



Llandudno Special Rating Area NPC
2014/179104/08

11 Apostle Road Llandudno 7806

www.llandudno.org.za sra@llandudno.org.za

6 April 2017

Mr Eddie Scott

Dear Eddie

Transparency and inclusivity surrounding the special general meeting on 6 April 2017

The meeting held on 6 April 2017 to vote on an increased SRA levy, as well as two informal meetings held on 15 March and 29 March as an information session with questions and answers have raised some concern in the community.

The issues	Responses thereto
Some owners claimed not to have been aware of the required process to be followed to enable them to vote at meetings, in that they needed to apply to become members of the entity and claimed not to have been aware of this.	The fact that a property owner has voted in favour or against the establishment of the SRA does not automatically translate into membership of the NPC entity. This has been explained at each meeting held since before and after the establishment of the SRA. This is due to the fact that only after council approved the establishment of the SRA, could we apply to register an NPC, and only once this occurred could owners apply for membership. Some owners/residents claimed to have been unaware of this. In addition the MOI is on our website, www.llandudno.org.za where this aspect is explained- refer clause 9 of MOI. Given the concerns in the community and the lack of

	<p>awareness surrounding the SRA NPC membership and voting issues, we as SRA board has adopted a unanimous resolution that we (1) allowed membership applications until 1 April 2017 (notwithstanding the requirement in the MOI of 14 days). Membership applications until 6 April 2017 in fact were accepted. (2) We accepted membership applications even if these were not completely filled in or unsigned in some cases because it was delivered in person, or was sent via email that served as a form of identification. (3) We allowed membership applications signed by individuals on behalf of companies or trust, on the basis that the members warrant that they are duly authorised to act on behalf of these entities (4) we waived the regulation that prevents owners who are more than 60 days in arrears with their rates from voting as we believed that the arrears were not significant. The reasons for these were to facilitate and enable as many owners as possible to be able to vote, to ensure that the process is transparent and inclusive.</p> <p>We therefore do not believe that there is merit in this objection. The SRA board has taken every possible measure to ensure that this issue has been communicated to the community.</p>
<p>Some owners felt that the process was rushed, and they were uncertain surrounding notice periods required of meetings.</p>	<p>The proposed resolution in terms of which the proposed increase in the SRA levy is being voted on, is a general resolution in terms of the Companies Act. Accordingly it requires 14 days' notice as provided in terms of clause 11.4.1 of the MOI. The majority of residents wished to have the resolution implemented on 1 July 2017, and this</p>



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	<p>required the meeting to be held by no later than 6 April 2017, as per the Council time lines. The meetings were advertised in the Burger and Cape Times on 23 March 2017, ie 14 days before the meeting. Documentary evidence to this effect has previously been submitted to Council.</p> <p>In addition, two informal question and answer sessions were held during March 2017 in the School, both of which were attended by approximately 70 residents each time. The purpose of these meetings was to enable residents to be able to raise their concerns, for us to explain the proposed increase SRA levy and the rationale therefore in more detail.</p> <p>We therefore do not believe that there is merit in this objection.</p>
<p>Some residents felt excluded as they didn't have access to social media, such as facebook and our webpage and claimed that this prevented them from knowing about the</p>	<p>In addition to the statutory requirement to advertise the meetings in the press, we have also always put up a banner at the intersection of Llandudno and Fishermens' bend road, as was the case with the meeting of 6 April 2017.</p> <p>Notifications of meetings are 'posted' on our webpage, www.llandudno.org.za as well as the closed Facebook</p>

meeting.

page, called Llandudno organised, reference <https://www.facebook.com/groups/764920490215618/permalink/1570694096304916/>.

Furthermore, we have emailed residents (as per the list of email addresses attached to this document) on two occasions: once by the web administrator where the notice of meeting was attached, and again by Ms Claire Coetzee who has helped us with the current meeting to ensure that as many residents as possible receive notification. This email address has during the period leading up to the 6 April 2017 been amended, updated and expanded.

The SRA board members have held meetings on a one-on-one basis with, to my knowledge, all residents who have requested this.

Margie McKenzie, one of our board members and a resident in Llandudno since 1968, had dropped off hard copies of the notice of the meeting to some older residents where she was concerned that they are not aware of the meeting.

We believe that the fact that the membership base has increased from approximately 68 at the time of our last AGM to 177 members as of 6 April, is evidence of the tremendous effort we as a board have put in to ensure that as many residents as possible attend our meetings and are aware of these.



