

Background information re forthcoming general meeting of the SRA on 6 April 2017 at 18h30 at Life saving club.

There has been considerable comment on social media, including emails and whatsapp's on the SRA meeting regarding security and the proposal to increase the SRA levy significantly.

### Eligibility to vote

Each property owner is entitled to apply to become a member of the Llandudno Special Rating Area Not for Profit Company ('NPC') (clause 9.1 of the Memorandum of incorporation). This is free of charge. There is one vote per property.

Having voted either for or against the establishment of the SRA does not automatically entitle one to become a member.

The Memorandum of Incorporation requires property owners to apply for and become members no later than 14 days before the meeting at which the members may vote (clause 9.5). This means that people wishing to vote on 6 April 2017, the date of our next meeting, must be members by 23 March 2017. We have however made a concession, which has been agreed to by the City, that membership applications will be entertained until 1 April 2017. This is in the interests of transparency, equity and inclusiveness.

The membership applications are and have been on [www.llandudno.org.za](http://www.llandudno.org.za).

It should also be noted that members applying must subscribe to the objects of the company (clause 9.3).

Please also note that membership does not attach to the property but relates to an individual, if you have therefore recently purchased your property, the fact that the previous owner is/was a member does not mean that you automatically become a member in their stead.

There is a further requirement that persons in arrears to the City by more than 60 days will not be entitled to vote. The City representatives provide us with a list of arrears at the meeting together with an indication of who are then precluded to vote.

Residents signing on behalf of a trust or company, have been accepted on good faith as having the requisite authority to act on behalf of those entities.

We have been accused of 'hiding' issues surrounding membership and not being transparent. We cannot assume responsibility for owners not having taken the trouble or effort to attend our AGMs or to familiarize themselves with the MOI and its content: the issues surrounding membership has been raised at each AGM and the requirement to be a member in order to vote, has been highlighted in each advertisement for such AGM's. The issue of membership has also been explained at the outset when we collect votes to establish the SRA.

### Unequal voting process

Many residents have responded with outrage over the inequitable voting process that will result in the rich 'hijacking the process.' It has also been described as unconstitutional.

The facts are as follows: the Memorandum of Incorporation ('MOI') of the Llandudno Special Rating Area Not for Profit Company ('NPC') provides that each owner, who has applied to become a member, will have one vote for each R5m of rateable property valuation (clause 11.9 of the MOI), subject to a maximum of 10 votes per erf. The MOI continues to state that voting will be by show of hands i.e. one man one vote UNLESS the chairperson demands a vote by poll (i.e. weighted), or such poll is requested by 5 or more members, or if it is requested by persons collectively holding 10% of the voting rights.

As chairperson, I would propose that we have a vote by show of hands. After this vote by show of hands, if a poll is demanded as outlined above, I, as chairperson, am required to agree to this. Voting will then occur by poll, with each owner receiving one vote per R5m of property valuation subject to a maximum number of votes of 10 per owner.

I have previously demonstrated via email to some residents that the fear that the 'rich will outvote us' is ungrounded when one looks at the facts: 56% of the voting rights vest in the properties valued at up to R15m, some refer to them as the 'cheap seats' or the 'poor' of Llandudno.

It is therefore not factually correct to say that the 'rich can outvote us'. Secondly, people who have been circulating emotive emails, suggesting that the poor are being hijacked by the rich, and again that the SRA board has been devious in this, make the assumption that ALL owners with higher valued properties will vote in favour of the increased SRA levy. I know of 2 properties valued at R40m each where the owners will vote AGAINST the increase of the SRA levy. This equates to 20 'no' votes.

The MOI does make provision for it to be amended. This cannot be resolved at the meeting scheduled for 6 April 2017, but we can place this on the agenda for a subsequent meeting. It will require 75% of members voting in favour of such a change.

Re the voting being unconstitutional: The City has obtained legal advice that such voting process is in fact not unconstitutional. Ordinary companies, including NPC's can have different voting rights attached to different classes of shares, and typically voting is linked to shareholding, ie more shares gives you more votes.

### Motivation for the significant increase in the SRA levy

We have been inundated with emails criticizing us for this, and that we have deceived the community. The reality of the situation is that there has been a

number of security breaches that are cause for concern. Some residents asked if there has been a noticeable increase in crime. The answer is yes and no. For months between March and November 2016 very little crime was reported but we saw a sharp increase in December / January and we are back at the pre-2016 levels. We also know that the gang that operated all over Llandudno in 2012/2013 has been released on parole. So we deem the taking of additional security measures necessary to ensure our continued safety. Zero crime should be the only acceptable target – the recent home invasions and robberies have traumatized the effective residents and, as seen in Hout Bay, cannot be prevented with just lights, fencing and alarms.

We are committed to affording protection of you and yours and we cannot afford to await a catastrophic murder or rape before taking avoiding action.

The decision to propose a motion to increase the security spend of the SRA budget, was taken after much deliberation and thought. We simply cannot continue to render the security prevention measures necessary with the current budget. We have in the past relied and continue to rely on private funding too.

There also have been mails circulating that the SRA was formed to take over from the LCA and seeing that the SRA now gets 100% contribution, that there is no need to increase the levy. The SRA is not simply the LCA with 100% contributions. The purpose of the SRA is to improve and secure our suburb.



