

RIVERHORSE VALLEY BUSINESS ESTATE MANAGEMENT ASSOCIATION



ANNUAL GENERAL MEETING – 23 JUNE 2011

CHAIRMAN'S REPORT
2011

INTRODUCTION

Good afternoon and thank you all for attending this, your Management Association's 7th Annual General Meeting. The meeting covers the financial year ending 28 February 2011.

Stuart Edwards and Company served as auditors for this period and have prepared the audited financial statements. These will be reviewed under Item 6 of the Agenda.

We welcome our new administration officer, Celine Spies, who commenced at the beginning of February 2011 following Gail Whittal's resignation in November 2010. We wish her a happy and fruitful stay with us at the Management Association.

The core function of the Association is to create, enhance and protect the value of property ownership and occupation in the Riverhorse Valley Business Estate. This function is achieved by the estate management team under direction by the Board of Directors. The estate management team carries out the day to day administration of the estate, including the facilitating and minuting of all committee and departmental meetings, and the enforcement of the estate's rules and codes. Further to this estate management regulates and monitors all of our contracted service providers in respect of safeguarding, landscape maintenance, general maintenance, and environmental management. It also lobbies authorities on behalf of owners, businesses, and users of Riverhorse Valley for amongst other things, improvements to access, policing, and city provided services.

DIRECTORS

Directors' meetings are held four times each financial year. During this period, your board comprised the following:

Name	Date of Appointment	Company / Property	Subcommittees
Barry Gould	20 November 2007	CAPCO	Environmental Committee
Cyril Gwala	25 February 2008	Tongaat Hulett Dev.	Design Review Panel
Simphiwe Maphumulo	01 July 2008	Garlicke & Bousfield	
Niresh Bechan	28 February 2009	eThekwini Hospital	Chair
Hilton Fortmann	15 May 2009	Zest Electrical	Safeguarding Committee
Rob Thomson	14 February 2007	Zenprop	Finance Committee

There were no resignations of directors during this period, however, Trevor Pierce-Jones was elected as an additional director.

The Articles of Association allow for a total of ten directors, and I would encourage members to get to know the board directors who represent your interests in running the Association. The current Board has been a committed and diligent group in the execution of their fiduciary duties and I would like to thank them for their time and efforts this past year.

SUB COMMITTEES

Four subcommittees deal with specific aspects of the Association's activities, namely:

Finance:	Rob Thomson, Melanie Gillespie, Mgt, SID
Safeguarding:	Hilton Fortmann, Rob Anderson, Mgt, SID
Environmental Management:	Barry Gould, Di Hansen, Geoff Nichols, Guy Nicolson, Mgt, SID
Design Review / Consent to Transfer:	Cyril Gwala, Martin Friedrichs, Mgt

STATUS OF THE ESTATE

The growth of the Business Estate can be measured by the platform areas used for levy calculations. The levy paying area has grown since development commenced from:

01/08/2006 584,644 m² @ R 0.20 / m² R 116 928.80

To its current status:

28/02/2011 1,197,782 m² @ R 0.45 / m² R 539 001.99

Levy rates over the past four years have been as follows:

	Rands per m² per month
2006/2007	0.20 c
2007/2008	0.35 c
2008/2009	0.35 c
2009/2010	0.45 c
2010/2011	0.45 c
2010/2012	0.45 c

No increase in the levy rate is anticipated in the current financial year, and I am extremely pleased to report that levy payments and finances in general are in a very good condition.

The audited financial statements will be considered in more detail later in this meeting.

PROGRESS REPORT

Safeguarding

At present there are nine CCTV cameras that are operational on the state. The last remaining camera mast will be erected in the Quarry Area on Portion 134, the new Mass Discounter' site currently under construction, which will complete the total CCTV coverage of the Estate (ten cameras) as was determined during the development of the Estate. The erection of the final mast is anticipated within the first half of 2012.

An additional two cameras are to be installed within Island Circle as CCTV coverage has become restricted there due to construction of new buildings which have limited fields of view. Thanks should go to Unichem and Tri-Star who have consented that the cameras could be mounted on their buildings.

The cameras are monitored 24 hours / 7 days a week by the specially trained control room staff, and are supported by a surveillance / armed response vehicle. In addition, the control room hotline number 031 564-3931 is available 24/7 for reporting of security or other matters by members, tenants, visitors, etc. Emergency cards have been distributed to all members and tenants for easy access to this important number.

