



## **BROADACRES EVERGREEN LIFESTYLE VILLAGE (“THE VILLAGE”)**

### **MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 07 JUNE 2022**

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<b>PRESENT:</b>	Laurraine Lotter	(Rescom Chairperson)
	Wilma Swart (WS)	(Chairperson and VM)
	Garry Reed (GR)	(ELV Managing Director)
	Dylan Pienaar (DP)	(ERH Financial Director)
	Phil Wilson (PW)	(EPI Sales Director))
	Cobus Bedeker (CB)	(EPI Managing Director)
	Elize Porter (EP)	(Health Director)
	Alet du Plessis (AdP)	(Financial Manager)
	Residents	(As per signed attendance register)

#### **1. WELCOME AND INTRODUCTION**

The Chairperson welcomed all residents to the meeting and confirmed that the required quorum was present and that the meeting was, therefore, duly constituted. She also requested all present to adhere to the Covid-19 safety protocols; social distancing and sanitising at all entries and exits to the meeting and wearing of masks are compulsory.

The Chairman welcomed the Evergreen panel and introduced them to all the attendees.

#### **2. ATTENDANCE AND APOLOGIES**

The attendance register was circulated and signed. Apologies received for absence from residents were noted (refer to Annexure A for details).

The Chairperson noted the following proxies received:

- Judy Stowell – appointed Norma Johnston
- Cedric Wood – Appointed Colin Grenfell
- William Stanton – appointed Colin Grenfell
- Maseri Seretlo – appointed Brenda Brophy
- Alain Croissier – appointed Brenda Brophy
- Margo and Charles Clarkson – appointed Edna Grenfell
- Wally Stewart – Appointed Edna Grenfell
- Kathy Mohlig – appointed Isabel Labuschagne
- Rod Matheson – appointed Idonea Prentice
- Emmy Murray – appointed Idonea Prentice
- Libby Baker – appointed Laurraine Lotter
- Kate Van Rooyen – appointed Sue Jackson
- Robin Davey – appointed Graham Brickett
- Elsbeth Burkhalter – appointed Carol Curtis



### **3. CONFIRMATION OF NOTICE**

The notice convening the meeting was circulated to residents, were taken as read, proposed by Cecil Fann and seconded by Royston Knowles.

### **4. ACCEPTANCE OF THE PREVIOUS MINUTES**

The previous minutes were circulated together with the notice and taken as read and accepted as a correct record – proposed by Hennie Du Preez and seconded by Laurraine Lotter.

### **5. ANNUAL REPORT BY THE CHAIRPERSON OF RESCOM**

The annual report by the Chairperson of Rescom had been circulated together with the notice of the Annual General Meeting and was taken as read – proposed by Laurraine Lotter and seconded by Dick Townsend

### **6. EVERGREEN BROADACRES VILLAGE MANAGEMENT REPORT**

The annual report by the Broadacres Village Manager had been circulated together with the notice of the Annual General Meeting and was taken as read – proposed by Nello Vercellotti and seconded by Penny Rabinowitz. Hennie Du Preez wanted it noted that the Frederick Road Association was something started by the Village Manager and this has to be applauded.

### **7. ELECTION OF RESCOM MEMBERS.**

It was suggested that the commencement of the counting of votes was started before dealing with the financial report, in order to have results available at the end of the meeting. them in or Request were raised for two Life Right Holders to observe the counting of the votes to ensure management was counting correctly. Roy Martin and Kim Grimes counted votes in the Boardroom and they were observed by Idonea Prentice and Judy Stuart. A question was raised by Hennie Du Preez as to why it was not a secret ballot? As the unit number was requested on the form. GR responded that this was just to be able to check that everyone's forms were received. The ballot forms were not going to be shared with anybody other than the counters.

### **8. ANNUAL FINANCIAL REPORT FOR THE 2022/2023 FINANCIAL YEAR**

The annual financial report for the 2022/2023 financial year was circulated together with the notice of the annual general meeting and was taken as read - proposed by Cecil Fann and seconded by Laurraine Lotter.