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<p>There is unhappiness about the fact that the SRA levy is based on the municipal valuation of properties and that it is not a flat rate.</p>	<p>This was explained at the meeting: the SRA levy is regulated in terms of the City SRA by-law and the Local Government: Municipal Property Rates Act 6 of 2004 in section 7 et seq as well as section 22 of the said Act.</p> <p>We do not believe that there is merit in this objection; in fact the SRA board and the City does not have the legal capacity to levy a SRA levy other than in accordance with the above legislation which clearly provides that the SRA levy has to be levied on the municipal valuation of the properties falling within the geographic boundaries of the SRA.</p>
<p>There is unhappiness about the voting procedure, that allows for voting of one vote per R5m of municipal valuation if voting by poll is demanded.</p>	<p>We have explained to residents on numerous occasions and at the meeting that we as SRA board are bound to this process of how the voting is done. This is as a result of the Residents who feel aggrieved should approach their attorneys and or the Constitutional court. At the meeting we actually counted the votes in both manners allowed by the MOI (one property one vote and one vote per R5m of rateable valuation). As evidenced from the minutes the manner of voting did not materially alter the outcome of the voting process: on a one property one vote, the motion was passed 111 in favour and 56 against; on the basis of one vote per R5m of property valuation, the resolution was passed on the basis of 355 in favour and</p>

	154 against.
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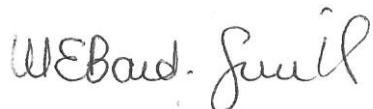
	As such we believe that no prejudice was suffered as the outcome of the voting process yielded a significant support to adopt the resolution to increase the SRA levy for security. We accordingly submit that there is no merit in this objection.
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Attached please find the email list as of January 2017, and correspondences and complaints from Glyn Ruck, and Robin Meyerowitz. The former is a property owner but non member of the NPC and the latter is a resident, non owner, non member.

We also wish to point on record that we have received support and appreciation from a number of residents, both at the meeting as reflected in the minutes and subsequently via email, expressing the view that they felt the meeting was well chaired etc. These include Carl Sammelli (6 Maori Road), Freddy Caspers (30 Fishermans Bend), Steve and Lynne Beesly 9 Maori Road.

We trust that the attached will satisfy council, in addition to the other documents and minutes that due process was followed and that the resolution adopted is supported by almost two thirds of the community.

Yours truly,



ME Bond-Smith

Appendix : list of email addresses in use at January 2017. Please note that the letter addressed to the City contained these email addresses as they requested it.



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Due to POPI considerations these email addresses were omitted from the letter posted on the website.

Appendix: emails received from aggrieved residents together with responses thereto

Appendix 2: Email correspondences Glyn Ruck, property owner at Logies Bay Road

Issue raised:	Response:
<p>A reflection on a meeting that showed the SRA Board's extreme bias. They are supposed to reflect & respect the opinions of all Llandudno residents.</p>	<p>This allegation is denied. We explained that we as a board were requested to convene the meeting to enable resident-members to vote on this issue as prescribed in terms of the legislation referred to above. Secondly there is a distinction between bias and conducting orderly meetings. Repeat questions on matters already dealt with (such as the constitutionality of the voting process) were not re-entertained by the chair as this would serve no purpose. Thirdly the City fulfilled an oversight role (extremely thorough, methodical and detailed) at all times to ensure that due process was followed.</p>
<p>A meeting of us that have owned properties in Llandudno for in excess of 40 years wishes to reflect on the wonderful community we bought into vs. a community present at last night's meeting that has lost it's moral compass.</p>	<p>Denied for reasons set out above. We followed a process prescribed by law, and all resident members are bound by the outcome, that of requiring a 50% plus one majority to pass the resolution, which was duly obtained.</p>
<p>The SRA Board at all times displayed it's extreme bias & unwillingness to compromise.</p>	<p>This allegation is denied. We convened two informal question and answer sessions previously to allow aggrieved residents to raise their concerns and objections. Refer comments above as to due process being followed. Secondly the City's oversight role and presence at the meeting ensured that due process was followed.</p>
<ul style="list-style-type: none"> • The Chair at all times reflected this bias. • The Chair at no time tried to constrain comments from the floor such as "if you can't afford it leave" made by property owners. 	<p>Unsolicited comments did come from the floor and the SRA board cannot accept responsibility for these. These were not encouraged, and the chair at all times aimed to conduct an orderly meeting, confining it to the issue at hand: that of voting on a resolution to increase the SRA levy with regard to security. The</p>



