

EXTRACT FROM MINUTES OF ISSUES REQUIRING ANSWERS

A number of residents raised concerns that they could not identify their levies from the list provided. It was agreed that a more detailed general explanation would be provided but that anyone who wished to engage with WS on their individual cases was welcome to do so.

Two residents came to have their levies explained to them. It was mostly older LRA's where the levy amount included Rates and refuse. So, if you took the average levy on the schedule shown to you and added the rates amount and the refuse amount per month it balanced back exactly. Obviously only older LRA's had this included. Newer LRA's break it down and you get billed separately for rates and for refuse.

It was explained that historically the additional person levy had been included in the basic levy. A concern was raised that in some LRA's this additional person levy had been set at R350 per month for the 2-3 years in advance included in the relevant addendum to the LRA.

*The Amount would have started off as R350 for one person but with 7% increase
Example:*

Year 1 $R350.00 + 7\% = R24.50$ increase = $R374.50$

Year 2: $R374.50 + 7\% = R26.21$ increase = $R400.71$

Year 3: $R400.71 + 7\% = R28.05$ increase = $R428.76$

Year 4: $R428.76 + 7\% = R30.01$ increase = $R458.77$

Year 5: $R458.77 + 7\% = R32.11$ increase = $R490.89$

Year 6: $R490.89 + 7\% = R34.36$ increase = $R525.00$

This shows how the original R350 would get to R500 in a 6-year period if the increase was 7% per month. Again, different LRA's where some get CPI =1.5% increase and others get a set 10% per year. But similarly, you can go and calculate and you will get from R350 to R500 within a 6-year period.

It was not clear on what basis this amount had been increased to the current R500 per month. It was generally not clear how the additional person levy had been calculated. Agreed this should be explained.

Questions were raised on the 7.8% increase in this item despite provision for salary increases being set at 5%. WS explained that the higher number was due to other employee costs like leave provisions and inclusion of an additional post. Questions were raised as to the need for 24/7 staff availability in the Clubhouse. Agreed question needs to be answered.

Keep in mind the 7.8% Year on year increase includes a saving in F22 of the salary for the Receptionist on maternity leave and being replaced with a temp for 3 months only at a lower rate and for the first month there was no temp so the entire salary was saved. If you go and put this into F23 it already shows an increase before

giving an actual increase because we can't show the saving again unless the receptionist has another baby this year.

Please also provide cost of new post as included in the budget.

The post was included as a second reception person from Sept onwards only. Thus 6 months of the year only to have a second person at reception.

In response to a concern from residents raised in written questions the principle of cost reduction was introduced: when service is terminated is applied. For example, if EH vacate the frail care facility, security cost will remain the same, thus no reduction in security cost. Same for garden services.

If the same principle was applied to catering and health services what would the savings in the cost these two services be if they were discontinued?. Agreed question to be answered.

Below is the breakdown of the catering costs FY2022 vs FY2023

	FY2022 TOTAL	FY2023 Contractual TOTAL	
Catering	520 419	483 000	-7.2%
Catering - Management Fee	516 988	336 614	-34,9%
Catering	-	-	0
Catering - Equipment	9 183	9 596	4,5%
Catering - Functions	46 664	48 764	4,5%
Catering - Consumables	26 219	27 398	4,5%
Catering - Repairs & Maintenance	38 812	40 559	4,5%
Recovery - Catering Expense	(117 447)	20 068	-117,1%

1. There is already a saving of 7.2% year on year that we will have to achieve by renegotiating the management fee and the operating hours.
2. The 20% recovery that we have made from Reef on all their meals sold that we used to reduce the management fee with, will fall away in F23

There would be a small saving if the catering completely closed down as we won't need to launder table cloths. This will be R11k saving per year that lies under clubhouse expenses.

Closing down the catering would not affect security or gardens what so ever.