### Question 1 - Laurraine Lotter

*The financial document presented here, is it an extract of the actual financial audit results, are these audit result 2022/2023 shared with residents and the inclusion of the H/O & insurance costs into the budget, surely this cannot be accepted as we are still in negotiations.?*

### Answer – Question 1

DP responded explaining the structure of ERH (Evergreen Retirement Holdings), Broadacres is a division that gets audited as a completely separate entity with its own set of books and results. There is a financial director that oversees the financial side of the business and each company has its own independent financial manager and resources team. Within this structure there are subsidiary companies

- Evergreen Property Investments – Is the owner and holds the physical assets and deals with sales,
- Evergreen Property Developments – does the physical construction,
- Evergreen Lifestyle Village –contracted by the owner to manage the properties,
- Evergreen Health –contracted to provide Healthcare services

DP also responded, yes, the document is a proposed budget for the financial year 2022/2023, however the company is not obliged to share the results, DP stated that he is happy to engage with Rescom in particular the financial representative to discuss the financial results. He reiterated the H/O & insurance costs on the budget has only been circulated and does not have to be approved today, as there are still engagements with Rescom on a regular basis to come to an agreement.

## **8.1 Budget & Summary**

DP summarised the financial budget as follows:

Covid-19 was at the forefront and had a big impact on the numbers. As everything was now returning to normal, return of services, landscaping maintenance and suppliers being allowed back in the village, we are now unfortunately witnessing the impact of Covid as the world enters a global economic fallout, with costs rising. We are conscious of the rising costs and we are aware that most, if not all of our residents are on a fixed income. As an owner and especially as a finance team, we were trying to find solutions around the rising costs. Running a village and providing services under these circumstances is a huge challenge and for a long time the owner (EPI) had been carrying these costs.

With this background Alet will give us a break down and talk to these numbers.

AdP, thanked Wilma and everyone for the warm welcome, mentioning that she has spent a great deal of time on budgets and it is important for us to see where we going and what we want reflected in the budgets and gave a brief summary.

### Budget approach / objective:

- Balance budget (break-even scenario)
- Market related levies vs reasonable service provided
- A sustainable and simplified budget



### Highlights:

- No increases on the basic facilities and services levies, providing that the proposed levy cycle change is accepted by all.
- Currently the levy cycle is 01 September to 31 August, proposed to be 01 March to 28 February.
- The purpose is to align the village levy cycle to the financial year of Evergreen Lifestyle Villages (Pty) Ltd ("ELV").
- A change to the levy cycle will require all life-right holders to sign an addendum
- Zero based budget, we have to scrutinise costs and understand cost drivers

### Challenges:

- Head Office costs and Insurance costs were not charged to the Village in the past.
- The LRA clearly states that these costs should form part of the basic facilities and services, which the basic levy covers.
- Catering and Healthcare are not included under the basic facilities and services, thus the proposal to introduce a catering levy and healthcare levy.
- Once these levies are agreed upon a one pager addendum should be signed by all residents to confirm the levy charge.

AdP gave a summary/breakdown on the numbers as per the budget presented.

- Revenue income was reduced from R10.7million to R9.1million, based in a conservative budget method we did not include any revenue for the unsold units
- The developer levy due is consolidated -in the operating losses, covered by EPI
- If all units were sold by 1 Mar 2022, we could have added R3.3million to income
- A proposed Catering & Healthcare levy of R966k
- Expenses are budgeted at R11.9million vs FY22 R12.5million, flat year on year if we clear out all income and expense accruals for example the electricity accrual reversal of R664k,
- A project set for this year (FY23) is to balance all our utilities and to recover where we can.
- Budget an operating loss of R2.8million (FY23) vs R1.1million (FY22). , Losses are underwritten by the owner EPI, thus the -operating loss should improve / reduce once the current unoccupied units are sold.

