

NOTULE : SPESIALE RAADSVERGADERING GEHOU OP VRYDAG, 5 APRIL 2013  
GEHOU OM 11:00 IN DIE RAADSAAL VAN DIE MUNISIPALE KANTORE

5. FINANCE: APPROVAL OF THE 2013/2014 OPERATING AND CAPITAL BUDGET, FEES, CHARGES, TARIFFS AND BUDGET RELATED POLICIES : (SCM) : 5.1.1.1(2013/2014) : DIRECTORATE FINANCIAL SERVICES)

5/04/2013 (SCM) RESOLUTION

1. That Council approve the 2013/2014 draft operational budget expenditure of R576,452,911 and the 2013/2014 draft operational revenue of R486,086,126 as set out in Annexure A, B and C of Appendix B to the report.
2. That Council take note that the budgeted surplus of R2,500,000 (after non-cash items for provisions was taken into account) will be used to finance capital expenditure to be funded through own revenue.
3. That Council approve the following increases in property rates, fees, charges and tariffs with effect from 1 July 2013 -
  - 3.1 Property rates of property owners in the original jurisdictional area of the //Khara Hais Municipality before the May 2011 local government elections with approximately with 7%;
  - 3.2 That the ratio to calculate the property rates tariffs for business properties remains 1:1.5. A ratio of 1:2 is acceptable.
  - 3.3 Property rates of property owners in the original jurisdictional area of the Siyanda District Municipality before the May 2011 local government elections that was incorporated into the //Khara Hais Municipality jurisdictional area after the May 2011 elections as per the agreement entered into between the Siyanda District Municipality and the Agricultural Unions;
  - 3.4 Water tariffs with approximately 7%;
  - 3.5 Sewerage / sanitation fees with approximately 7%;
  - 3.6 Refuse removal fees with approximately 7%;
  - 3.7 Electricity tariffs with approximately 8%. Detail information on the Inclining Block Tariffs (IBT) is still awaited. That Council approve the inclusion of the Inclining Block Tariffs (IBT) in the Tariff Structure of the municipality, when received to allow for discussion during community meetings to invite comments. The proposed tariff increase must still be approved by NERSA.
  - 3.8 All other fees, charges or tariffs with approximately 8% as set out in the Tariff List.

4. That Council approve the 2013/2014 draft capital budget expenditure of R65,780,777 as set out in Annexure A, B and C of Appendix C of the report to be financed through -
  - 4.1 Own operating revenue surpluses (R2,500,000);
  - 4.2 Secured grants from national and provincial government and other organs of state R37,022,163); and
  - 4.3 External loans to be taken up from the Development Bank of South Africa and other banking institutions (R26,258,614).
5. That Council approve the following adjustments to the Tariff Policy:
  - (i) State property to be divided into Residential and Other. State residential ervens to be levied against normal residential levies and other department) to be levied against business tariffs
  - (ii) Vacant ervens to be taxed at 1:2 to promote development
  - (iii) Residential Zone 3 tariff to be implemented
  - (iv) "*Beroepsbeoefening*" to be levied against a flat rate
  - (v) "*Vergunningsreg*" to be levied against a flat rate
  - (vi) Fine to be implemented for incorrect usage on a erven
  - (vii) Tax of Dogs to be removed.
6. That the following budget related policies of Council be left unchanged -
  - 6.1 Supply Chain Management Policy;
  - 6.2 Customer Care, Credit Control, Debt Collection and Indigent Support Policy;
  - 6.3 Property Rates Policy of //Khara Hais Municipality;
  - 6.4 Property Rates Policy of Siyanda District Municipality with the agreement between the Siyanda District Municipality and Agricultural Unions as part of the Policy as the Policy of //Khara Hais Municipality until 30 June 2014;
  - 6.5 Writing-Off of Irrecoverable Debt Policy; and
  - 6.6 Virement Policy.

7. That rebates for retired and disabled persons on property rates (Property Rates Policy) and indigent support on basic services (Customer Care, Credit Control, Debt Collection and Indigent Support Policy) for the 2013/2014 financial year be based on the following total monthly income thresholds -
  - 7.1 R 0 to R2,560 per month - 100%;
  - 7.2 R2,561 to R3,560 per month - 80%;
  - 7.3 R3,561 to R4,460 per month - 50%; and
  - 7.4 R4,461 to R5,360 per month - 20%.
8. That the Municipal Manager compiles the draft Service Delivery and Budget Implementation Plan with measurable performance objectives for revenue from each source and for each vote in the budget.
9. That the Municipal Manager compiles the final Service Delivery and Budget Implementation Plan with measurable performance objectives for revenue from each source and for each vote in the budget to be submitted to the Mayor within 28 days after Council has approved the final budget on 31 May 2013.
10. That the Municipal Manager submit to Council with the final budget by the end of May 2013 any particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements.
11. That the Municipal Manager in terms of legislation invite the local community through advertisements in the local press to submit representations in connection with the 2013/2014 draft operational and capital budget as required by the Municipal Systems Act.
12. That various budget meetings be arranged per area / ward by the Municipal Manager, to discuss the 2012/13 draft IDP, draft operational and capital budget as well as the draft SDBIP. All Councillors, senior managers, ward committee members, government departments, business, agriculture and any other stakeholders (local public included) will be invited to attend this workshop.
13. That the Mayor and its Executive Committee together with all councillors and senior manager workshop the draft budget after the public participation process together with any inputs received from the local community and any other stakeholder before the final budget is submitted to Council for consideration at the end of May 2013.
14. That the Municipal Manager submits the final budget at the end of May 2013 in the required format that will also include the completed required budget schedules.