
MINUTES of the 2024 ANNUAL GENERAL MEETING
of the Hermanus Public Protection (HPP) NPC
held at 18:00 on Thursday, 29 August 2024 at the Windsor Hotel,
Hermanus.

1. **WELCOME:** Mr Jerry van Niekerk (Chair), extended a sincere welcome and thanked all present for attending.
2. **APOLOGIES:** Regrets were received from 49 ratepayers. The full list of names is available on page 3 of the presentation slides.
3. **CONFIRMATION OF AGENDA:** The circulated agenda was accepted and confirmed. Proposed by Mrs A Wright and seconded by Mr J Cilliers.
4. **CONSTITUTING:** The required notice had been given and meeting was duly constituted in terms of the Financial Agreement and Company's MOI (20% of the Members to be in attendance or by proxy). The list of voting members was published on the HPP website prior to the AGM.

Quorum

• Membership total:	264
• New Members Admitted (during period):	12
• Required (20%):	53
• Members in attendance:	23
• Proxies received:	46

A quorum was confirmed in accordance with the HPP's Memorandum of Incorporation.

5. **APPROVAL OF MINUTES OF THE 2023 AGM:** The minutes were approved for the 2023 AGM held 28 September 2023. Proposed by Mr T Louw and Mrs F Koegelenberg.

Dissent: Mr. A. Du Toit voted against the approval of minutes of the 2023 AGM.

6. **MATTERS ARISING:** Mr van Niekerk noted that there were no matters arising from the previous meeting.
 - a. **COMMENT RECEIVED:** Mr van Niekerk noted for the record that written comments and voting instructions had been received from Mr A du Toit prior to the AGM. (The comments are summarised on a slide which is included in the presentation pack.) A copy of the comments is available on request.
 - b. **LEGAL OPINION:** The Chair confirmed that, to ensure the continued proper governance of HPP and adherence to the Promotion of Access to Information Act of 2000, the Board sought legal opinion regarding the handling of voluminous information requests from a property

owner. The issue is ongoing. In the 2023/2024 Financial year, R8,146 has been spent on legal fees.

7. **CHAIRPERSON REPORT:** (The Chairperson Report is available on the HPP website <https://hpp.org.za/hpp-chairperson-report-2024/>)

The Chairperson delivered a succinct report on the previous year's activities of the HPP including a brief overview of the Board and portfolios.

At the commencement of the Chairman's tenure in 2022, input was sought from 17 property owners who represented a wide range of residential areas and interest groups within the HSRA to assist in identifying HPP's strategic priorities. In July 2023, this process was repeated with the participation of 29 individuals, who confirmed the strategic priorities established in 2022. Good progress has been made in the past year in pursuing these strategies and fulfilling the HSRA's mandate.

Main areas of focus detailed by the Chair included safety through visible patrolling, safety through camera surveillance, cleansing and education.

Mr van Niekerk emphasised that the improvements made in the past year (refer pages 4 and 5 of the Annual Report) were implemented due to the input of property owners and stakeholders such as business owners and supported by the Overstrand Municipality.

The past year's activities were reviewed which included homelessness and vagrancy in Hermanus, HSRA Term Extension Project, growing relationships and communications, relationship with Overstrand SRA (OSRA) neighbours, oversight by the Overstrand Municipality and the governance of HPP. The Chair was pleased to confirm that the HPP had met its objectives for the year.

The priority for the year ahead is to complete the final year of the current term with distinction and to lay a sound foundation for the next term, which commences on 1 July 2025. The task of selecting service suppliers and embedding their work into our operations will be key.

8. **CONSIDERATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024:** Mr L Rauch, Director Finance, presented on matters related to finances. The Audited Financial Statements for the Financial Year 2023/2024 have been circulated.

The opening balance on 1 July 2023 was R4,029,676. The closing balance on 30 June 2024 was R4,260,651. During this financial year HPP also received R256,844 in voluntary contributions towards neighbourhood camera projects and insurance payouts.

In accordance with the Financial Agreement, HPP must maintain a reserve equalling two months' revenue and for 23/24 this amount was R1,550,984. For 24/25 this amount equals R1,591,050.

Mr Rauch gave a brief overview of the balance sheet and cashflow for 23/24.