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<ul style="list-style-type: none"> • The Chair at no time tried to constrain comments from the floor such as “if you can’t afford it cancel your DSTV”. Having worked with the fibre optic team on the satellite shadow in Llandudno I can assure you that the financially distressed in this community are not connected to DSTV. • The Chair on numerous occasions tried to shut down genuine concerns of members. e.g. “We are not going to discuss affordability. That was discussed at last weeks Q & A meeting” ~ notice of such meeting that was not circulated to all residents/members. • A Board that undertook in writing at the time the SRA was formed that levy increases would be CPI aligned & 	<p>issue of affordability was pointed by the Chair as being the subject matter of a separate discussion and affected residents were invited to join a separate working group to address this issue and assist affected owners.</p> <p>Refer to denial above.</p> <p>Refer to discussion above. The question and answer sessions were held as informal meetings over and above the legal and procedural requirements with regard to meetings.</p> <p>The City performs an affordability and sustainability model. SRA levies are capped at 25% of property rates. The current SRA levy is about 2,2% of rates and will increase (in terms of the proposed revised budget) to about 9,3% which is still well below the average of 18% across all SRAs.</p> <p>The SRA board is committed and obliged to adhere to the original plan or budget. In order to amend it, a general meeting had</p>
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drew up a business plan reflecting this. Also promoted the ethos of a “caring community”

- A Chair that resolutely refused to circulate an alternate view leading up to the meeting of 6 April.

Sadly, today's, here today, gone tomorrow community is a pale shadow of yesteryear both ethically & morally. Introspection is required.

Kind Regards,
Glyn Ruck

to be convened to amend the business plan and budget. This was deemed necessary due to the requests from a number of residents and due to the security and crime situation having changed since inception of the SRA/ As outlined above, this process was followed. The original requirement from the community wanted a much higher security service but the budget was insufficient and service levels adjusted downwards to meet the budget. The recent crime related activities caused the community to vote in favour of increasing the levy to provide the security service as originally intended. There is hence no valid legal substance in this objection.

Denied, both the informal meetings where the question and answer sessions were held, were open ended and questions were entertained on any question raised.

No legal issues raised in this paragraph. Noted.



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Appendix 3 Email from Robin Meyerowitz- non member and non property owner but resides at 37 Sunset Avenue

Issue raise	Comment
<p>Hi Glyn, Please circulate should you see fit. Thank you to all that opposed the ammendment to the business plan.</p> <p>We lost honourably.</p> <p>During our fact-finding mission, we were lied to, we were called liars, we were sworn at, meetings were biased against us, we were called trouble makers and accused of being irrational. I was threatened with defamation when I spoke about aggressive behavior. Our right to speak at meetings were ignored, and we were subjected to aggression and bully tactics, all because we wanted transparency and honest facts.</p>	<p>Firstly it should be noted that this person does not have locus standi at this meeting as he is not a property owner, and is not a member of the NPC, nor did he have a proxy. Responses to his concerns are included to ensure maximum transparency, openness and willingness to engage.</p> <p>Noted, and taken as support for the conclusion that the meeting followed due process.</p> <p>The allegation of being called liars is denied. There was an unfortunate incident where one of the presenters in exasperation uttered a swear word at the informal question and answer session on 29 March 2017. A formal apology was made to Ms Janet Hofmann the next day, which she accepted.</p> <p>There was a repetitive raising of issues such as the unconstitutionality of the voting process, which in fact were entertained at length. After an extensive debate the chair did indicate that these matters would no longer be entertained.</p> <p>Everyone had ample opportunity to</p>

A 'new' budget and other information was posted on the website hours before the special meeting, and the meeting's agenda was posted on Whatsapp.

Some of us 'old timers' do not have Whatsapp nor use social media, and have found that information on the website to be sadly lacking.

The feelings and means of our 'older' residents were obviously not considered nor taken into account when pushing through this increased levy, that obviously has a huge impact.

We were told to suck it up, or leave.

address their concerns. In fact there were some residents who felt that M Meyerowitz as non owner and non resident had 'hijacked' the meeting, was disruptive, and should have been asked to leave the meeting.

Our view is that there is a difference between bullying and conducting orderly meetings, that preclude the re-raising of issues already dealt with.

The proposed budget increase has always been to propose an increased SRA budget in total of R2,5m. There were marginal changes to ensure that all changes to the budget relate to security aspects only.

This issue was dealt with above. The information is not lacking as it appears on the website it is rather the 'old timers' who do not use social media. Notwithstanding the board went the extra mile to communicate as wide as possible via advertisements in the newspapers, via email, via the webpage, via Facebook, placed at banner near the post box and dropped off hard copies of the notices of the meeting in the post boxes of older residents where we were concerned that they do not access social media and the internet.

