

## **2021 CHAIRPERSON'S REPORT**

### **TENTH ANNUAL GENERAL MEETING**

#### **Overview**

It is an honor for the Trustees of Brandwacht Aan Rivier to report at the tenth annual general meeting on the state of affairs of the Association.

On celebrating the 10th birthday of our wonderful estate we can truly be proud of what has been achieved over the years. Big thanks to Gary, his team, the trustees and Chairperson's of the past.

Thank you to the trustees for their hard work and dedication during the last year. The trustees are:

Stefan Crouse  
Jan Cilliers  
Pierre de Villiers  
Gordon Reid  
Fanie Neethling  
Holden Marshall

If you walk past Gary, his team and the trustees please thank them as they really put lots of time and effort into the estate.

We are thankful for the contributions of our managing agents Trafalgar for their efforts in running the administration of the estate.

The AGM will unfortunately again be over zoom this year but we think it is best for the safety of all which I am sure you all will understand.

Below just a short summary of the key focus areas of the estate:

#### **1. Rehabilitation of the riverbed**

##### Riverbed stabilization phase 1

The Trustees are pleased to confirm that the riverbed stabilization has performed in terms of its design and no material new erosion has occurred over the past year.

The riverbed will continue to be closely monitored and further phases may be implemented in need. To date there has been no indication that further phases will be required in the short/medium term.

##### North bank erosion and stabilization repairs

The Trustees are pleased to report that following ongoing engagement with Stellenbosch Municipality with regard to their responsibility to improve, repair and maintain the storm water runoff system from Brandwacht suburb (to our north) has been successful in that the Municipality has finally commenced with the first phase of their planned storm water management obligations.

Unfortunately, due to Covid related delays, the commencement of their work has been delayed and only Phase 1, being the semi-permanent repair to the main damage areas opposite slot 2 and 4, will be concluded prior to 2021 main rain season. The repairs are expected to prevent further deterioration of the North bank in these vulnerable areas, however, their main obligation of managing and diverting storm water on the North of our boundary will only commence towards September.

Whilst the Municipality have confirmed that their specialist engineering firm (JG Africa Engineers) have completed their design solutions to the storm water along the North bank, the design has not as yet been shared with the Trustees.

The Municipality have reaffirmed that the repairs are earmarked as a high priority from their side and that sufficient funds have been allocated to implement the repairs as per their specialist engineers design.

The Trustees will continue to engage with the Municipality to ensure compliance with their undertakings.

Once the Municipal repairs have been affected the Trustees together with our engineer will assess the north bank and undertake any remaining remedial and/or cosmetic repairs, which are expected to be executed within the specific existing budget allocation.

The Trustees thank Gary and his team for the excellent footpath and erosion structures built for our enjoyment and protection of the North bank/River bed as well as all Residents for their co-operation and value add during the process.

## **2. Security**

The Trustees are pleased to confirm that the layered boundary security system operated as per the design protocol following a brief breach to the north perimeter earlier in the year, which resulted in no risk to the members.

There have been no further breaches or incidents.

The system software upgrade was successfully implemented to ensure that our security system operates optimally to the latest security design and standards.

The backup battery and inverter were also upgraded, resulting in a minimum of 5 hours backup power as well as ensuring that the batteries are quickly recharged when the power is on to ensure that we can withstand several load shedding events in any 24-hour cycle.

The access control system has also been upgraded both for visitors as well as staff and will continue to be monitored to ensure maximum security at the least inconvenience to members. The Trustees thank Gary for his unwavering commitment to our safety as well as all members for their patience and support in embracing the upgrades.

The Trustees remind all residents that security remains the responsibility of all and appeals to all residents to remain vigilant and report any suspicious events.

## **3. Financial Overview**

The Trustees are pleased to confirm the estate is in a healthy financial position. Covid-19 pandemic has not negatively affected our financial affairs.

The financial target for every financial year is a breakeven operating budget whilst at all times maintaining a high standard on estate maintenance and security. The river rehabilitation is always a factor but as explained above we are progressing well with the municipality. The operational costs of the estate are around R3 million per year and the aim is for other income and levies to cover these costs. Our reserve levels as per other estate guidance should be anywhere between 3-6 months of yearly operating costs. The reserve levels at 28 Feb 2021 of R1.54 million means we are at the upper end of our buffer of six months which is pleasing.

For more information, please refer to the audited financial statements.

## **Overview of the financial position as of 28 February 2021:**

In this financial year members would have seen a deficit of R265 898. This deficit was due to unforeseen security upgrades of R363 348 and the wind storm damage of R128 000. Fortunately we could finance this from our reserves. Also the strong reserve levels have allowed us to limit our increase to only 2.5% for this financial year which is below inflation.

Some Highlights from the Financial Statements:

Levies:	We are pleased that the levies were all collected. This included the long outstanding debt of one of the members.
Other income:	The Association earned interest of R58 451 and building penalties of R168 026.
Special levies:	Due to the Covid-19 pandemic, the special levy relating to the months of April, May and June 2020 was permanently suspended.
Operating expenses:	The operating expenses have been managed well and are in-line with previous years if one excludes the unforeseen overspend due to security upgrades of R363 348 and the wind storm damage of R128 000.
Reserve levels:	At 28 February 2021, the Association's reserves amounted to R1 544 061. The 1% contribution of properties being sold during the year contributed R70 000 to the reserves. The Association aims to have a reserve level of between 3 to 6 months of operating expenses (thus between R750 000 to R1 500 000). The capital reserves are deemed adequate. The Trustees continue to monitor the medium- and long-term capital replacement requirements of the Association.

The Association budgeted for a break-even position for the next financial year.

The monthly levy was increased by 2.5% from R1 875 to R1 922 per member per month.

## **4. Building Projects**

There are currently 2 vacant erven in the estate and the penalty levy is being applied.

## **5. Other notable events**

- With help of experts the trustees agreed to remove dangerous trees.
- Jungle Gym for Toddlers was donated by Mr. Carl Malherbe. Thank you Carl it is much appreciated.
- Painting of the inner walls of the estate was completed.
- New walk ways to ensure safety compliance with the Electrical fence was completed.
- EstateMate for enhancing visitor experience has been implemented.
- Change around of the visitor and residents access gates for more efficient visitor and security experience.

**Stefan Crouse**

**Chairperson: Brandwacht aan Rivier HOA**