AdP finalised the financial summary and mentioned that lots of questions and answers was answered prior to the AGM, however if there are any other questions this can be raised in the general section.

## **9. GENERAL**

### Question 1 – Mr Arthur Hills

*Do the developers get charged for the unsold units and do they contribute?*



#### Answer Question 1

DP responded yes, they do, this forms part of the subsidy of the operational loss and any shortfall they would cover.

Mr Hills commented saying that the answer is not adequate enough, the developer should be charged the same levy as the individual units, by doing this you can recover.

DP mentioned there is a simplification of the administration, if we do charge separate costs, levies, rates utilities, it will adjust the subsidy.

#### Question 2 – Mr. Dave Campbell

*My question is around the additional persons levy, can this be reduced back to what my LRA states that there will be no increase for four years and the rate will stay at R 350.00 and my second question, can we have an assurance that the increase will be based on the CPI + 1.5%*

#### Answer – Question 2

DP responded in terms of the additional person's levy we are obliged to provide an estimation for two years on levies as well as village operational costs. We actually do three years in the LRA. We are under no obligation to not increase the levies. The additional persons levy increase will be in line with the village costs and we are under no obligation to freeze these costs.

#### Question 3 – Dick Townsend

*The second persons levy is a fixed number as escalated throughout the year, will this be separated as it will not be inflated at the same rate as the basic levy and secondly, does the developer accept the R3 million loss?*

#### Answer – Question 3

DP responded, yes it will be shown separately and the escalation will be in line with the basic levy. Yes, we accept the R3 million loss, we accept that the costs are not aligned with the revenue in the village and you have our assurance that the developer will continue to subsidise the losses of the unsold units.

#### Question 4 – Hennie Du Preez

*Can the developers levy be shown separately on the income statement and also reflect what this subsidy is made up of?*

#### Answer – Question 4

DP responded that AdP and he will have a look at this.

#### Question 5 – Cecil Fann

*The proposed 0% levy increase, can we be assured of this and that we won't be hit with a double increase in the next year? In 2014 we were promised a levy holiday only to be charged double in 2015.*

#### Answer – Question 5

Our aim is to balance the budget and to keep levy increase below the inflation rate.



Question 6 – Isabel Labuschagne

*Two years ago, there was a proposal to change levies to CPI+1.5%, I would like to agree with Hennie that the recovery from the unsold property on a monthly basis be shown, its not really a problem, just think it wasn't communicated correctly.*

Answer Question – 6

DP responded that you have our assurances that there won't be any big increases, we calculate a reasonable levy, based on the village operating expenses. We calculate levies across all units not differentiating between occupied or non-occupied villages. We then calculate a developer's levy. I am confident to provide a developers levy recon at the bottom of the management accounts to give you the comfort that your levies will not be affected.

Question 7 – Ernie Mutch

*If there are no increase in levies, why are we introduced to the Healthcare and catering levy as this will be relatively high.*

Answer – Question 7

DP responded that the levies referred to, is the basic services and facilities levy, however the health and catering levy is a new proposed levy that will still be discussed and debated. The services are provided and there are costs involved, however we have to find a solution to make it work for all involved.

GR also responded reiterating that residents will not be charged for anything that is not stated in their respective LRA's. there is a clause in the LRA, it lists the basic services and facilities namely, security, gardening, h/o costs, insurance and 24 emergency care, however the Healthcare & Catering levy is not included. We derived the R250 health care levy and R250 catering levy by looking at what the expense was in 2022. Nothing has been implemented yet, we are in continuous negotiations with Rescom until a solution is found that is favourable to both parties.

Question 8 – John Schulkins

*I had a Covid tests done and was charged a ridiculous amount as well as a charge for gloves and the medical aid is refusing to pay for this, now you asking me to pay additional costs.*

Answer – Question 8

EP responded, as a village we provide the service of having a PCR test done, the cost thereof includes the PPE used by the nurses as well as the costs to administer this test. No Medical Aid pays for PCR tests.

