



EVERGREEN MUIZENBERG LIFESTYLE VILLAGE (“THE VILLAGE”)

MINUTES OF AN ANNUAL GENERAL MEETING OF THE VILLAGE HELD ON 30 MAY 2022

PRESENT:	Neville Woudberg	(ResCom Chairman)
	Derek Drew (DD)	(Chairman & Village Manager)
	Garry Reed (GR)	(ELV Managing Director)
	Dylan Pienaar (DP)	(ERH Financial Director)
	Cobus Bedeker (CB)	(EPI Managing Director)
	Elize Porter (EP)	(Evergreen Health Director)
	Alet du Plessis (AdP)	(Financial Manager)
	Liesl Isaacs	(Office Manager)
	Residents	(As per signed attendance register)

1. WELCOME AND INTRODUCTION

The Chairperson welcomed all present and confirmed that the required quorum was present and that the meeting was, therefore, duly constituted. He also requested all present to adhere to the COVID-19 safety protocols.

The chairperson, mentioned that if there were people who have not voted yet to please do so, with this said he also requested for TWO life right holders to volunteer to do the counting of the votes, Lydia Hirschmann and Jin Howard offered their assistance.

2. CONFIRMATION OF NOTICE

The notice convening the meeting as well as the annual reports by the Chairperson of the Residents’ Committee (“Rescom”) and Village Management, as circulated to residents, were taken as read, and proposed by Barry Howard and seconded by Edric van der Vyver

3. ATTENDANCE AND PROXIES RECEIVED

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

The Chairperson noted the following proxies received:

- John & Gillian Morgan
- Sozon Christie
- Mike & Marisa Horn
- Neville & Joan Woudberg
- Mosa Dudla
- Raymond & Pat Van Eyssen
- Keith & Denise Elkin



4. ACCEPTANCE OF PREVIOUS ANNUAL GENERAL MEETING MINUTES

The minutes of the annual general meeting held on 11 May 2021 were read and accepted as a correct record as proposed by June Orsmond and seconded by Ron Scott.

5. ANNUAL REPORT BY THE CHAIRPERSON OF THE RESCOM

The annual report by the Chairperson of the Rescom was circulated together with the Notice of the Annual General Meeting and taken as read.

The acceptance of the report was proposed by Peter Attenborough and seconded by John Morgan.

Garry Reed, extended a special heartfelt thank you to the outgoing Rescom Chairperson, Neville Woudberg for his outstanding work and the support he offered to all the residents as well as to Derek and his team.

6. EVERGREEN MUIZENBERG VILLAGE MANAGEMENT REPORT

The annual report by the Evergreen Muizenberg Village Manager was circulated together with the notice of the annual general meeting and taken as read. The acceptance of the report was proposed by John Morgan and seconded by Ruth Reichlin.

Mr Morgan extended his thank you to Derek and the entire Muizenberg Team for their efficiency and friendliness.

7. ANNUAL FINANCIAL REPORT FOR THE 2022/2023 FINANCIAL YEAR

The meeting noted the annual financial report for the 2022/2023 financial year as circulated together with the notice of the annual general meeting as read and noted.

DP gave a brief summary on 2022 results, noting that we can see the repercussions of COVID-19 and with the lowering of restrictions of the health pandemic there is a definite rise in costs and inflation as well as interest rates. We as the Evergreen management teams took all this into consideration when proposing the new budget, trying to get a solution that ensures the business is run well into the future, bearing in mind that all of our residents are on a fixed income. With this said, we have a huge challenge as it takes costs to run a village and these costs need to be covered. Our quest is to deliver balanced and sustainable budgets.

DP handed over to Alet to give more detail on the proposed 2023 budget.

Budget approach / objective:

- Balance budget (break –even)
- Market related levies vs reasonable service
- Sustainable budget, practical achievable budgets)

Highlights:

- No increases on the basic facilities and services levies, providing that the proposed levy cycle change is accepted.



- It is proposed to change the levy cycle, currently the levy cycle is 01 September to 31 August.
- It is proposed to be 01 March 2023 to 28 February 2024
- 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 a 1 pager addendum to their LRA agreement.
- Zero based budget, 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 basic facilities and services, thus the proposal to introduce the catering levy and healthcare levy
- Once these levies are agreed upon, a LRA addendum should be signed.

AdP gave a quick rundown on the numbers indicating that the costs are stable, revenue reflects a fixed proposed income for 2023 of R12,1million compared to 2022 which results in a 11% increase on the revenue line caused by the changes of the levies.

Proposed expenses are R12,1million, showing a reduction of R1,6million from 2022 mainly caused by a saving in the following areas, security, recovery of utilities and repairs and maintenance, resulting in a break-even result.

8. ELECTION OF RESCOM MEMBERS

The Chairperson confirmed as per the Evergreen Lifestyle House rules, the Residents Committee (Rescom) will consist of 6 committee members.

The Following 6 (six) nominees received the most votes and were elected by the life right holders as the Rescom Members:

Anne Blignaut
Edward Fletcher
Owen Kinahan
Michael Odd
Hugh Till
Sue Wood

The chairman requested for a life right holder to accept the voting results, accepted by Lydia Hirschmann and seconded by Barrie Howard.

It is noted that the chairperson and vice-chairperson will be elected at the next Rescom Committee meeting.

9. GENERAL

The chairman noted, we have come to the last point on the agenda and will now proceed with questions and answers pertaining to the village. The chairperson introduced the ELV panel to all the residents.



Question 1 - John Morgan

Why should I be required to pay for hinges when they are replaced, in the past there were no charges as they were treated as part of the outside of the house. To my knowledge residents in the apartments are not charged for window hinges, will this rule of which we were unaware of apply to replacements of hinges in both apartments and houses in the future?