Mr Rauch briefly outlined the allocation of revenue for the financial year (24/25). The bulk of revenue will be spent on service provider contracts and infrastructure upgrades and expansion. The operating budget for 24/25 is available on page 27 of the presentation.

The Executive Officer briefly outlined the voting rules for resolutions as follows:

1. **Voting Methods:** Voting is generally by a show of hands unless a poll is demanded by at least five members or members holding 10% of voting rights.
2. **Voting Rights:** Each member has one vote for every R5 million of municipal property valuation, up to a maximum of 10 votes per member.
3. **Eligibility to Vote:** A member must not be in arrears with the additional rate for more than 60 days, unless they are in dispute or have an arrangement with the municipality.
4. **Majority Voting:** Ordinary resolutions require more than 50% of the votes cast to pass, while special resolutions need at least 75%.
5. **Appointment of Proxy:** Members may appoint a proxy, who need not be a member of the company, to attend, participate, and vote on their behalf.
6. **Authority of Proxy:** The proxy must vote according to the instructions provided by the member in the proxy instrument, except where no prior instructions are given

The audited financial statements for the year ending 30 June 2024 were presented for consideration.

- Proposer: Mr C Lake
- Seconder: Mr K Briggs

Resolution:

"It was **resolved** that the audited financial statements for the year ending 30 June 2024 be approved."

Outcome:

The resolution was passed by a majority vote through a show of hands.

9. APPROVAL OF BUSINESS PLAN FOR 2025 – 2030

The Chairperson provided a brief overview of the proposed business plan's term and noted that approval to proceed with the HSRA renewal had been requested and granted from members at the previous AGM. The HSRA Business Plan for 2025 – 2030 is available on the website: <https://hpp.org.za/wp-content/uploads/2024/08/HSRA-Business-Plan-2025-2030-FINAL-compressed-1.pdf>

The Executive Officer succinctly outlined the HSRA renewal process. The Chair then described the outcome of the property owner survey to motivate for the renewal, which was highly supported. Mr van Niekerk then went on to describe the business plan content, which remains unchanged from the current service delivery.

The Business Plan for 2025-2030 was presented for approval.

- Proposer: Ms S Taylor
- Seconder: Mr J Cilliers

Resolution:

"It was **resolved** that the Business Plan for 2025-2030 be approved."

Outcome:

The resolution was passed by a majority vote through a show of hands.

Dissent: Mr. A. Du Toit voted against the approval of the Business Plan for 2025 - 2030.

10. **APPROVAL OF IMPLEMENTATION PLAN AND BUDGET FOR 2025 | 2026:** The 25 /26 Budget and Implementation Plan are available on the HPP website: <https://hpp.org.za/2024-annual-general-meeting/>. The 25/26 Budget must be read in conjunction with the Implementation Plan.

Mr van Niekerk outlined the Implementation Plan for 25/26 Financial year and described Milestone 1: Management and Control Actions, Milestone 2: Safe Environment Actions, and Milestone 3: Healthy and Clean Environment Actions.

Mr Rauch presented the budget for 25/26. The calculated income for the financial year 25/26, which is from 1 July 2025, is R11,169,008 including anticipated retention refund and interest.

Mr Rauch further indicated that the HPP has provisionally allocated resources for the rental of private property, considering the anticipated conclusion of the rent-free arrangement at the Fire Station. While the municipality has suggested the possibility of HPP joining the Incident Command Centre, this remains subject to final confirmation.

The Executive Officer briefly described the retention fund. The Overstrand Municipality (OM) retains a percentage of the additional rate levied for the Hermanus Special Rating Area (HSRA) to establish a Retention Fund. This retention is set at 10% of the annual HSRA budget, intended to cover any shortfall caused by non-payment or underpayment of the additional rate by property owners. Any surplus that accumulates in the Retention Fund, exceeding the amount of arrears, is partially returned to the HSRA.



