



**MINUTES OF THE ANNUAL GENERAL MEETING OF ZWARTKOP GOLF  
ESTATE – HOME OWNERS  
ASSOCIATION (ZHOA) HELD AT ZWARTKOP COUNTRY CLUB ON 30 MAY  
2018 AT 19:00**

**QUORUM**

The meeting commenced at 19h00 as a quorum was present in person and/or proxy.

Directors present were:

Mr. Werner Nolte - Chairman (WN)

Mr. Marcel Theron – Director Aesthetics (MT)

Mr. Eugene du Toit – Director Security (EDT)

Mr. Jannie Rossouw – Director Finance (JR)

**1. WELCOMING BY THE CHAIRMAN**

WN chaired the meeting and welcomed all members to the meeting and for the effort they made to attend the meeting. WN also made use of the opportunity to introduce the current board members and their portfolios.

No apologies were made by members.

**2. APPROVAL OF THE MINUTES OF THE 2017 AGM**

No comments or objections were made regarding the minutes of the AGM held on 30 May 2017. The minutes were approved as a true reflection of what was decided at the meeting and were accepted.

**3. DISCUSSION OF MATTERS ARISING FROM THE 2017 AGM**

All matters arising from the 2017 AGM were addressed in the directors' report in detail.

The following matters were expanded on:

**3.1 Development of the bowling green**

WN raised concerns on the development of the 5 stands. He mentioned that it could take up to 3 years to develop these properties and as a result the ZHOA security will be at risk due to access control of contractors and workers. Questions were raised how to control access to the 5 stands. No definitive answer exists.

## COMPLAINT BY RUAN DE VILLIERS (E101)

He mentioned that he bought into an estate with set amount of luxuries and he felt that it was not fair for him to lose out on these luxuries after he bought.

## OBJECTION (E101)

The Member objects against rezoning of the bowling greens.

### **3.2 Estate Boundaries' responsibilities**

WN stressed that the Southern Boundary remains a major concern from a security point of view due to it being a flood area.

- Stand E101: Questioned how much was spent on the upkeep of the ZHOA fences, as the member does not observe R500,000 spent on the fences.

WN advised the member to address this issue during the financial report discussion and to consult with the ZHOA manager for more information.

### **3.3 Credit Management Policy to be brought in place**

The ZHOA has various problems collecting arrears due to the recent legislative restrictions associated with attaching immovable properties. By law the ZHOA is bound to take all possible other collection steps before a court will consider attaching immovable property. This had an escalating legal cost impact to date. The total legal expense this year for collections was more than R200k. The ZHOA has not really made a dent in collection of capital (arrears) owed by the members as debtors.

- Stand C302: Questioned what was done to improve the collection process?

WN replied that an amendment to the rules in the MOI is proposed to allow the ZHOA to report a person as a bad debtor to a credit bureaux. The collection process was also refined. The ZHOA also utilizes only one specific law firm for collection. The ZHOA is attempts to update information of owners regularly in order to trace them if the member concerned defaults.

### **3.4 Date of levies' & utilities' invoices to be sent out on the same date**

WN informed the members that it was considered, but unfortunately it is not possible due to the fact that levies are payable at the end of the month and utilities are payable in advance. The reason being that the ZHOA is purchasing prepaid electricity from the Tshwane City Council and the utility invoices need to be sent out swiftly to recover prepayments in order to allow for a positive cash flow.

- Stand 1117: Enquired whether the utility statement and levy invoice can be sent in the same email?

The Estate Manager will investigate and provide feedback.

- Stand E101: The member questioned whether it is possible to convert to full solar electricity systems and if he can send a solar proposal to the board.

MT mentioned that one can go full solar and supply your own house with electricity as long as you do not feed into the grid. MT also mentioned that no decisions were taken on feeding into the ZHOA's grid. WN also mentioned that stand E101 is welcome to send a proposal.

### **3.5 Security barriers at gate entrances**

This is an issue that falls under security and will be discussed with the security report.