Answer Question 1

GR responded, that the hinges in the apartments were replaced as this was severely damaged by the elements, residents are responsible for all moving parts i.e., window hinges, and the owners are responsible for the structure.

Question 2 - John Morgan

With regards to the levy cycle change, can we get confirmation that there will be no levy charges or increases until March 2023?

Answer Question 2

AdP responded by assuring this is correct however it will only be confirmed once an addendum is signed by all the life right holders.

GR also responded saying there are fears from residents that a new LRA has to be signed, he assured that this is not correct, however this will be a basic one pager addendum to the current LRA. This will be the first priority of the newly elected Rescom to speak to all the residents regarding the signing of the addendum and that this can only be beneficial to residents.

Question 3 – John Morgan

Please can the developer's subsidy be clarified?

Answer Question 3

AdP responded that because there are different LRA's the developer underwrites the shortfall of the village and therefore it is included.

Question 4 - Mosa Dlodla

I do not make use of the canteen services, please provide me with a simple explanation regarding the canteen levies.

Answer Question 4

GR responded that it costs to run the canteen services, eg, staffing, the purchasing of the meals, there is also a risk involved with buying in prepared meals as we run the risk of not being able to sell the meals. GR made examples of other options available and reiterated that nothing has been charged to the residents, however we cannot ignore the expense that's there.

1. Charge availability fee which will cover the costs for staffing and the purchase of meals.
2. If 260 units pays R 100.00 per unit this covers the staffing costs, you will need to purchase the meals.
3. Reduce the service week at the canteen from 7 days to 3 days.

GR also mentioned that it's not easy to find a catering provider that will take on the entire process at risk.



Question 5 - Judy De La Port

Was Evergreen prepared to pick up the costs for the levies, how was this done in the past?

Answer Question 5

GR responded that the healthcare & catering levy has always been a part of the village operational budget which runs at a nett loss. It's been decided that this would be separate costs as it cannot be recovered under the Basic Services & Facilities Levy. The Evergreen Management team is happy to meet with the newly elected Rescom team to discuss the matter, it has to be noted the services are offered and this needs to be paid for, and this cost has always been subsidized by EPI.

Question 6 - Sue Wood

Who picks up the costs for the electricity and water bill in the bistro and is this metered separately?

Answer Question 6

GR responded that the costs are kept as low as possible and yes, it is charged separately and these costs are included and forms part of the Common Property Municipal Utilities on the financial budget.

Question 7 - Antonia Joubert

Evergreen has introduced a charge for the insurance levies what will this charge be?

Answer Question 7

GR responded, the costs will not be charged separately, the insurance expense has always formed part of the basic facilities and service levy in the respective LRA's.

Question 8 - Chris Smith

How will maintenance be handled and charged for as per the discussion regarding the LRA, "you break you fix and normal wear and tear"

Answer Question 8

GR responded that he is aware of the various stipulations in the older LRA's regarding wear & tear however this will be applied to as per the respective LRA.

Question 9 - Michelle Phillipson-Jones

What will the new cost of my levy be?

Answer Question 9

GR responded, if the proposed addendum in the LRA is signed by all residents, there will be no increase in September and the increase for March has not been established yet, however there is a deficit of R2.6 million which is a combination of various things and the ELV management team together with Rescom will need to work together to come up with a solution that is in the best interest of both the residents and the company.

Question 10 - Louis De Haas

Please explain the hot water bill we received.

Answer Question 10

DD responded that communication around the hot water charge was distributed and that this information is available to peruse.

GR responded in saying that the additional hot water charge is the cost for electricity used to having the hot water available and this cost was included in the Common Property Municipal Utilities levy on the budget which was not correct.



Question 11 - Sue Wood

What is happening with the sales of the empty units, surely the sale of the life right units can cover expenses and turnover would be favourable and what would this impact be on our levies.

Answer Question 11

GR responded, reiterating that the expenses and operational losses of the unsold units are funded by EPI and that the sales of these units is a priority not only financially but also for the ELV community, having the peace of mind knowing you have a “next door neighbour.” The issue is many people are interested in buying, but getting their primary homes sold in the open property market is a challenge. If a unit is sold the deficit at the bottom line becomes less, which is not just for EPI to sell, because it minimises their contribution.

Question 12 - Meg Wilkinson

Has to be noted that moving to Evergreen Muizenberg was the best decision I made, but please can I get clarity around healthcare and the frail care facility, would I be able to call the frail care if I have a fall.

Answer Question 12

GR responded, that there has always been a misconception regarding the frail care facility, Frail Care is a completely stand-alone business funded by the internal residents & families, which cover's their operational costs. Residents have to engage the telecare service in the case of an emergency.

In closing, the Chairperson thanked all residents for their attendance, support and patience. He is looking forward to working and engaging with the newly elected Rescom on a regular basis. With no further matters raised, the chairman declared the meeting closed at 16:10.

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

CHAIRPERSON



ANNEXURE A

**EVERGREEN MUIZENBERG LIFESTYLE VILLAGE (“THE VILLAGE”)
APOLOGIES NOTED AT THE ANNUAL GENERAL MEETING OF THE VILLAGE
HELD ON 30 MAY 2022**

1. H1 – Tony Law
2. H13 – Neville & Patricia Bailing
3. H22 – Chris & Chrystal Turner
4. H38 – Leslie & Magdalene de Wet
5. H65 – Fred De Vries
6. H67 – Wendy Stroberg
7. H84 - Grizéll and Peter Luxton
8. H106 – Mike Odd
9. H135 – Shiela Hunt
10. A318 – Rosemary Swaisland