay HOA.

We have cut down and cleared all the overgrown bushes at each circle as this was causing a problem for drivers/cyclists who were unable to see pedestrians waling the pathways around the circles. A low, landscaped, colorful and irrigated show of plants will be planted to give each circle a facelift.

We would like to assure you of our commitment together with the Estate Manager and maintenance team in doing our best to make our 3 Estates presentable and to make all homeowners proud of where they live and to enjoy its beauty. We end by inviting any property owners who may like to share their thoughts ad ideas not to hesitate to contact us.

#### 4. MAINTENANCE(MIKE MYERS)

The general maintenance of the Estate is a continuous portfolio of work which varies from large projects to small daily routine tasks managed by the Estate Manager. As the Trustee of Maintenance we work as a team and he consults me whenever necessary.

This year has been challenging with regard to maintenance as most of our infrastructures were over 5 years old and have started showing signs of a need to be upgraded. The main maintenance activities that have taken place this year was related to the gates & booms, motors, electric fence, CCTV camera, street lights, speed bumps, panic buttons, beams, access control equipment, electric box and painting of walls/guardhouses/gates.

Regarding the gate motors, as you will see in our financial report, there is a reduced cost as we have upgraded some of the gate motors which were causing abundant problems and call outs especially at Sandown 2 and we are planning to replace/upgrade some of the motors that we have identified.

I must also mention that the playground areas have been managed and maintained by our staff and all appears to be in good condition but here I would like to appeal to animal owners to please take along a "poop scoop" to these areas when walking your dog and do the necessary clean up after your dog, (all that's required is a plastic bag and a small garden shovel!). Besides being unsightly it is a health hazard to all the children. I noticed with great concern that there are small broken pieces of glass in the sand surrounding the playing equipment. I would like to request that no glass be taken into these areas for obvious reasons.

The future maintenance planning of the Estate is to look at upgrading our entire electric fence, more beam zones to be installed in Sandown Estates and Blouberg Hills, maintenance of the lamp posts, changing of the day/night switches on the streetlights and adding some speed bumps at Sandown 2.

We have received queries from Homeowners regarding roofs at the resident entrances as it causes a problem when it rains. We are aware of the problem and this will be discussed at our AGM.

All the costs and figures will be included in the AGM Pack for your interest and perusal to allow you to see all the figures regarding the maintenance. Where we could, the Estate Manager has utilized his staff in areas that would normally have been outsourced, hence cutting costs.

#### 5. BUILDING OPERATIONS (EDNA BUNN)

We have seen over the past year more houses being completed. We are achieving our goal of no - or few - empty plots. The estate is getting built up and the standard of aesthetics has been maintained setting Blouberg Hills, Sandown 1 & 2 apart from other estates with it's essence of exterior design conformity that is always in line with the Big Bay Building & Design guidelines

The economic crisis in the country has been reflected in the estates in that there has been little or no movement with vacant properties being sold and being built on. There are currently 18 empty plots. Building activity has decreased and projects that were started last year ( we had 16 houses under construction last year) have been completed and currently there are only 3 houses under construction. We have 185 completed houses on the estate giving us an almost built up estate.

The 3 year building penalty that kicked in a while ago, that means empty plot owners need to pay the levy plus 4 x penalties, this year has had no impact on getting the vacant plots built on. So we may see these plots remaining empty for a while.

Although there has been a decrease in the building of homes, a zero tolerance policy is still practiced with builders. Building of houses may have decreased but there are still many building

queries that crop up. As homes change ownership and current Home Owners decide to do improvements we are finding an increase in renovations and additions to homes. This in itself presents its own problems. Home owners that want to add on to their homes have to be reminded that the design guidelines still apply and all the rules and regulations STILL have to be adhered to. New HOs have to be made aware of the fact that our estate has a very strict approach to the Big Bay design guidelines and these building rules have to be adhered to at all costs.