Monthly incident reports indicate that crime and incidents on the estate are very low which is achieved by maximizing the potential of the above equipment and manpower. Liaison between owners and tenants, our private security, SAPS and Metro police by way of our monthly Safeguarding Management meetings, further contribute to ensuring a safe environment within Riverhorse Valley.

In this day and age it impossible to be completely crime free in South Africa but crimes committed within Riverhorse Valley are very low. In fact the most common incidents on the estate are traffic accidents and by-law transgressions.

Apart from our own security, the Management Association has excellent relations with surrounding SAPS and Metro stations forged by continuous cooperation and respect. RHBEMA is also represented @ DCCI (Durban Chamber of Commerce) Justice & Safety Committee which meets every 6 weeks, receiving crime intelligence and trends from SAPS, Metro, Business Against Crime & other managed precincts within eThekweni to assist in establishing trends, threats and solutions. More recently a connection has been established with eThekweni's own CCTV Control Room following the commissioning of a new eThekweni camera within the estate, and it is planned that we grow this relationship with them to enable combined operations and assistance where appropriate.

Environmental Management

The landscaped environment of the Estate is an asset and will continue to improve with time. Dedicated landscape and street cleansing teams are permanently on site and we strive to create the standard that one would find within gated communities. Construction, road and sidewalk works, and vehicular damages continue to be challenges that the Management Association faces with ongoing efforts being made to limit these damages.

Our irrigation water is taken from the Umhlangane River and fed into the network via pump stations on the East and West sides of the estate. A section of this network on Corobrik Road has been automated with "pop up" sprinklers and has proved to be extremely effective as this area does stand out visually due to its well conditioned state. As a result of this it is intended that automated sprinklers be installed on the West side of the estate on Riverhorse Road and Kubu Avenue as part of this year's budget.

Veolia Environmental Services, the waste management contractor have changed their name to Oricol and continue to collect, transport and recycle waste generated in the public areas of the Estate. This waste is collected by the Oricol street cleansing team and is collected and transported to their recycling depot in North Coast Road. The recycling depot was housed in the Management Association offices compound, but was relocated when the Management Association decreased the size of the compound area which is let from Transnet.

GI Services incorporating S Thutani continues with the maintenance and eradication of invasive vegetation in the Umhlangane River, watercourses and banks. The long term threat of invasive plant species is a constant problem and its potential impact requires stringent preventative measures to be taken. Current legislation dictates that it is unlawful to have alien species on a property, or grow alien species in sensitive areas such as wetlands and riverine areas. Various Acts back this legislation with the threat of penalty and even imprisonment.

The Management Association's joint venture with eThekweni's Parks, Leisure, and Cemeteries Department to rehabilitate the Umhlangane Sports field which shares a boundary with Mr. Price, is ongoing. The final objective is to hand it back over to the City for administration. City provided permits will allow use by local teams, as well as teams from businesses within the estate, and to the community in general for organized sports and activities.

Estate management's meetings with eThekweni Rivers & Drainage, Springfield Conservancy, and DUCT for rehabilitating the drainage pond / wetland area within RHBEMA (currently herringboned ditches within the riverine public open space) has resulted in a comprehensive design report being completed on a shared cost basis between RHBEMA and the City. The report concludes that the rehabilitation of the wetland area is viable, and the Management Association together with the City is compiling a proposal to access private and public funding options.

Trash booms are installed across the river to draw rubbish aside before it gets entangled in the river vegetation. These booms are proving to be very effective and are located on the Umhlangane River behind Mr Price, adjacent to the previously mentioned Umhlangane sports field, and below Builder's Warehouse.

RHVBEMA's further involvement and commitment to our own immediate environment and those surrounding us are:

- Durban Green Corridor Program – this initiative runs the full length of the Umgeni River into the Duzi River all the way up to Nagel Dam and also includes all tributaries of these two rivers. The aim is to involve all conservancies and role players in this corridor to work together to link up and create continuous trails along its entirety. The trails will be used for conservation and education as well recreational and sports functions.
- Water testing – RHVBEMA conducts its own monthly water testing at 3 points of the Umhlangane River where it flows through the estate. This enables us to check the quality of our water and also identify possible polluting for investigation. These results are shared with the city which undertakes its own testing and can assist in policing businesses which might be discharging effluent directly into the river.

