



2016/2017

## 6 Months - Trustees Overview Report

### **New Requirements:**

With the implementation of the new CSOS Act (Community Scheme Ombud Services Act) there are new requirements that have to be adhered too. One of them is that every six (6) months a report has to be drawn up on the state of the complex maintenance wise and what is being done in this regard.

This has been a practice that we have been doing prior to the enactment of this Act, for reasons of keeping our owners informed of the developments, of which here has been many.

So our “6 Months Trustees Overview Report” comprises of the following:-

- **Section A :- Financials**
  - 6 months unaudited Financial statements;
  - 6 months Actual to Budget report;
- **Section B :-** Current state of the complex;
- **Section C :-** “10 Year” Maintenance Budget Plan – (Preliminary Budget).

### **Introduction of the “10 year” Maintenance Budget Plan**

This new requirement is necessary so as to:-

- Avoid any future unscheduled Special Levies over and above the normal levies;
- Implementing a proper strategy for maintenance of the complex over a 10 year period & budget accordingly – refer to preliminary Maintenance Plan (attached);
- The general reserve needs to be a structured fund with funds allocated to the various projects;
- Withdrawals from these funds need to be announced to the Body Corporate, with good reason and purpose of the withdrawal of these funds from the general reserve.

Ultimately these reports should bring about greater transparency and improve the communication channels with the owners and residence alike. This level of communication was much needed in the Sectional Title & property industry.

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## **Section A - Financials**

### **6 Months un-audited Financial Statements** - (view attached FS reports)

Please see attached financials attached for your perusal.

### **6 Months Actual to Budget figures** - (view attached comparative report)

To date we have a surplus of R 45,238 for the first 6 month period to December. We have continued with maintenance projects – mainly to do with storm water drainage around the newly renovated buildings. Our ground staff, have been mainly occupied with the summer gardening duties of grass cutting etc... due to the excessive rains. The winter period allows us to carry out the major maintenance projects.

**Painting Project:** On the painting project we also carry a surplus of R 31,000 – however this will be spent as soon as the rains have stopped - This has been arranged with the CHS painting contractors.

**Electricity Underspend:** What was noted was the under spend on electricity as there were many credits that were passed by Ekurhuleni Accounts Department this was for the period running up to December 2016. Since then we have not received a proper Electricity bill for the bulk metering, nor have we been charged for the Greenfields holding deposit of +/- R 22,500 - (provision was made for this at our last AGM).

**Outstanding Electricity:** For the record we have accumulated R222,900 (from mid Nov 2016 to end of Feb 2017). This in a separate electricity banking account for all the prepaid voucher purchased up to end of February 2017. To date Ekurhuleni have bill us for R5,137.56 for all electricity until 17<sup>th</sup> January 2017 - Realistically impossible! As the managing agent we have gone to see the accounts department to clear up this account. In the meantime we are earning interest on this account. Trustees are kept informed of Ekurhuleni and the electricity account.

**Levies Arrears :** We currently have one owner that has been handed over to legal as their levy account was not been settled.

**Note of Caution :** To avoid interest charges, as per the Credit Act, being charged to your account we recommend that levy payments being done timeously by the 1<sup>st</sup> of every month. This is in keeping with the new CSOS Act.



## **Section B - Current State of the Complex**

In this section we cover work that was either initiated from the previous year or projects that we commenced this year.

### **1. Prepaid Meters progress:**

This project has caused some major headaches, especially with the initial selected provider (Meter Boys) that provided false information, this coupled with Ekurhuleni's poor management to date on closing of individual accounts. Fortunately we have overcome these hurdles.

**Notification of the Outcome:** Following the outcomes of these meetings as well as those held with Ekurhuleni - DCS prepared a Notification documents that was distributed to both owners and residents alike. These included :-

- This document explained why we changed over from Meter Boys to E.U. Systems;
- The second notification gave a comparative costing exercise that showed residents the difference in costs between the new (Resellers Tariff) compared to the old Tariff A or B (provided by Ekurhuleni);
- The third notification dealt with closing of electricity account with Ekurhuleni and when and how they would settle. This notification was welcomed as it cleared up a lot of the frustration that were being experienced.

**Management Fee :** The management fee is part and parcel of the service provided and cannot be excluded. The management fee provided the following :-

- Provide the monthly statements of the purchasing of prepaid meters voucher units;
- This fee replaces the Ekurhuleni monthly electrical service charge of R39.50 that appeared on all Ekurhuleni W&L accounts;
- Provide backup assistance to reset meters that may have an issue;
- Provide the 1 year warranty on the new meters.
- E.U. Systems provide the lowest cost management fee in the market @ R37.54.

**Service Fee : (Vendors Fee)** This Service /Vendors fee is the percentage amount (5%) that is deducted by Blue Label Telecoms, who are the sole distributor of electricity for all prepaid metering.



### **Electricity Refunds : - (due to residents who had new prepaid meters installed prior 5<sup>th</sup> Dec.)**

The reason for these refunds are due to double billing that occurred to those units that had their meter installed prior to the 5<sup>th</sup> December as they would be invoiced by Ekurhuleni up to and including 5<sup>th</sup> December – this created a double payment situation as those residents purchased electricity vouchers for the same period leading up to 5<sup>th</sup> December.

The refund out of our own account can only happen once the final electricity account is provided to us so as to verify this – we anticipate that this should take place mid-March – once the workings have been verified by the Trustees.

### **DCS – Immediate Contact Support**

Pierre for DCS will be the first contact person in case of prepaid metering problems. This is to ensure that other snags could be eliminated before calling out our electrician.

DCS has a spare meter in case of any prepaid meter going faulty due to poor wiring connections. This will save time and costs when replacing them.