### **3.6 Fibre update**

WN mentioned that a portion of the ZHOA is live, and the other side of the Estate is still pending. Mr Lindeque from time to time communicates to members via email regarding the various options of service providers that may be appointed.

## **4. DIRECTORS' REPORT**

The Directors' Report was sent out as part of the AGM document pack and the report was taken as read. The Directors Report was approved. Stand 1078 proposed and stand 1061 seconded the motion.

### **Important points discussed and explained in the Estate Manager's portion of the directors' report:**

The Estate Manager and the Operations Manager have made a list of all the assets that the ZHOA owns. These assets have a certain lifespan. A report of required repairs and maintenance has also been compiled, with timelines added. The lifespan, maintenance and repairs are continuously monitored and impact the budget.

WN mentioned that a business (Bicacon) at Nelson Woods' entrance wants to be excluded from the ZHOA. Bicacon made a few mistakes with their building plan arrangements and the ZHOA had to stop Bicacon from developing further. Bicacon will apply to City Council to be excluded from Zwartkop Golf Estate. The ZHOA can exclude Bicacon from a ZHOA perspective, but the provision of power is a problem. There is no power substation on the outside of the ZHOA from which Bicacon can be supplied power.

WN mentioned that there is a telecommunications mast application pending on the Bicacon property. The initial application was unsuccessful, but there is an appeal pending. The developer of phases 4 and 5 is opposing the appeal.

**Important points discussed and explained under Security:**

EDT explained that in the previous budget R1.5 million of the SMR budget was reserved for security upgrades. Past incidents were reviewed to give an indication of where the high-risk areas were. The finding is that 70% of all incidents were the result of perpetrators gaining access through the perimeter to the ZGE. The perimeter controls at the gate house and elsewhere were analysed to understand what is to be done. 30% of the incidents could be attributed to clubhouse visitors gaining access through the gate. While attending to a perimeter assessment in re cameras and electric fencing efficacy there was an incident at Sarazen View. The incident was reviewed, and the finding was that the electric fence was not operating within the required parameters, there was a system malfunction and lack of alarm to the security operating and control office. As a result the intruder was not detected.

The resultant investigation concluded that there was a substantial portion of the electric fence which was not operative and/or effective. It was decided that the poor fencing was a high-risk factor and that the perimeter fencing needed to be upgraded. Further, the perimeter camera systems were not detecting the perpetrators, as the cameras were not configured correctly. The previous service provider did not have the necessary skill to manage and configure the cameras correctly, resulting in another service provider being appointed with an independent view to assess the efficacy of the cameras. The new service provider found that a high percentage of the cameras were not working effectively. The ZHOA saw to the reconfiguration of the ZHOA camera systems. This process is ongoing.

There was also a further incident in December 2017 after the above incident was addressed. This time the camera system did detect the intruder.

During the latest incident in March 2018, the perpetrators gained access through the fence at the bridge over the river next to the Old Johannesburg Road. Again, the cameras detected the intruder, but the control room operator failed to react to the issue because of personnel failure. Disciplinary action was taken against the security staff at fault.

In the long term the ZHOA is looking at migrating to lower cost cameras and systems from local producers and gradually phasing out the current expensive cameras at end-of-life.

- Stand 119: Questioned if there are no controls in place to test the functionality of the fence on a regular basis and why is it that we only identify these issues after an intrusion?

EDT responded that he cannot comment on matters that existed before he was appointed as a board member. Currently these controls and tests are in place.

- Stand 1034A: Asked if the perpetrators were caught.

EDT mentioned that the perpetrators were not caught.

- Stand E101: Suggested that access for contractors must only be allowed if an SAPD clearance and original ID of all workers entering ZHOA can be produced.

Mr Lindeque to investigate if this is practical.

- Stand 1078: Questioned the control room procedures in place to secure the ZHOA?

Mr Lindeque replied that the guards walk the perimeter nightly and is monitored. Two control room operators were appointed to effectively service alarms. Every morning Mr Lindeque reviews the cameras for concerns. If there are cameras malfunctioning Mr Lindeque will report it immediately to the service provider. The second control room operator manages the alarms and the second operator scans the cameras.