<u>HERMANUS SRA BUDGET 2025 / 2026</u>	
	2025/26
KEY ASSUMPTIONS USED	
Annual levy increase	5.0%
Annual cost inflation (other than ADT)	6.0%
ADT annual increase	1.0%
Bad debt provision recovery (percentage of prior year's retention)	75.0%
Interest received on 2 months levies held in reserve	6.0%
OPERATING INCOME AND EXPENSES	
INCOME	
Levies received	11,137,350
Less Retention for Bad Debt (10%)	(1,113,735)
Rate - HSRA	10,023,615
Retention Rebate Recovered	795,525
Other income	
Donations, insurance claim, other	
Interest	111,374
Total Income	10,930,514
EXPENDITURE	
HSRA ADMINISTRATION	
HPP EO consulting fee	628,833
Administrator / Consultancy / Legal Fees	7,818
Insurance	64,607
Accounting Fees	37,360
Bank Charges	4,172
Auditor / Secretarial Fees	12,921
Control Room Property Rental	254,400
Incident Desk - Online Reporting	87,641
Subscriptions (LPRs, email, website)	81,188
Control Room Maintenance	42,400
Expenses (meetings, AGM, staff refreshments)	34,450
HSRA Term Extension	
Marketing and Communications	15,290
Repairs and other charges	57,623
Telephone (Fixed lines & VOIP)	26,726
Sub-Total	1,355,428
PROJECTS	
Public Safety & Monitoring	
Public Safety & Crime Prevention Management (Public Safety Officers, Response Vehicles, CCTV Monitoring) (Technical Support and Maintenance)	8,362,800
CCTV Analytics Software Licences	21,200
Public Safety related Social Upliftment	
Toilet Rental Management	50,909
Tactical Safety Equipment & Training	134,832
Clean Environment	
Cleansing Management	664,976
Cleansing & Environmental Projects	25,000
Sub-Total	9,813,580
AGGREGATE OPERATIONAL EXPENDITURE	11,169,008
Operational Surplus / (Deficit) for the year	(238,495)
CAPITAL EXPENDITURE	
CCTV Replacement and Expansion	200,000
Control Room IT Infrastructure & Equipment	20,000
	220,000
CASH POSITION	
Opening Cash Balance (estimate)	2,909,081
Surplus/(Deficit) for the year	(238,495)
Movement in net current assets/liabilities	
Capital expenditure	(220,000)
Closing cash balance	2,450,586
Required Retained Balance (2 months levies received)	1,856,225
Operational cash surplus	594,361

Notes:

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Notes on assumptions:

- 1 Guidance received from Overstrand Municipality (same assumption used for previous 5 year term)
- 2 Slightly above current CPI of 5.2%. Future inflation rate difficult to accurately predict.
- 3 The annual increase in ADT's cost will consist of two variables namely an inflationary cost increase and a decrease in scope of services as available cash flow become constrained
- 4 Estimate based on past experience and SRA policy
- 5 Interest on cash investments based on estimated average attained in past years

The floor was then opened to attendees to raise any questions.

Mr Carolin requested clarification on the retention refund. Mr Rauch stated that a minimum of 75% of the excess is to be refunded to the HSRA by 30 September of the following financial year.

Mrs Redford queried if the municipality charge the HSRA for collecting funds. The Executive Officer confirmed that the municipality did not charge for collecting the HSRA rate.

The Implementation Plan and Budget for 2025/2026 were presented.

Proposer: Mr N Thatcher

Secunder: Mr T Louw

Resolution:

"It was *resolved* that the Implementation Plan and Budget for 2025/2026 be approved."

Outcome:

The resolution was passed by a majority vote through a show of hands.

Dissent: Mr. A. Du Toit voted against the approval of the Implementation Plan and Budget for 2025/2026.

11. **APPOINTMENT OF AUDITORS:** It was proposed that Pragma Konsult be reappointed for the audit of financial year 2024/2025.

The appointment of auditors was presented for approval.

Proposer: Mr J Cilliers

Secunder: Ms S Raven

Resolution:

"It was *resolved* that PragmaKonsult be appointed as the auditors for the year."

Outcome:

The resolution was passed by a majority vote through a show of hands.

Dissent: Mr. A. Du Toit voted against the approval of the appointment of auditors.

12. **APPROVAL OF AUDITOR'S REMUNERATION:** The payment of R12,690 to Pragma Konsult was proposed.

The remuneration for the auditors was presented for approval.

Proposer: Mr J Cilliers

Seconder: Ms S Raven

Resolution:

"It was *resolved* that the auditor's remuneration be approved."

Outcome:

The resolution was passed by a majority vote through a show of hands.

Dissent: Mr. A. Du Toit voted against the approval of the appointment of auditors.