Due process was followed in adoption of the resolution: this required a general meeting, where 50% plus one of members were required to vote in favour of the resolution in order to have it passed. The City fulfilled its oversight role



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We tried our utmost, in the short time we had, to stop or even postpone the ammendment.

Yes, we lost, but there was no honour in the way the ammendment was won.

Our eyes were opened at the conduct of our esteemed committee and chairlady.

We still have a voice.

Kind Regards,

Robin

(sent from my Android)

to ensure that this had happened.

The reality is that people who cannot afford to pay their rates, must make payment arrangements with the City, apply for indigent relief, or as a last resort realize their asset. This is not the fault of the SRA board.

The aspect as to due process having been followed has been dealt with above.

Noted, no issue requiring legal clarification contained in this paragraph.

Noted, issues re procedural regularity and compliance have been addressed already.

Appendix 4 Letter from Robin Meyerowitz to Councillor Quintas

Subject: Llandudno SRA issues

Issue raised	Comment
<p data-bbox="108 398 344 434">Dear Roberto,</p> <p data-bbox="108 495 863 824">Thank you for your input during our brief chat this morning, regarding some of the few issues that have been brought up by residents of Llandudno regarding our forthcoming Security meeting on the 6th April 2017 to vote on the increase in the SRA levy to R49 per million valuation of houses.</p> <p data-bbox="108 884 863 1214">I, as a concerned resident, speak for those non-members of the SRA, our long time Llandudno residents, those who are unaware of forthcoming levy increases & for those whose voices were prevented from being heard at last night's (29th March 2017) FAQ meeting.</p> <p data-bbox="108 1368 863 1552">While we are all aware of the importance of security, some of the issues that have been brought up by concerned residents are as follows:</p> <ol data-bbox="108 1570 863 1704" style="list-style-type: none">1. Many feel that the proposal is being rushed through without due diligence nor full transparency.	<p data-bbox="882 495 991 530">Noted</p> <p data-bbox="882 884 1447 1068">The issue of non members not being aware of the meeting etc has been dealt with in the main body of this document.</p> <p data-bbox="882 1368 1447 1655">Dealt with above, the legally required timelines were adhered to. There was a need to have the meeting on 6 April 2017 in order to have the security proposal implemented by 1 July 2017.</p>



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2. There are no crime statistics, as mandated by the SRA Business Plan 2017-2019.. • **Collect and collate statistics on crime in the area and make the statistics available for property owners via a website or**

Facebook

It was confirmed by the SRA committee that this information will not be available. Surely as the SRA is registered as a company, this information must be available as part of their business reporting, especially when there is so much money involved?

A new SRA Business 2017-2020 plan has been posted on the www.llandudno.org.za site that includes the new security proposal but excludes the collation of statistics clause. This new business plan has not been discussed or has been approved by the residents as yet.

It has been explained on numerous occasions that this information is sensitive, may jeopardise police investigations and persons that were the victims of crime. Information on crime stats was made available at the meeting.

The proposed (not new) business plan, subject to ratification at the meeting was disclosed on the webpage and was disclosed at the informal question and answer sessions as well as the meeting of 6 April 2017.

<p>3. Some of the residents are concerned by the increase of 2017-2018 security budget from R240k to R1.875 million (a 681% increase) without any benchmarking or accountability at all. These include long time Llandudno residents that are currently paying less than R100, & who will now be paying R650. Our personal levy is R138, & this will increase to at least R686 a 397% increase.</p>	<p>Denied. The council fulfilled their oversight role to ensure that due process was followed. The proposed increased budget is supported by indicative quotations and costings. If approved the implementation of the revised increased budget will be subjected to the requisite tender process as determined in terms of the applicable legislation. The figure of R650 was used as the average that residents would pay per R10m of property value; this amount was updated once we received the updated valuation database to R49 per million per month.</p>
<p>4. The committee is proposing that the increased costs will cover a 2 man armed tactical team & dog to patrol all open areas 24/7, with additional cameras where necessary (beach area & mountain). No information regarding any kind of costings have been revealed, & based on the lack of any form of statistics, no benchmarking can take place.</p>	<p>The SRA board has documentary support of indicative quotations received, as mentioned above, once the revised budget is approved, the figures will be substantiated by following the duly prescribed tender processes. This allegation is therefore denied.</p>
<p>5. We have been given a few occurrences (5) of crime happenings, including a home incursion in one of the committee members house, & it is felt that this new security initiative is being put across as being 'fear' driven. Some of those occurrences have been opportunistic as the residents have left doors & windows</p>	<p>Crime stats were disclosed at the meeting. The necessity surrounding the increased SRA levy for security was explained at the meeting as being preventative in nature as opposed to being reactive. Allegations therefore denied.</p>



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open.