GR responded, we have to find a way to pay the nurses, there is an expectation that nurses will always be on duty, eg, when I fall there will be someone there to assist me. The red button has to be pressed, the operator will assess the situation and respond in the best way related to the emergency.

Question 9 – Dick Townsend

*My understanding is nurses are always employed, this is how it always worked, however there is no transparency, these cost needs to be linked, 1 x nurse, 1 x Enrolled Nursing Assistant linked to the CPI cost /levies.*



Answer to Question 9

GR responded, we have always been transparent, I'm happy to share the head office cost inclusions. The telecare service is included in the basic service and facilities levy, however there is an expectation that a nurse will always be on duty in an emergency. We want to provide the facilities at reasonable prices hence the proposed cost of R250 per unit, included as a levy and not part of the basic services levy.

Question 10 – Barry Forbes

*I signed my LRA in 2012, the estimated levy increase is for 3 years, and if there is a shortfall within the 4 years does the developer still pay this?*

Answer – Question 10

GR responded, yes correct, if you were to sign a LRA today, we are obliged to provide an estimate for 2 years, and the deficit to the shortfall will still be picked up by the developer.

Question 11 – Barry Forbes

*With regards to healthcare when you push the red button why does it go through to Cape Town?*

Answer – 11

GR responded, the telecare services have call centres based in both JHB and Cape Town, whoever is available will attend to your call. The call is accessed by the operator, the service provider dispatched as result of the call will be in JHB. The red telecare button has to be pressed and tested on a regular basis.

Question 12 – Dick Townsend

*I still do not agree that Healthcare & catering should be separate it is an operating expense and should be included.*

Answer – Question 12

GR responded, we want to charge this as it is a service offered, however it is not included in the basic services and facilities levy, hence the proposed separate charge.

Question 13 – Mr Schulkins

*The letter that Elize Porter provided is it an extensive list of services covered by discovery or are there more services?*

Answer – Question 13

EP responded, there are more services covered by Discovery, however it is always best to first check with your medical aid on what you are covered for.

Comment - Hennie du Preez

*At the previous AGM it was mentioned that ELV is in the process of working on budgets, and we got a commitment that there will be more Rescom and Mancom inclusions and we do understand that these budgets took a while to be completed. It has to be noted that the first time we saw this budget was in April 2022 and other than the input we got today, this undertaking has not been met.*



Comment - Dick Townsend

Since covid-19 there have not been many sales people around in the village and Wilma has been assisting with the sales of units.

PW responded, we thank Wilma for her assistance however we have a sales person from Cape Town that does come out to the village bi-monthly, we are aware that this is not the perfect scenario and we are in the process of recruiting someone from JHB.

GR also responded saying that all VM not only Wilma has been tasked in getting more involved in the sales of units. Part of our strategic plan is to offer proposed buyers a welcome instead of a sales pitch and there is no one better to do this than the Village Manager as they are familiar with their surroundings.

Question 14 – Dick Townsend

When marketing the sale of the units does it include the costs of a catering and a healthcare levy?

Answer – Question 14

GR responded, yes, all LRA's signed post March 2022, includes the basic services levy, the second persons levy, the healthcare levy and the catering levy.

**Matters arising from the previous minutes Laurraine Lotter**

The purpose of the AGM is surely an instrument for parties to hold each other to account. It is therefore requested that the agenda includes an item on "matters arising from previous minutes" This would then eliminate the need to reiterate items that are not attended on an annual basis. For this meeting I would like the following matters arising from the minutes to be addressed please. These are matters that have yet to be fully implemented.

1. Installation of equipment to improve film viewing experience
2. Groundwater seepage
3. Extension of borehole irrigation to all houses
4. Covering the storm water channel in front of the clubhouse
5. Progress with installing an additional valve when replacing water meters
6. Progress with addressing waste handling and recycling
7. Painting of houses
8. Fences between houses Progress on 3-year plan in this regard
9. Pricing model on movement from houses to apartments. Still awaiting documents on this.

