

*EXTRA ORDINARY
GENERALBODY
MEETING 2016-17/01*

Agenda Point (1):

Discussion & Finalization of Maintenance Charge for the year of 2017.

Executive Body Proposal:- According to the financial analysis report of ACFOA, our Executive committee has proposed to increase the rate of maintenance charge by Rs. 0.15/- per sqft average for residential flats and Rs. 0.25/- per sqft for commercial flats for the year 2017 i.e new rate will be Rs. 1.05/- per sqft per month for residential and Rs. 2.50/- per sqft per month for commercial. This minimum enhancement of maintenance will serve our purpose to continue our present facilities and necessary demand. According to our affordability in present situation, we feel it will be justified, though we are running the same rate of maintenance since last 3 consecutive years and it will not sufficient for development or any extra ordinary activity.

Agenda Point (2):

Discussion regarding Other Activity Charges.

Executive Body Proposal:-

Body has proposed to merge the other activity maintenance with the main maintenance and increased rate is Rs 0.20 (at present it is Rs 0.16 and increment is Rs 0.04). Below are the analysis, observation and reason behind the proposal.

1. Maintaining two separate accounts is not advisable for auditing point of view.
2. Some residents, even after so many request, continually not paying this amount for long days. We are unable to charge them any late fine as other activity maintenance having no late fine process.
3. It is our experience, we face difficulties to collect the other activity maintenance, even after so many reminders and follow-up with residents. Sometime people we are facing dilemma whether owners or rented person should pay this amount in case of rented Flat. Though in every occasion we request to each flat owners to pay their other maintenance in time, as it is sole responsibility of Flat owners.
4. As the secondary maintenance having maximum facility parts like club, Cultural programs, different Social activities, Pujas etc. So delay in collection of fund always require to subsidize from our main maintenance.
5. People having wrong concept about this maintenance, they sometime communicated in their interaction to us as it is like a "Subscription of Puja". Some flat owners are not ready to pay only because they are either not staying in the flat at present or they simply denying to pay. In fact the other activity maintenance having many purposes to serve like Club, Social work, Cultural program etc which helps us to integrate, reduce conflict and addition value in our society.

Below are the mathematical calculation analysis report as per the existing and proposed structure:

Income Expense comparison for 2016 Vs 2017 (projected) by Existing rate of maintenance					
Head of Expenses 2016	Monthly Expense	No. of Months	Total Annual expense - 2016	After 5% Increment of salary head and other expenses-2017	Increased Amount
Security	49700	12	596400	626220	29820
Electricity	40000	12	480000	504000	24000
Others Salary	46100	12	553200	580860	27660
Other Misc Expenses	20000	12	240000	252000	12000
Lift AMC			103000	108150	5150
Generator AMC			10000	10500	500
Bonus			88000	92400	4400
Trade Mill Expense (Development act)			91000	100000	9000
Grand Total			2161600 (A)	2274130 (B)	112530 (D)
Total Collection for Maintenance 2016 (C) (172 flat paid i.e 93.5 %)			1939785 (C)		
Present Deficit 2016 (C - A)			-221815 (C - A)		
Projected Deficit 2017 (C - B)			-334345 (C - B)		

Calculation of Existing Effective (Main + Other activity) rate of maintenance	
Total square Feet area :	192096 Sq ft
Total numbers of Flat :	184
Average sq feet per flat	1044 Sq ft
Existing maintenance Rate	Rs 0.90
Existing maintenance per flat per year	1044 Sq ft X Rs 0.90 X 12 Months = Rs 11275.20
Total Collection Expected (If 100 %)	Rs 11275.20 X 184 Flat = Rs 20,74,636.80
Total Collection actual (172 flat paid i.e 93.5 %)	Rs 19,39,785.40
Other activity maintenance per flat	Rs 2000.00
Grand total maintenance per flat	Rs 11275.20 + Rs 2000.00 = Rs 13275.20
Rate of effective maintenance (Main maintenance + Other activity maintenance)	13275.20 / (12 X 1044) = Rs 1.06 (Rs 0.90 + Rs 0.16)
i.e Main Maint. Rate = Rs 0.90 and Others Maint. Rate = Rs 0.16	
Total Collection of other activity (if 100%)	Rs 2000.00 X 184 flats = Rs 3,68,000.00
Actual Collection of other activity (151 flats i.e 82%)	Rs 2000.00 X 151 flats = Rs 3,02,000.00