6. There is a concern that even with additional cameras & a tactical team, no crime deterrent has been discussed, especially with access to Llandudno from Victoria Rd being wide open.

The issue of access from Victoria road being 'wide open' was also addressed. We have raised this issue at ward committee level and had been advised that due to Victoria Road being a high traffic public road, that it is not possible to secure this by installing a boom for instance.

7. A question was raised regarding liability, where a resident is a victim of armed robbery, & the tactical team is called out. A gun fight takes place, & a neighbour is shot. The committee was unable to provide any answers. These answers should be very important before any decisions are made.

This issue will be addressed during the implementation phase and will be contained in the service contracts to be signed between the SRA and security service providers for the public spaces only. The SRA has no mandate with regard to private security contracts that individual owners have.

8. There is a concern on the legality of our MOI (attached), as it seems that one person has signed for all of the incorporators.

The allegation has no basis in law. The MOI provides that it may be signed by the member or **on their behalf (my emphasis)**. Mr Meyerowitz omitted this in the

extract he attached.

Name and address	Identity or Registration #	Signature	Date
Jillian Davis 9 Logies Bay Road, Llandudno, 7806	521016 0105 086	<i>h</i>	17 June
Marguerite Eliza Bond-Smith 11 Apostle Road, Llandudno, 7806	660811 0132 085	<i>h</i>	17 June
William Endersby 22 Fisherman's Bend, Llandudno, 7806	450517 5069 081	<i>h</i>	17 June
Alistair Harvey Pearce 40 Fisherman's Bend, Llandudno, Cape Town, 7806	570625 5147 081	<i>h</i>	17 June

9. There is also a concern with the proxy form, in which the quoted Agenda item does not reflect the true item on the agenda. It should be approximately R49 pm per R1m valuation to be spent on security.

This was explained above: we used the initial figure of R650 per R10m, as this was the average figure we calculated at the time. Upon receipt of the updated municipal valuation database the figure was amended to R49 per One million per month, a reduction in the proposed levy in fact. This in any event does not alter the substance of the proposed resolution. As such we do not believe that there is merit in this objection.

Confirmation/appointment/approval will be done as follows:

Mark appropriate

Agenda item: 6 April 2017		Attend	Speak	Vote
1	To vote on the increase in the SRA levy to approximately R650 pm per R10m valuation to be spent on additional security			

Signed at.....this.....day of.....2016

Signature:.....

Note: this proxy form must:

- Be delivered to 11 Apostle Road Llandudno 7806 by no later than 1 April 2016

We were called 'trouble makers' when we tried to discuss some of the above issues, with one of the presenters actually swearing at a resident who raised an objection. Kiki also stated that she was too tired to discuss anything further. We feel this levy is being 'steamrollered' through, without transparency, with no approved business plan, by using 'scare' tactics, without any form of deterrent in place, just to get this

As discussed elsewhere, the chairperson refused to re-entertain issues that have been dealt with in order to prevent the meeting into deteriorating into chaos but to ensure that the meeting remained orderly.

The issues re the ability to vote, and the fact that only members



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<p>increased levy passed by next week. As this is a huge substantial increase, we feel that the whole community, NOT only SRA members, should be made aware of what will be happening. Those who objected to the major increase were called the 'poor' of Llandudno.</p> <p>We feel that there should be a deterrent proposal put in place first (neighbourhood watch patrols in the evening, as an example). There is no valid reason, apart from 'scare' tactics as to why this proposal has to be pushed through, with unanswered questions, & why it cannot be postponed. Llandudno cannot rely on cameras in the mountains & a tactical team of 2 to provide zero tolerance crime. It needs the community to be part of the solution. Throwing money at the problem will not solve it.</p> <p>Roberto, whilst you will, hopefully be present at the meeting on the 6th April 2017 as an observer, I, and other concerned residents, feel that, as our Counciller, you should be aware of what is happening within your ward, & hope that you will be able to clarify a few of the above 'legality' issues.</p> <p>Kind Regards,</p>	<p>are entitled to vote have been discussed above.</p> <p>These issues have been addressed above.</p> <p>Noted.</p>
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Robin Meyerowitz	
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