

# RIVERHORSE VALLEY BUSINESS ESTATE MANAGEMENT ASSOCIATION



RIVERHORSE VALLEY BUSINESS ESTATE MANAGEMENT ASSOCIATION (RHBVEMA)  
ANNUAL GENERAL MEETING – 5 OCTOBER 2016

## CHAIRMAN'S REPORT 2016

### **INTRODUCTION**

Riverhorse Valley Business Estate Management Association

Chairman's Report AGM 2016

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Good afternoon and thank you all for attending this, your Management Association's 12<sup>th</sup> Annual General Meeting. Thank you too for our Estate Manager, Bruce Macaulay, for his preparation of this comprehensive report which covers the financial year ended 28 February 2016.

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

The core function of the management 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 recording the minutes of all committee and director's 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 all the 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:

<b>Name</b>	<b>Date of Appointment</b>	<b>Company / Property</b>	<b>Subcommittees</b>
<b>Rob Thomson</b>	14 February 2007	Zenprop	Finance Committee
<b>Simphiwe Maphumulo</b>	01 July 2008	Garlicke&Bousfield	
<b>Niresh Bechan</b>	28 February 2009	eThekwini Hospital	Chairman
<b>Mark Bray</b>	23 June 2011	JT Ross	Finance Committee

The Memorandum of Incorporation allows for a total of ten directors, and I would encourage members to get to know the board directors who represent your interests in the running of 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 my fellow directors for their time and efforts during this past year.

Adding to our existing board membership, we welcome Graham Hutchinson from Investec Property to the board of directors, representing Erf 34 in Imvubu Park Place; we trust his tenure on the board will be a fulfilling one, and we thank him in advance for his time and commitment to the management association.

I would like to request that any members who are interested in the management association and its workings, and who feel that they could contribute to the Estate; that they give serious consideration to joining our board of directors.

## **SUB COMMITTEES**

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

<b>Finance:</b>	Rob Thomson, Estate Management, Soma Govender (Highgate Financial Services), Urban Management
<b>Safeguarding:</b>	Estate Management, Rob Anderson (Rob Anderson and Associates), Urban Management
<b>Environmental Management:</b>	Estate Management, Di Hansen, Urban Management
<b>Design Review / Consent to Transfer:</b>	Keith Pearson, Estate Management

## **FEEDBACK ON THE STATUS OF THE ESTATE**

The growth of the Business Estate can be measured by the total Platform areas of all the sites, which area is used as the basis for levy calculations. The Total levy paying area has grown since development commenced in the estate on:

01/08/2006 – from 584,644 m<sup>2</sup>@ a starting levy of R 0.20 / m<sup>2</sup> = R 116 928.80excl VAT per month

To the current status, as at the culmination of the previous financial year, on:

28/02/2016 - 1,225,820 m<sup>2</sup>@ R 0.48 / m<sup>2</sup> = Total Income of R 588 394 excl VAT per month

No levy increase is required for the current financial year.

The Association's levy receipts and finances are, in general, very sound which we contribute to the on-going commitment of our members in paying their levies timeously and thereby buying into Riverhorse Valley's premier Business estate ethos and quality standard, as well the conservative, but savvy investment of our savings by our board of directors.

## **PROGRESS REPORT ON THE VARIOUS ASPECTS OF THE ASSOCIATION**

### **Safeguarding**

At present the Estate has a complement of 10 mast-mounted CCTV cameras, and 13 cameras in total. The cameras are monitored 24 hours / 7 days a week by our control room staff, and are supported by the reaction officers in the estate's dedicated response vehicle. The control room hotline number is 031 569 3125, and is available 24/7 for the reporting of security and any other matters by members, tenants, and members of the public. Emergency/ Control Room business cards, and more recently stickers for phone handsets are continually being distributed to all members and tenants for easy access to this important number.

