

Palms II Complex Maintenance Association – AGM of 26 February 2021

One proposition has been submitted – see below

Proposition concerning the payment and collection of annual maintenance fees

Title: Proposition to amend the process for the payment & collection of the annual Palms 2 maintenance fee.

Proposed by: David Morphey, Secretary Palms II Complex Maintenance Association. (Apt MG2)

Seconded by: Vishnu Kapoor, Treasurer Palms II Complex Maintenance Association. (Apt NG1)

Background

- Riviera informed owners, via a notice, sent on or about the 2nd February 2019, that owners would need to pay a 'top up' fee to the Palms 2 Maintenance Fund.
Riviera stated that:
 - Top up fees were necessary because in the decade or so since building the complex, the costs of maintenance had increased whilst interest rates had decreased ... to the point that the Palms 2 maintenance fund was declining rapidly.
- On election to office in March 2020, the Management Committee assessed the financial position of the Association and reached the same conclusion. i.e. annual contributions towards upkeep of the complex were necessary or the fund would quickly be depleted resulting in the complex not be able to pay bills essential to the day to day running of the complex let alone pay for any necessary repairs.
- For Financial Year 20/21, the MC decided to keep fees at the level of the previous year and instructed GEMS to issue invoices accordingly.
- A majority of Association members paid their fees promptly. But a sizeable minority needed reminders (sometimes more than one) and chasing. A significant number failed to make their payment until a Legal Notice was issued to them by the Association's lawyer.

Rationale for the proposition

- The late payment of maintenance fees by some members resulted in a loss of interest earned, and extra costs incurred, by the Association. Also it caused much extra work for MC members – time that would be better spent on managing the finances and maintenance of the complex.
- Moreover those members who delayed payment until Legal Notices were issued have caused the Association to spend Rs 10,000 so far on lawyer's fees rather than on the complex.
- The MC believes:
 - Members who paid promptly and without fuss would not wish the Association to bear the financial costs caused by the actions of those who are late in paying or do not pay.
 - Committee members, who after all are volunteers doing their best to look after the complex on behalf of other members, should not have to devote time to providing repeat copies of fee invoices, chasing non-payers, engaging lawyers etc.
- Hence the proposition below which seeks to amend the MoU to:
 - Simplify the process by which maintenance fees, and the date by which they must be paid, will be notified to members.
 - Put the onus thereafter on members to ensure they are aware of how much is to be paid for their property(s) and by when. (N.B. the information will initially be provided by email and thereafter will be readily available on the website)
 - Ensure that the financial consequences of non-payment are borne by the late/non payers.
 - Clarify the sanctions, associated costs and timescales to be applied to non/late payers.

Details of the proposed changes to the MoU

- Delete para 5,o of Article 3 of the MoU and substitute as follows:
 - Para 5
 - Sub–para o: The level of the proposed maintenance fee for the forthcoming Financial Year shall be notified at the AGM.
Thereafter a single notice listing the maintenance fees due for each property shall be emailed to all members before 1 Apr each year and simultaneously published on the Palms 2 website. The notice shall specify the timescale by which payments must be made (within 30 days) and the details of the Association’s bank account into which payment shall be made.
 - Sub–para p: Thereafter the onus shall be on members to pay their fee(s) by the deadline date.
 - Sub–para q: The website notice shall be updated regularly by the MC to show payments received. No other receipts shall be issued.
 - Sub–para r: An interest charge of 2% shall be applied to outstanding balances as of 1 May and on the first of each month thereafter.
 - Sub–para s: An informal warning shall be sent to any non-payers at the beginning of August and the website fee notice annotated accordingly.
 - Sub–para t. A final warning shall be sent any non-payers at the beginning of September requiring payment within 7 days and the website fee notice annotated accordingly. Failure to pay shall result in:
 - i) a Legal Notice being issued to the owner concerned. The Association's costs of the notice & any subsequent legal action shall be borne by the member(s) concerned.
 - ii) Sanctions being taken against the member(s) and/or guests/occupants of the property concerned which may, at the discretion of the MC, include any or all of the following:
 1. Withdrawal of use of the swimming pool and pool surrounds
 2. Withdrawal of vehicular entry to the complex and parking.
 3. Disconnection of the piped water supplies to the property. (N.B. To ensure compliance with the laws of India, occupants shall be permitted to draw water for essential use directly from one of the wells on the complex).Reasonable costs incurred by the Association in applying such sanctions shall be borne by the member(s) concerned.
- Amend Para 5 sub-para p, and renumber it as sub–para u, as follows:
 - Delete the words “and shall be charged 24% (2% per month) on the amount outstanding backdated to the deadline. Continued refusal to pay will result in the other sanctions and penalties as decreed appropriate by the Management Committee”.

Members of the Association are requested to support this proposition by voting to accept it.

Any queries or comments please respond to the Management Committee by email to palms2residentsassociation@hotmail.com