- B304: Mentioned that when she goes out at night and returns, she sometimes waits 10 minutes before the sleeping guards open the Estate gates nearest her house. This has happened numerous times over the last year.

WN encouraged her to report all incidents with all the relevant detail to Mr Lindeque for action

- Stand 1118: Asked if notifications can be sent to residents when an intruder is detected on the ZGE at the moment of the risk.

WN replied that resources at that stage all focus on catching the intruder, before considering reporting the issue to members.

### **Important points discussed and explained under Aesthetics:**

Taken as read and accepted.

### **Financial Report:**

#### **Annual Financial Statement approval**

JR explained that the signed and approved (directors) Annual Financial Statements were late this year due to the initial auditors appointed being unable to finalise the report, given that their relevant licence expired. New auditors were appointed at the last minute and finalised the audit shortly before the AGM.

JR also explained that in the past 2 sets of financial statements were presented (one for levy and one for utility), but because the ZHOA is one company, only one set of financial statements was presented this year by the auditors.

#### 2017 Budget Performance

JR announced that the 2017 budget was achieved.

#### Income Tax Compliance

It was explained by JR that the ZHOA never paid income tax, which needs to be corrected and an approval is required to make the SARS payment.

Stand 1079 proposed and stand 1061 seconded the motion for the income tax matter to be resolved.

#### Reappointment of auditors

The current auditors were reappointed for the next year's audit. Stand 1118 proposed and stand 1117 seconded the motion.

#### VAT impact of Tshwane credit

The City of Tshwane processed a credit note on the account for updating the metering reading based on actual readings. As a result, a VAT amount becomes payable which will impact the cash flow. Permission was granted to make payment. Stand 1078 proposed and stand 1061 seconded the motion.

### **4. 2018 BUDGET AND LEVY INCREASE**

The budget as presented was approved.

A levy increase of approximately 8.44% was approved.

- Stand 1078: Questioned the base for the levy increase and if CPI was used?

JR responded that the budget was based on funds required to achieve objectives.

### **5. STRATEGIC MAINTENANCE RESERVE (SMR)**

The proposed SMR budget of R1,080,000 budget was approved. Stand 1061 proposed and stand 1078 seconded the motion.

### **6. AMENDMENT OF THE RULES AND MOI**

The proposed changes to the Rules and MOI were approved by special resolution of more than 75% votes present and capable to vote, received.

A change to rule B3 was approved. The word “ensure” will be replaced by “encouraged” and will read: “Members are **encouraged** for children not to play in the streets”.

Stand 1078 proposed and stand 1061 seconded the motion.

## **7. ELECTION OF DIRECTORS:**

The meeting took note that EDT resigned due to personal reasons and matters of governance. The following members were duly elected as directors for the next term:

Mr. Werner Nolte

Mr. Marcel Theron

Mr. Rohan de Villiers

Mr. Jannie Rossouw’s firm was also separately appointed as internal auditor on a professional fee basis, not related to his appointment as director

The meeting unanimously approved a levy rebate for the directors serving.

*(Edt. – this is in conflict with the MOI and the approval is nullified)*

## **8. GENERAL AND QUESTIONS**

### Nelson Woods entrance landscaping

- Stand 1174 requested that the ZHOA entrance at Nelson Woods be decorated with more care. It was decided to utilise a portion of the garden maintenance reserve for this purpose, as per the ZHOA garden planning. It was also agreed that if additional decorations are required, the members may utilise own funds to decorate the entrance, subject to ZHOA design and implementation approval. Stand 1174 may provide input on specifics to improve the entrance.

### Proposed development of the eight-storey building:

This building will not form part of the ZHOA, even though the development will have access to the golf course. The approval of this development is out of the hands of the ZHOA and in hands of City Council. The ZHOA however did object to this development.

Security: The Operations Manager will setup a WhatsApp broadcast list or groups to inform residents as incidents occur. The residents will form their own internal WhatsApp groups per internal township extension.

**9. CLOSING OF MEETING**

The meeting was adjourned at 22h00.

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**Approved: Chairperson**