13. **ELECTION OF DIRECTORS:**

In line with the MOI 12.1.7 As required by item 5(1)(b) of Schedule 1 of the Act, at least 1/3 (one third) of directors shall resign every year at the AGM but shall be eligible for re-election.

The Executive Officer explained that the HPP board is composed of three registered directors, Jerry van Niekerk, Leon Rauch, and Ann Wright, alongside six additional board members. The registered directors bear legal responsibilities, ensuring compliance with relevant laws, financial oversight, and strategic decision-making. They are accountable for the organisation's performance and actions. Board members, who are not registered directors, play an advisory role. They contribute strategic input, oversee specific areas, and bring specialised expertise to the organisation.

It was further explained that registering all board members would result in unnecessary administrative burden, including the time taken to process registrations and updates, especially when board membership changes frequently. Additionally, there are costs associated with registration, which could escalate depending on the size of the board. This process also demands significant administrative effort to ensure accuracy and timely submission of documents, which can detract from the organization's operational focus. Thus, only essential portfolios, such as Chairperson, Finance, Governance, Operations and Cleansing, are registered to streamline governance and reduce overhead. Ms. Bown indicated that this approach is commonly used by similar organisations.

The election of directors was conducted, and the following updates were noted:

Leon Rauch (Finance Director) resigned from the board during the period but was presented for re-election.

Proposer: Mr T Louw

Seconder: Mrs A Wright

Outcome: Leon Rauch was re-elected by a majority vote through a show of hands.

Additionally, the following individuals were elected:

Stephen Grundlingh (Operations Director)

Proposer: Mr P Carolin

Secunder: Mr J Cilliers

Outcome: Elected by a majority vote.

Rod MacLeod (Governance Director)

Proposer: Mr R Schierhout

Secunder: Mr K Briggs

Outcome: Elected by a majority vote.

The current seven directors were confirmed. Mr GD van Niekerk, Mr LA Rauch, Mrs AE Wright, Mrs F Koegelenberg, Mr PB Kotze, Mr P Doble, and Ms S Taylor.

Resolution:

"It was *resolved* that the current directors and new appointments be confirmed."

Outcome:

The resolution was passed by a majority vote through a show of hands.

Dissent: Mr. A. Du Toit voted against the approval of the election of directors.

14. ANY OTHER BUSINESS:

From the floor:

Sarah Taylor

- Requested clarification of the term 'backhaul'.

Response:

- In a CCTV camera closed network, "backhaul" refers to the communication link that transmits data (video footage) from remote camera locations to the central monitoring facility. The backhaul ensures that the captured video is reliably sent from the cameras to where it is processed, stored, and viewed. Reliable backhaul is crucial for maintaining video quality, minimizing latency, and ensuring network performance in public safety operations.

Sue Raven

- Queried the process for the removal of vagrants.

Response:

- In South Africa, the Constitution protects the rights of individuals, including those who are homeless or vagrants, which means that they cannot be forcibly removed from public spaces. However, property owners do have the right to ask individuals to leave their private property. For assistance with managing such situations, property owners can contact their security provider or the South African Police Service (SAPS).

Fiona Mathews

- Queried HPP Public Safety Officers' powers of authority.

Response:

- HPP public safety officers are not designated as peace officers and therefore do not have the same powers or authority. However, they work closely with Overstrand Law Enforcement and the South African Police Service (SAPS) to enhance public safety and address incidents effectively within the community.

Trevor Edwards

- Thanks HPP for their efforts in the CBD. Suggests that HPP investigate the use of body cameras.

Response:

- HPP has explored and tested various body cameras; however, they are not currently suitable for our service due to their high cost and the relatively low number of incidents that would justify their implementation. However, we will be looking into investing in dashboard cameras for the response vehicles.

Pat Redford:

- Thanked the HPP Board for having an open door policy to discuss various matters. Particularly thanked the Chair for engaging regarding baboon management.

Response:

- Wildlife Management is not considered a municipal service, so may not be supplemented by HPP.

The Chairperson thanked all for attending.

There being no further business to discuss, the AGM was called to a close at 19H28.

An audio recording of the AGM is available on request. Questions and comments received from ratepayer/s prior to the AGM are available on request. Email info@hpp.org.za.

HPP NPC AGM 2024 Minutes Approved by the Chairperson:

Gerrit David van Niekerk
Chairperson of the HPP NPC Board

Date: _____