CB responded, on the finance side the budgets was not delivered in December, with Covid the last two to three years, we have come to realise that the world can shut down at any time and as a developer, how do we project the business. We want our residents to have peace of mind living in the village and have offered a great financial report and budget, the Rescom and finance team will have ongoing discussions around these. We have also adapted new LRA's, however all existing LRA's will not be affected. Our mission is to create the village of your dreams and create happiness, however if we keep adding to a list expense will keep rising.





With this said we have committed to a number of projects and have not executed these, and I would like to apologise for this.

GR also responded not much has been done on the matters arising, and proposed that the newly elected Rescom forms a Project Committee with the assistance of Hennie Du Preez.

With CB permission we can also have a Property Person to communicate with Rescom and communicate on a regular basis and also give a firm commitment that these projects will be dealt with and not wait till the next AGM.

#### Question 15 – Isabel Labuschagne

*How do I get onto the house painting list? I have been here 10 years and as per the agreement it should be done every 10 years*

#### Answer to Question 15

CB responded that Wilma does have a list of homes to be painted by priority.

#### Questions 16 – Val

*I have been here 10 years and my house has not be painted yet, how do you prioritise?*

#### Answer – Question 16

WS responded saying that everyone is on the list however the list will be prioritized according to the condition of the homes. We will prepare a list based after viewing and inspecting the homes.

CB responded all homes will be painted this will be done in phases and this will take an average of 4 months weather permitting but you have our commitment that the painting on all homes will be done.

#### Comment – Laurraine Lotter

*What I have deduced from the list of the painting of the homes is that all homes will be painted, however this will be prioritised and not be painted sequentially. It is very important that Wilma communicates this list to everyone, and if there are any unhappiness residents can communicate with GR.*

#### Comment - Arthur Hills

*I was involved in project planning and part of this is to take delays into account.*

CB responded we will prepare and finalise and propose a program for the painting.

*PW, commented on matters arising “the pricing model on movement from houses to apartments, still awaiting documents on this” based on a presentation done in November.*

*PW said all LRA’s and circumstances are different and it is difficult to have one generic document for this, however he will be available if anyone wishes to discuss this matter.*

## **10. ELECTION OF RESCOM MEMBERS**

The Chairperson confirmed that, as per the Evergreen Lifestyle House rules, the Residents’ Committee (Rescom) would consist of seven committee members.

The following seven nominees proposed, were elected by the life right holders as the Rescom Members in no particular order.



Laurraine Lotter  
Cecil Fann  
Brenda Brophy  
Colin Grenfell  
Andy Johnston  
David Nesbitt  
David Presbury

It is noted that the chairperson and vice-chairperson would be elected at the next Residents' Committee meeting.

GR gave a huge thank you to Wilma and her team for the great work in the village, and also a special thank you to Laurraine and her newly elected Rescom and we look forward to working together.

With no further matters being raised, the chairperson declared the meeting closed at 14:40

*In Annexure A attached hereto you will find questions and answers, that were received prior to the meeting.*

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**CHAIRPERSON**



**EVERGREEN BROADACRES LIFESTYLE VILLAGE ("THE VILLAGE")**

**APOLOGIES NOTED AT THE ANNUAL GENERAL MEETING OF THE VILLAGE  
HELD ON 07 JUNE 2022**

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1. Kathy Mohlig #42
2. Cedrick Wood #A114
3. William Stanton #A4
4. Maseri Seretlo #A207
5. Alain Croisier #A107
6. Margo & Charles Clarkson #A112
7. John Stewart #A12
8. Judy Stowell #56
9. Rod Matheson #86
10. Emmy Murray #85
11. Libby Baker #2
12. Kate van Rooyen #93
13. Jilly Bronner #100
14. Robin & Wally Davey #127
15. Elsbeth Burkhalter #23
16. Marilyn Maclachlan #65