### **Sealing of all prepaid meters – with a specially branded coded seal**

Permission was given by the Trustees to purchase a specially forged seal with the specific lettering that will appear on all the seals.

Reason for this is that currently there are no seals on the current prepaid meters – therefore any prepaid meter going into tamper mode cannot be determined if it was due to tampering or through the poor wiring connections during installations. The fine for tampering with the wiring is R 2,500.00 that has to be settled prior to reconnection.

All owners & residents will have their meter wiring checked prior to seals being placed on them. DCS would issue a letter to inform them of this process – this process should commence mid-March.

## **2. Other Ongoing Projects:**

**Intercoms:** The electrical storms largely affect the operations of the intercom system. C-Cam has managed to sort out these problems however at recurring costs that are not planned for.

We are searching for a company/ supplier who are able to rectify the poor cell phone signal within the complex. We need to tackle the problem with boosters to improve the overall reception in the complex for all cell phone providers. If anyone one has possible contacts in this field to please notify us.



**Resident Contact Details:** Part of the reason for building the residential data base is to improve the contact ability with the residents. One of the new requirements of the CSOS Act is that Body Corporates need to have all personal details of all residents and owners. DCS (PW) to draw up another document in this regard.

Part of the process for loading an individual on the Bio-Metric is that the resident must fill in the Owner/Tenant form with all his details.

**Storm Water drainage:** This has been our major project during these summer months. We have had plenty storms of varying proportions which has tested the drainage systems considerably.

**Water Table (Measurements):** We started by sinking 24 measuring pipes into the ground throughout the complex. The measured results are as follows :-

**Note:** Initial measurements throughout the complex were dry with zero readings in early November.

**Process followed:** The approach used was to measure existing water readings found in these tubes – record them and then empty the tubes so as to make another reading 24 hrs later.

**Findings:** From these readings it is evident that top left quadrant of the complex – from main gate. We are anticipating some serious plaster work to be done in that area when the painting project starts again.

**Drainage Project:** There has been extensive storm water drainage work carried out on Block 1 & 2 – with a further storm water sluice built between Units 13 & 25.

This current project has significantly improved the process of getting rid of the storm water from the buildings.

### 3. **Projects listed & completed:**

#### **Establish why entrance gates are already giving problems**

- Completed – The rollers of the security gates need to be replaced twice a year.

#### **JO-JO Tanks (2500 ltr) for swimming pool**

- Installed & supplying water to the swimming pool.

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**Cover loose paving areas with sand cement mixture to stabilise**

- Completed - Throughout complex

**Painting the precast wall along Harris Avenue**

- Completed.

**4. Future Projects listed:**

**COMPLEX PAINTING: Recommence the work again for Blocks 5 – 8**

- Funds have been budgeted for this & work will recommence once the rainy season has pasted.

**CLUBHOUSE: Close off a designated area around clubhouse for functions**

- A low white picket fence will be slotted in specific points demarcating the party area for guests and residents.
- Prices currently being sort for the required wooden fencing.

**PAINT: Pool & Play Area palisade fencing**

- Next project to be tackled in March – by ground staff.

**PAINT: Carports**

- Carports will be done by our own in-house staff as they have proven themselves very well over time.
- A budget figure will have to be prepared for this, in line with the 10year - Maintenance Plan provision for Reserve spending.

**ELECTRICAL: Convert carport lights to the new system**

- A full costing needs to be done to roll out this plan.
- The initial test plan has worked well & approved for rollout.
- To be part of Maintenance Plan & Budget.

**PET ISSUE: Dealing with roaming cats in the complex**

- Highlighted for action.





**CLUBHOUSE: Consider outside gate to clubhouse so all event visitors park on pavement outside, as we do not have sufficient visitors parking within the complex.**

- Costing needs to be done to for a gate to be placed by the pool area.
- Part of Maintenance & Budgeting.

**CLUBHOUSE: Review clubhouse earnings**

- Clubhouse earnings have been poor - after refunds and expenses.
- Either we review the hiring cost upwards (e.g. R600.00 refund R200.00)?

**CLUBHOUSE: Consideration for opening up the Clubhouse to all residents at all times – especially the toilet facilities**

- Earmarked for discussions.
- Accessibility of the toilets to the residents is needed – as it is a problem.
- Trellis door to enclose kitchen area – for hiring occasions.

**STORE ROOM: Revamp part of the servants quarters to create storage area**

- Special bathroom accessibility needed for Thomas - via his existing room.

## 5. Long Term Projects listed:

**PLAY GROUND FOR CHILDREN: Improve the playground area for all kids**

- Soccer / Tennis / Cricket nets / Basket ball area enclosure
- Table Tennis area – possibly by the clubhouse area
- [Any owner or resident with a contact in laying a concrete slab ? – Please contact us.](#)

**EXTEND COVERED PARKING – (for all open parking bays)**

- For consideration due to hail stone belt.
- Costings would need to be done – feasibility study.



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## **Section C - “10 Year” Maintenance Budget Plan**

### **The “10 year” Maintenance Budget Plan**

We are currently preparing the “10 year” Maintenance Budget Plan and will present it for the next AGM in September.

The objectives of the “10 year” plan is :-

- The maintenance reserve is separated from the month to month expenditure budget;
- The maintenance reserve must represent 25% of the annual levy contributions;
- Any withdrawals from the maintenance reserve bank account has to be notified to all owners with good cause;
- Maintenance projects cannot be delayed or cancelled – without good cause.

The 10 year Maintenance Budget Plan will become more and more accurate as time progresses. We want to include the 2 previous years as there was extensive work done at that time.