It is anticipated that at least one more mast mounted CCTV camera will be required in the near future as camera coverage has become obscured due to construction which has over the years cut off previously existing fields of view, creating blind spots. Development on the Estate is fast approaching completion in terms of building, and a final audit of CCTV coverage will be undertaken to determine any remaining blind spots on the estate and the requirements to address them. This requirement, as well as the upgrade of all CCTV and control room equipment has been included in the management associations capital expenditure forecast to commence in the 2017/ 2018 financial year extending to the 2019/ 2020 financial year. The board of directors has endorsed this allocation of expenditure as prudent as the existing CCTV although operating well is approaching 10 years of operation which due to high standards of maintenance and upkeep has extended well beyond the 5 – 7 year shelf life of this type of equipment and it feels the entire system, the estate and all its members will benefit from the planned upgrades.

Reinforcing the management association's commitment to maintaining a high standard of surveillance, we reported in 2015 what would be the first phase of the upgrade of the entire CCTV system with the conversion to a fibre optic platform from the radio signal platform which commenced in October 2015. The project was completed in May 2016 and was a resounding success giving the much need stability to the transmission of images which had been compromised under the radio signal format due to the high volume of radio traffic existing within the estate, which is only due to increase and would have caused further deterioration in the essential video images required to safeguard the estate.

The Management Association's endeavours continue to improve service delivery and security from surrounding SAPS and Metro Police stations by regularly attending both community and business policing forums. Where service has been lacking the Management Association has sought to liaise directly with the management structures of the stations concerned in an effort to achieve the desired standards through continuous cooperation and mutual respect. Further to this interaction RHBEMA is also a member of the recently formed Precinct Management Forum comprising of other management associations whose aim is to focus on improving service blockage issues through direct liaison with the municipal executive and has already been engaging Metro Police on bettering attendance to certain issues specific to all of the precincts within the forum, and, in Riverhorse Valley's case, the attendance on long standing issues such as illegal truck and vehicle parking, truck off-loading in public roads, and the blockage of business entrances by taxis, trucks, and vehicles. Both the Precinct Management Forum, and the issue of illegal parking will be dealt with in more detail later in this report.

Finally, as per the 2015 Chairman's report under the General heading, we are pleased to report that we have concluded all safeguarding service provider tenders; those being for the Surveillance and Reaction, and, Electronic and CCTV Maintenance contracts in which we retained the services of G4S Security Solutions and Enforce Electronics respectively. It further pleases us to report that other than slight contract creep in the Surveillance and Reaction contract price which was rectified, both contract prices were positioned competitively in the market when compared to all candidates who qualified for the tenders.

## Environmental Management

Landscaping on the Estate is conceivably, next to security, the most important daily function on the estate as it is the most visible component and the aesthetic appearance of the public spaces also creates and enhances member's property values. This, combined with our member's commitment to the landscaping of their own properties, is what elevates our business estate above other unmanaged precincts. Apart from on-going daily landscape maintenance, there are also irrigation, alien invasive control and public open space maintenance components that add further value to our commitment to our precinct's environmental management.

The Estate is also constantly facing the added challenges of reinstating damaged verges caused by vehicles parking on them, trenching works, and construction. Estate management continually works to address these challenges and also improve the already high standards by identifying new areas where additional landscaping and landscaped features will add further value. We thank our contractors for their hard work and high standards of service. These contractors are:

Servest – Landscaping

Oricol – Street Cleaning and Recycling

GI Services incorporating S. Thutani Services – Alien Invasive Species Control and Public Open Space Maintenance

**Awards** – As reported in the last report the lack of entry for judging by members led the management association to attempt improving entry to judging for the awards by approaching all landscaping service providers on the estate to submit applications for judging on behalf of their clients. It was hoped this approach would see entries increase as the service providers would want to show off their landscaping works on behalf of the clients, and the awards would in turn reflect both the member and their service provider on them. Unfortunately despite estate management and the environmental committee's best efforts, the applications for judging sent to all the service providers on the estate yielded no response at all. As such, as this attempt was a final attempt to generate participation into the awards, the committee took the decision that the awards would unfortunately be discontinued.