As the estate matures it sets its own design aesthetics and it is very clear what types of architectural structures and finishes are acceptable. When Home Owners have tried to introduce NEW design features, we have asked them to look at what has been allowed previously on the estate. Although the guidelines are very clear we have had the odd few people who have tried and are still trying to do their own interpretation of what the estate allows. As these "grey" areas arise we have draw up building guidelines explanations and in these instances rules and practices for the estate have been made even clearer and once again added to the set of rules in the Contractors Agreement.

There is a set procedure on the estate when one wants to start any form of building and or alteration.

- The HO must have plans draw up for any new building or change to an existing house as any building procedure must be recorded in the estate managers records.
- These plans must be vetted by the BBHOA Architectural committee to be approved by the HOA.
- Plans are to be approved and stamped by the BBHOA Architectural committee and Council.
- A set of these plans must be given to the manager to keep on file.
- The Contractors Agreement has to be signed before any building or alterations commence on the estate. The guidelines are clear and when deemed to be a "grey" area, the advice of experts such as the resident Architectural Designer and Estate Manager must be called for. In all instances a set procedure is adhered to, to produce equitable outcomes.

Although our building procedure is clear, we have found that some residents have not adhered to this procedure and gone ahead and done what they deemed acceptable without consent. We wish to remind all home owners that NO building may take place without the consent of the HOA. All rules and documentation are made available to any prospective owner or builder so that there is no confusion of what is expected on the estate.

The Trustees of BBHOA have set these procedures in place to ensure that all property owners receive the same delivery, of fairness and safety, provided by the Guidelines, as set out by the City of Cape Town City Council in the Building Guidelines of the BBHOA.

Although it was thought that the scope of the building trustee would become smaller, there have been more challenges to the interpretation of the BBHOA Design & Building guidelines this year and we believe it will continue as renovations and alterations increase.

We ask that all persons wanting to do any building in the future please make themselves familiar with the procedures and rules of the estate. This will ensure that the high standard of the estate's exterior design conformity continues into the future.

## 6. MARKETING (CHARLOTTE NUTTALL)

My husband Gary Nuttall was appointed at the last AGM to handle this portfolio and due to work constraints and timings, he could not fulfill the role to a level that he wanted to, so he resigned and I kind of stepped in to assist.

This function is purely to market the estate via the website and make it user friendly for anyone to have a look at. So what we did was contact the person who created our website, meet with him and clean up the website.....we soon discovered how many users we had on the site over the past few months (over 1000 users) from countries as far as Poland, Germany and France – very interesting indeed.

The website is there for YOU – and we are now in a position for you to advertise on the website if you like – at a minimal cost because what we are trying to do is make our website work for us. We have also approached the estate agents who sell properties in our estates to feel free to advertise the houses for sale (at a certain cost) on the website and a link may be created. These adverts can be updated accordingly as the houses are sold and new ones come up.

The website is there as a means of communication for all of us and can be used a quick method of accessing information within the estate. We have a monthly newsletter that goes out to all home owners and this newsletter can be found on a monthly basis on the website too – [www.bigbayhoa.co.za](http://www.bigbayhoa.co.za)

We have also approached several restaurants and shop-owners within the area and offered for them to advertise on the website and offer specials for a certain fee – there is some keen interest here – so what we are doing is making our website work for us

Our monthly newsletter goes out to each home-owner and we offer spacing for your adverts at a nominal once off fee – I have done some research and someone who advertised a lift-club in one of our newsletter received a good couple of phone with valid enquiries.

Please go onto our website and if you have any suggestions or ideas we would love to hear from you – we value all your feedback as a home owner and any enquiry will be noted and we will revert back to you.