Calculation of Proposed Main maintenance Rate @Rs 1.00 (0.90 + 0.10)	
Proposed Maintenance rate :	Rs 1.00
Proposed maintenance per flat per year	1044 Sq ft X Rs 1.00 X 12 Months = Rs 12,528.00
Proposed total Collection Expected (If 100 %)	Rs 12,528.00 X 184 Flat = Rs 23,05,152.00
Proposed total Collection (172 flat paid i.e 93.5 %)	Rs 21,55,317.12 (E)
Calculation of Proposed Main maintenance Rate @Rs 1.05 (0.90 + 0.15)	
Proposed Maintenance rate :	Rs 1.05
Proposed maintenance per flat per year	1044 Sq ft X Rs 1.05 X 12 Months = Rs 13,154.40
Proposed total Collection Expected (If 100 %)	Rs 13,154.40 X 184 Flat = Rs 24,20,409.60
Proposed total Collection (172 flat paid i.e 93.5 %)	Rs 22,63,082.98 (F)

Income Expense comparison by Increased rate of maintenance				
Proposed Increased Rate	Total collection @Rs 1.00 and @ Rs 1.05	Total Projected Expense @ 5% increased (B)	Proposed Cash in Hand or deficit for both increased rate @Rs 1.00 and @Rs 1.05	
Increase @Rs.1.00 (E)	2155317.12	2274130	-118812.88	(E - B)
Increase @Rs.1.05 (F)	2263082.98	2274130	-11047.02	(F - B)

Calculation of Proposed Other maintenance Rate @Rs 0.20 (0.16 + 0.04)	
Proposed Maintenance rate :	Rs 0.20
Proposed maintenance per flat per year	1044 Sq ft X Rs 0.20 X 12 Months = Rs 2,505.60
Proposed total Collection Expected (If 100 %)	Rs 2,505.60 X 184 Flat = Rs 4,61,030.40
Proposed total Collection (172 flat paid i.e 93.5 %)	Rs 4,31,063.42
Proposed additional collection with new rate	Rs 2,505.60 - Rs 2,000.00 = Rs 505.00

Note: The balanced sheet is showing here even after @ 1.05 increased rate of maintenance we will be in a position of small deficit. We are expecting as per our experience, this can be overcome or manageable as we have some other scope of income like **1.** Rent from common area **2.** Rent from different outsider agency program **3.** Some time we receive the old pending amount of maintenance from Jupiter or Flat owners. **4.** Interest income from “Bank savings account” of ACFOA.

Important things to be remembered that in this present and proposed rate of maintenance we are just touching our basic needs only, however we have one vital issue which we are suffering badly is poor LIFT (Elevator) condition. We had a discussion with proper external agency who are capable to modify our LIFT to furnish in a good condition by replacing older motor system and sensor. The same will cost around 60,000.00 minimum per LIFT. This extra ordinary kind of activity we only can focus in future if we have enough fund in hand. If we start gradually by saving small amount per year, the cumulative fund can serve bigger purpose. More over the development work like Implementing of Solar panel, Water Filter plant, CCTV further extension etc which we are lacking and in present scenario which is beyond our expectation.

Agenda point 3.1: The defaulter list of Maintenance:

1. Auditor has suggested to prepare and presenting the list of defaulters in EGM
2. Our executive committee has been decided that we should circulate and forecast the defaulter list by giving proper notice or Letter to concerned Flat owners.

Agenda point 3.2: Late Fine Structure on maintenance: Committee has decided to continue the existing late fine structure which we feel appropriate at present scenario.