As per my earlier reporting on the safeguarding tenders, the 2015 report also detailed that all environmental service provider contracts were to undergo a tender process following the completion of the safeguarding tenders. As such the tender process for landscaping, cleansing, irrigation, and alien invasive control is currently underway, and the process including adjudication and awarding of contracts should be concluded by the end of October 2016.

## Projects

**Wetland rehabilitation** - Four phases of the rehabilitation project (each consisting of 1 hectare) have now been completed on the eastern side of the Umhlangane River. The fifth phase as with all further phases in the project has commenced and will take place on the western side of the Umhlangane River, and will see the levelling of the ridge and furrow and the construction of a weir.

The service level agreement (SLA) between RHBEMA and the Coastal and Storm Water Management Department of the eThekweni Municipality was concluded in September 2015. The SLA makes allowance for the management association to undertake smaller projects within the main project such as alien invasive plant removal and the growing, cultivation and replanting of riparian plant and tree species. All work undertaken under the SLA will be fully recovered from the funding for the project which is supplied via the Sister City's partnership between the municipalities of Bremen and eThekweni. The funding is achieved by pre-payments which are made to the management association by the City, and which to date there have been 3 payments which have covered all works and consulting undertaken by the management association as per the SLA.

**Trails** – This project remains shelved as per the 2015 report.

## Design Review Committee

The Design Review Committee continues its duties to maintain design, signage and landscaping standards on the estate. New development activity continues and the ongoing role of the Association in maintaining the aesthetic standards established through the development period as 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.

A comprehensive audit was in the process of being concluded in late 2015 to deal with, not only signage and landscaping issues, but to revisit any design review matters that may have been overlooked since reviewing final development approvals for completed properties, as well matters that may have arisen in recent property developments or upgrades by members. Members will, in due course, be contacted by the Design Review Committee to assist in finalising these matters.

As reported in 2015 the progress of the audit was delayed by the passing of our Design Review Architect, Martin Friedrichs. The management association will resume the audit under Keith Pearson, the current Design Review Architect who has been familiarising himself with the estate and developments, and notifications will be going out to all members concerned at the earliest possibility.

### **Inner Transportation Plan**

The management association has received confirmation from the Economic Development Department that under the "Go Durban" public transportation project (formerly IRPTN) that there will be bus routes running from east to west, and returning, from the INK (Inanda, Ntuzuma, KwaMashu) area to Chris Hani Road (North Coast Road) into Durban. This bodes well for commuters as one of the main reasons for the dependency on taxi transport to date is that there has been no reliable public transport along the east west corridor to and from Riverhorse Valley. As the north south corridor is adequately serviced by trains, this addition was originally planned for a later stage or corridor of the project, however it has now been brought forward and into the earlier planned corridors as a result of the management associations liaisons and interactions with ETA to address and balance the public transport issue with having other more reliable, not to mention safer, regular, and hopefully more affordable options for our commuters than the reliance on taxis. Dates for implementation as yet have not been determined.

### **Informal Traders**

All meetings regarding the finalisation of the overarching management plan governing all informal trading in all areas of the municipality have been concluded.

Furthermore the role players are finalising procedures to survey and allocate trading sites, as well as the leases, trading permits, and trading licences that will be attached to those trading sites, and, the roles of Small Business Support (SBSU) and the management associations (where present) are to be defined in terms of management and enforcement. Once workable templates of the aforementioned plans and protocols are defined, workshops and training will be the final steps in implementing the informal trading management plan and strategy on the ground.

Lastly, RHBEMA has received confirmation from the City's Economic Development Department that R 450k has been allocated to the fabrication of new test trading unit typologies which are to be piloted on the estate to determine suitability for use in all eThekweni areas as well as to pilot the aforementioned management and enforcement policies.