## 7. MASTER PROPERTY OWNERS ASSOCIATION (BELINDA KETEL)

The Big Bay MPOA was formally started on 1 September 2008 and is a property owners association – that means it is run and organized by property owners (like you and I) from the Big Bay area. It is a body that was legally constituted through the agreement between the City of Cape Town and the original developers of the Big Bay area. The main purpose of the MPOA is to “top up” the basic services provided by the City of Cape Town as there are various technical, environmental and “luxury lifestyle” service elements that the City of Cape Town would not provide as part of their normal municipal services (as paid by normal household rates and taxes). The MPOA is noted in ALL title deeds for properties in the Big Bay area and each property owner would have had this clause notifying them of the MPOA, its purpose and the levies it has to charge, included in the paperwork signed when taking ownership of their property. The MPOA currently consists of 8 precincts, but more are planned as the development continues. The Big Bay HOA, which consists of both Sandown and Blouberg Hills Estates, forms a single precinct within the MPOA – this means that we have an “automatic” space on the board of Trustees of the MPOA. As such, one of the Trustees of the BBHOA has been permanently allocated to the new portfolio of MPOA. This involves attending the monthly MPOA meetings and providing regular feedback to the BBHOA trustees and residents of the two estates. The MPOA has been surrounded with controversy and confusion since its inception in 2008. There has been widespread frustration, negative feedback and complaints regarding the purpose of the MPOA, its “legal standing”, the levies being charged, and the customer service received from Topnotch. Although many of the moans and groans have been well founded – most are due to a lack of understanding around the purpose and jurisdiction of the MPOA, and the role of the managing agent, Topnotch. Various written communications have been sent out by the MPOA via Topnotch to the managing agents of each estate, to

the individual home owners in general, and in reminder form to those home owners that still had outstanding levy amounts on their accounts. In addition, a general information meeting was held in August 2009 to answer questions and explain processes. The current reality of the MPOA is not a pleasant one – due to the fact that many home owners throughout the Big Bay area have not paid their MPOA levy accounts, the financial situation is coloured by few owners paying for the services received by all owners!! The MPOA trustees and managing agent are only able to action and implement projects that are affordable in terms of the finances available – so although more cleaning and sweeping and clearing of firebreaks might be desirable, it is not possible! Only the absolute basic services are being provided and those owners that have not yet paid have been handed over to a legal process, which itself costs the MPOA time and money. The truth is that the MPOA is not going to go away – it is here to stay and only the way it is managed and financed can be improved.

For any more information on the MPOA or to report any particular problems, please contact the Bhopal's allocated MPOA Trustee, Belinda Ketel at ketelb@telkomsa.net or 083 630 2887.

## 8. MANAGING AGENT

Cape Classic Property Solutions (Pty) Ltd was appointed as the Managing Agent from the date of establishment of the association. (2004). They, together with the Estate Manager, under the guidance of the Trustees, are responsible for the day to day running and management of the Estate.

Cape Classic Property Solutions attends to all the Association's issues including, but not limited to the following:

- collection of levies and levy statements
- debtors control including handing over of debtors and liaison/ follow-up with attorneys
- collection of endowment levies
- payment of all accounts pertaining to the HOA, management of the bank account and investment of surplus funds
- payment of salaries and wages including all statutory requirements e.g. PAYE, Workman's Compensations, and UIF
- supervision of HOA staff including job specifications and performance reviews
- all book keeping services for the HOA including monthly accounts, actual vs. budgeted expenditure, and debtor age analysis for the Trustees
- arranging and attending all trustees meetings, special general meetings, annual general meetings and any other adhoc meetings as required.
- taking minutes of all meetings
- arranging insurance for the HOA as well as the submission and follow-up of any insurance claims
- weekly visits to the site
- control and management of petty cash
- writing letters and sending out correspondence as and when required
- arranging financial audits and preparation of the annual budget

The Trustees thank you for your continued support during the last financial year and look forward to a productive and successful 2009/2010.

The trustees voluntarily give up a great deal of time over and above their family and work commitments. Constructive criticism and input is always welcome and Owners are therefore encouraged throughout the year to put forward issues that concern them together with possible solutions. Owners are also urged to make themselves available as trustees if they are of the opinion that they can add value.

Snacks and drinks will be provided after the AGM in an informal setting where Owners will get the opportunity to meet both the Trustees as well as other property owners. Please RSVP to [info@capeclass.co.za](mailto:info@capeclass.co.za) or telephone the HOA office on 0861 106 395 for catering purposes. We hope to see you there!

Yours sincerely

The Board of Trustees