Design Review Committee

The Design Review Committee continues to meet on a regular basis with developers and / or their architects to consider design, signage and landscaping issues. New development activity continues and the ongoing role of the Association in maintaining the aesthetic standards established through the development period and guided by the Development Code is a crucial one.

The issues of signage and landscaping remain a concern and audits are being conducted on both items in an effort to bring those contravening these issues back in line with the guidelines set by the Development Code.

Inner Transportation Plan

A number of meetings have been held with the eThekweni Transport Authority (ETA) to discuss the issue of public transportation on the Estate. Meetings have also been held with the Newlands East, Kenville and Effingham Taxi Associations to decide on taxi routes for RHVBE and importantly for the implementation of a circular inner public transportation route. These taxi associations have recently submitted their formal applications for their routes within the Estate. ETA will consider all the applications, and where disputes arise they will conduct meetings with the associations concerned and mediate the compromises needed to finalise the routes. Discussions with ETA also include proposals for location of taxi drop off and collection points, as well as lay byes and pedestrian shelters.

Informal Traders

There are currently 18 traders on the estate and each trader renews their permit every six months. Each station is inspected weekly by estate security to ensure that the by-laws attached to street vendors are adhered to. Weekly reports are forwarded by RHVBEMA to the traders controlling body; The Business Support Unit (BSU), for any enforcement issues. Metro police assist the RHVBEMA security team with regular enforcement and checking of permits. Further to this RHVBEMA is investigating with the BSU whether estate security can conduct on site enforcement. The outstanding issue of permanent structures is still to be addressed following concept designs provided by BSU as not being cost effective.

General

Further to the Management Association extending its offices with the addition of one room for storage of files and drawings; it has downsized its compound area as mentioned earlier. Following the expiration last year of the Management Associations lease with Transnet, and Transnet's subsequent increase in the rental for the new lease; it was decided by the Management Association to decrease the size of the total area to achieve a more reasonable rent. The area was reduced by cutting out an area of parking which included the recycling depot as the area was in excess to what was needed, and the recycling depot was easily relocated to Oricol head office on nearby North Coast Road.

The completion of the bridge over the N2, Umhlangane River, and Effingham rail line, and the associated widening of Queen Nandi Drive through to North Coast Road has been included in eThekweni's 2011/2012 budget year. Date of commencement of work will be made known in August 2011, following the setting of the new budgets in July. Further to this, it is expected that the MR 577 link road between Queen Nandi Drive and Pinetown will be opened for usage in the latter part of 2012.

The installation of traffic lights at the Corobrik and Effingham Roads intersection as lobbied for by the Management Association is complete and it is hoped that this will help with congestion and road safety in that area, being an intersection that has had a high number of traffic accidents in the past.

RHVBEMA has also been working on 2 projects to raise the estate's profile; those are:

- RHVBE Website – work has already commenced on a website for the estate and concept designs are being finalised for the site to go live before the end of the year. This will serve as an information portal as well as a source for all documentation pertaining to RHVBE.
- Way-finding signage – a proposal has been submitted to eThekweni Transport Authority (ETA) and SANRAL to have Riverhorse Valley represented as a suburb (on existing signage poles) at the top of both North and South bound freeway off-ramps. Further to this the estate will be designated into East and West (per existing postal addresses), and the proposal also includes new signage on North Coast Road at the junctions of both Queen Nandi Drive and Umhlangane Roads. Response to the proposal is expected to be favourable as it has been endorsed by ETA following extensive negotiations regarding necessary improvements to signage leading vehicles to Riverhorse Valley.

Lastly, in response to a request made at last year's AGM, the Management Association investigated the possibility of landscaping the verges on either side of the N2 where it passes through the estate. Unfortunately this was rejected by SANRAL due to the safety and liability concerns of private contractors working within a national reserve. The Management Association is looking at the next tier down by pursuing a proposal to augment the cutting and landscaping of Queen Nandi Drive where it passes through the estate.

Auditors

This year's audit was carried out by Stuart Edwards & Co. and your directors recommend their re-appointment.

Thank You

Thank you to the staff and management for continuing to ensure that the Association grows in strength, and again to the board of directors for their guidance and commitment this past year.