### **General**

**Way-finding signage** – Following the installation of new way-finding signage as reported in the 2015 report, RHBEMA's motivations to SANRAL for N2 freeway and Queen Nandi Drive Bridge representation commenced. SANRAL representative Manny De Sousa in response to the proposal explained that freeway signage representation is not permitted on the basis that freeway signage does not represent suburbs, but rather main roads i.e. Queen Nandi Drive and Umgeni Road, and as such the proposal to have Riverhorse Valley represented on freeway signage was rejected. At the final board meeting of 2015, the RHBEMA board took the final decision that this matter had been interrogated and concluded to its full extent and that no further action would be required on it.

**Illegal Parking on the estate** – This issue is still causing major problems on the estate, and estate management receive daily complaints from our members regarding trucks and vehicles parked illegally, causing obstruction, and creating nuisance and endangerment by forcing motorists to drive contra-flow. The matter has now reached the point where our directors have now flagged it as a priority item to be resolved, and the matter was put on the agenda of the board meeting held on 23<sup>rd</sup> September 2016.

The meeting concluded that unfortunately up until now the estate management's only recourse for the illegal parking infringements has been to report the incidents to Metro Police, who very rarely attend, however, as stated above the board are determined to resolve this issue and requested that our legal representative from Garlicke and Bousfield on the board of directors investigate any legal recourse of behalf of the management association. The legal recourse offered was that although the space where the vehicles are parking is public open space and the management association has no powers within that space, it does however have enforcement powers over the members, businesses or tenants that these illegally parked vehicles represent, service, or are employees of.

The RHVBEMA Memorandum of Incorporation (MOI) entitles the Board to make rules which include, among others, the use of roads, pathways and open spaces and administration and control of common areas and public spaces. With this in mind the board of directors will be amending the rules of the Association to include that illegal parking on the estate by members, their agents, service providers or employees is an offence and that breach of this ruling will see the member or body corporate, in some instances, liable for the fines of non-compliance already contained within the rules of the association.

Undoubtedly this action will not be received well by certain parties, but the board has acted on behalf of the majority of its members and visitors to the estate in what in its essence is a traffic violation that should not be condoned in any instance, and should not have cause for argument.

### **Precinct Management Forum**

As discussed earlier in the report under Safeguarding, this entity is proving to be an important structure for the lobbying of eThekweni Municipality for enabling precinct management policy and support, including resolution of service delivery blockages and investment in infrastructure.

The time was right at the beginning of 2016 to add a collective private sector voice to the engagement with the municipality on precinct management matters. For this reason, a parallel process was initiated to secure support from the South African Association of Property Owners (SAOPA) to assist with driving efforts with the municipality. The process began with Brian Wright (Urban Management) presenting to a large audience of SAPOA Members on 9 March 2016 on the benefits and value of precinct management and how important it was for SAPOA to get organised and build on existing momentum with the municipality. In response to the presentation, the SAPOA KZN Chairman, Edwin Van Niekerk, secured funding from National SAPOA and key property companies in eThekweni. This facilitated the appointment of Andrew Layman, the ex CEO of the Durban Chamber of Business, to drive the process forward – Brian Wright will be working closely with Andrew and supporting him wherever possible. Andrew's role will be to serve as a SAPOA's Precinct Management Champion, representing a collective precinct management voice in driving home the importance of precinct management to the municipality. This includes the establishment of a precinct management forum including Urban Improvement Precincts (UIPs) and Management Associations (MAs) within the greater Durban area, and, the absolute necessity of establishing municipal precinct management and joint research units within the municipality to set up a formal Strategic Partnership Structure to unlock development within eThekweni.

This has been agreed with the Municipality which included an engagement with the Cape Town Partnership and City of Cape Town.

### **Auditors**

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

### **Thank You**

I would like to extend my personal thanks to the Association's very competent and willing management and staff for continuing to ensure that the Association grows in strength, and, again, to my fellow board members for their guidance and commitment during the past year. In closing, I would again like to extend an invitation to any members, who feel that they would like to make a contribution to the running of the Estate and Association, to consider standing as a director.

Should you wish to ask anything reported on by myself here, or in general about the estate, I would invite you to raise these matters later in the Agenda under General, where I, or my very competent management team, would be happy to respond.

### **Mark Bray - Chairman**