

ASSOCIATION OF HOUSE OWNERS

Quinta do Paraíso
Founded: October 3, 1981

February 2019 Newsletter

- Request for new Board Members

The Board has not yet received any expressions of interest from Members to join the HOA Board.

Djurre Siccama will be standing down on 30/03/19, and Alan Jenkins has stated his intention to stand down in 2022. We call upon all our Members to consider being a candidate for the Board.

Anyone who would like an informal discussion about this is invited to contact the Secretary: aart@hoa-qdp.org and/or Chairman: alan@hoa-qdp.org

- Sovereign Fees (for Fiscal Representation and Accounting)

Further to the notice of fee increases, circulated by Sovereign in January 2019, your Chairman has secured confirmation from Sovereign that their fees for HOA Members are not increasing this year.

3. Central Facilities Audit for 2018

The HOA Board has been conducting annual Audits of the QdP CF costs for the last several years.

Historically, the CF costs for Water and Electricity have been 'apportioned' by CC/QdP. The HOA Board has repeatedly challenged this, and CC/QdP agreed in early 2018 to install dedicated meters for the various CF zones. Meanwhile, after an on-site Audit on 29/01/18, the HOA Board agreed only "qualified approval" of the 2017 CF costs and 2018 CF budget, on 15/02/18.

Following these meter installations, and despite repeated promises (eg. on 19/08/18 "in 2-3 weeks", and again on 04/10/18), CC/QdP did not ever provide the HOA Board with any preliminary figures for the 2018 costs for Water and Electricity. Costs were only made available to us on 23/01/19, when CC/QdP forwarded their overall 2018 CF costs and 2019 CF budget, for our routine Audit.

The HOA Board decided to conduct the Audit remotely this year, so as to avoid the costs and time involved in an on-site Audit. Aart de Groot, Alan Jenkins, and Djurre Siccama used e-mails and Skype conference calls to reach an Audit result. Our key findings are:

- Water and Electricity costs are down by 38% (about € 17K) this year, following the installation of the dedicated meters in February /March 2018
- Hourly Labour costs are up by 40% (about £ 5K) this year:
 1. Central Pools +32%;
 2. Green Areas +9%;
 3. Streets, Parks etc. +45%;
 4. Garbage Collection +85%;
 6. Playground Area +270%: – see below...
- Some 'one-off' costs were identified, which have now been excluded from the 2019 Budget
- Other costs generally do not merit any further investigation
- It is striking that the costs for externally contracted services are very close to budget, whereas there are wide variances in the costs for internally managed services.

CC/QdP has explained the 40% increase in Hourly Labour costs as being due to “previous under-reporting and improved cleanliness”. These costs are evidenced by paper dockets for individual work items – there are several hundreds of these dockets on file. In previous on-site Audits, the HOA Board has found some of the paper dockets to have been incorrectly allocated. We will therefore now be reviewing the increased 2018 costs, as soon as two Board Members are available on-site at QdP – towards the end of March 2019 (i.e. without incurring any additional travel costs).

Also, to be clear, the HOA Board has to take these paper dockets at face value – we are not able to validate the actual hours worked.

For these reasons we have again agreed only “qualified approval” of the updated Final 2018 CF costs and 2019 CF budget, on 08/02/19.

We will report further at the AGM on 30/03/19.

4. Central Facilities Fees 2019, 2020...

The CF Fees for 2019 were agreed to be unchanged from 2018, during the Contract negotiations in October /November 2018.

As noted above, CC/QdP had failed to provide the HOA Board with any preliminary figures about the 2018 costs for Water and Electricity (after the dedicated meters were installed in February /March 2018); whereas they did insist on significantly increased prices for Gardening services, despite no change in Rental Incomes.

Considering that the 2019 CF Budget is already down by 8% compared with 2018, the Board now expects a strong reaction from Members.

We also need a solution to the 'structural' problem: that the Contract is negotiated each Autumn, but the CF Audit does not take place until the end of January.

Alan Jenkins
HOA Chairman