

REPORTS OF THE EXECUTIVE MAYOR

**ITEMS RECEIVED FROM THE MUNICIPAL MANAGER AND THE EXECUTIVE
MAYOR AND FOR CONSIDERATION BY THE COUNCIL**

61.

- (i) **MANGAUNG METROPOLITAN MUNICIPALITY: MEDIUM TERM REVENUE AND EXPENDITURE
FRAMEWORK : 2013/2014 – 2015/2016**
- (ii) **BUDGET RELATED POLICIES (Amended Policies)**
 - (a) Virement Policy
 - (b) Property Rates Policy and By-Laws Regarding Rates
 - (c) Indigent Policy
 - (d) Credit Control and Debt Collection Policy
 - (e) Supply Chain Management Policy
 - (f) Financial Asset Impairment Policy
- (iii) **CAPITAL BUDGET : 2013/2014 – 2015/2016**
- (iv) **GENERAL TARIFFS : 2013/2014 – 2015/2016**
- (v) **CENTLEC (PTY) LTD : MTREF : 2013/2014 – 2015/2016**
- (vi) **CENTLEC (PTY) LTD : BUDGET RELATED POLICIES : 2013/2014–2015/2016**
 - (a) Supply Chain Management Policy
 - (b) Credit Control and Debt Collection Policy
 - (c) Asset Management Policy
 - (d) Budget and Reporting Policy
 - (e) Banking and Investment Policy
 - (f) Bad Debts Policy
 - (g) Tariff Policy
 - (h) VAT Policy

RESOLVED

3. BUDGET RELATED RESOLUTIONS

- 3.1 That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality's total revenue is R 6,193,762,852, operating expenditure of R 5,368,472,823 and capital expenditure of R 865,988,708 for the financial year 2013/14 and indicative allocations for the two projected outer years 2014/15 and 2015/16, be approved as set out on the following tables:
- (a) Budgeted Financial Performance (revenue and expenditure by standard classification): - Table A2, page 30;
 - (b) Budgeted Financial Performance (revenue and expenditure by municipal vote): - Table A3, page 33;
 - (c) Budgeted Financial Performance (revenue by source and expenditure by type): - Table A4, page 36 and
 - (d) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source - Table A5, page 36.
- 3.2 that the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be approved as set out in the following tables:
- (a) Budgeted Financial Position - Table A6, page 40
 - (b) Budgeted Cash Flows - Table A7, page 40;
 - (c) Cash-backed reserves and accumulated surplus reconciliation - Table A8, page 14 and
 - (d) Asset Management - Table A9, page 42.
- 3.3 That the consolidated budget that includes the financial impact of Centlec (SOC) Ltd be approved.
- 3.4 That the Council of Mangaung Metropolitan Municipality acting in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000 as amended, approves the following tariffs to be applied as from 1 July 2013:
- (a) Assessment rates as set out in Annexure A1 - Page 50
 - (b) Sewerage fees as set out in Annexure A1 - Page 50
 - (c) Refuse removal fees as set out in Annexure A1 - page 51
 - (d) Supply of water as set out in Annexure A1 - Page 51
 - (e) Supply of electricity as set out in Annexure A1 - page 53 and
 - (f) Housing Rental as set out in Annexure A1 – page 53.
- 3.5 That the General Tariffs as set out in the Tariffs Booklet be approved for the 2013/14 financial year,
- 3.6 That in terms of Section 24(c) (v) of the Municipal Finance Management Act, Act 56 of 2003, the budget related policies, including any amendments and the applicable by-laws as set out in the Annexure B be approved for the budget year 2013/14.
- 3.7 That the Centlec (SOC) Ltd submission for the period 2013/14 - 2015/16 be approved, as listed below:
- (a) MTREF Operating and Capital Budget (as incorporated in the consolidated budget above).
 - (b) Service Tariffs
 - (c) Reviewed Business Plan
 - (d) Policies and
 - (e) SDBIP

1. Assessment Rates

It is recommended that rates tariffs be increased by 5.9% across the board.

- (a) That the following general assessment rates in respect of the Mangaung Metropolitan Municipality be determined as follows:
- i. Comma five four five seven cent (0,5457 cent), multiply by comma two five cent (0.25), per rand on the rateable value of farm property (exempt from VAT);
 - ii. Comma five four five seven cent (0,5457 cent)) per rand on the rateable value of residential property (exempt from VAT);
 - iii. Two comma four eight three six cent (2,4836 cent) per rand on the rateable value of government property (exempt from VAT);
 - iv. Two comma four eight three six cent (2,4836 cent) per rand on the rateable value of business property (exempt from VAT).
 - v. Interest shall be paid to Council on rates which have been paid within thirty (30) days from the date on which such rates became due, at a rate of 1% higher than the prime rate for the period during which such rates remain unpaid after expiry of the said period of thirty (30) days.

Rebates on assessment rates:

- * The first R 70,000 (Seventy thousand rand only) of the rateable value of residential properties are exempted;
 - * That in respect of qualifying senior citizens and disabled persons, the first R 250,000 (Two hundred and fifty thousand rand only) of the rateable value of their residential properties be exempted from rates;
 - * That the rebate on the R 250,000 of the rateable value for residential properties of qualifying senior citizens and disabled persons will only be applicable on properties with a value that do not exceed R 2,000,000 (Two million rand only), and;
 - * That for the 2013/14 financial year the criteria applicable for child headed families regarding the total monthly income from all sources must not exceed an amount equal to two state pensions as determined by National Minister of Finance per month.
- (b) It is recommended that the rates as stated above, become due monthly on the following dates: 8 July 2013; 7 August 2013; 9 September 2013; 7 October 2013; 7 November 2013; 9 December 2013; 7 January 2014; 7 February 2014; 7 March 2014; 7 April 2014; 7 May 2014 and 9 June 2014.

2. Sewerage Charges

It is recommended that the sewerage charges be increased by 5.9% across the board.

(a) Non- residential

Comma three two one two (0,3212 cent) per rand on the rateable value of the property (VAT excluded) with a minimum of One hundred and one rand and forty eight cents (R 101.48) (VAT excluded) per erf per month

(b) Residential

Comma two two four nine (0,2249) per rand on the rateable value of the property (VAT excluded) with a minimum of seventy four rand and ninety cent (R 74,90) (VAT excluded) per erf per month.

Rebates on sewerage charges:

- * Residential properties with a value of R 70,000.00, or less are exempted from paying sewerage charges;
- * The residential areas in the following areas are excluded from paying sewerage charges; Bloemindustria, Ribblesdale, Bloemspruit, Bainsvlei, Farms and Peri-Urban areas in Thaba Nchu.

(c) Special Arrangements

- i. Levy on churches, church halls and other places of similar nature, qualifying charitable institutions and welfare organizations:
R 91.09 per sanitary point per month (VAT excluded)
R 30.29 per refuse container per month (VAT excluded)

- ii. Martie du Plessis School, Dr Böhmer School, Lettie Fouche School and schools of similar nature:
R 45.56 per sanitary point per month (VAT excluded)
R 15.15 per refuse container per month (VAT Excluded)
- iii. That the sewerage charges and levied in accordance with 2(a), (b) and (c) as stated above, become due monthly on the following dates: 8 July 2013; 7 August 2013; 9 September 2013; 7 October 2013; 7 November 2013; 9 December 2013; 7 January 2014; 7 February 2014; 7 March 2014; 7 April 2014; 7 May 2014 and 9 June 2014.

3. Refuse Removal Charges

It is recommended that the refuse removal be increased by 7% and;

- i. That, the refuse removal tariffs for 2013/14 be applicable from the consumer month of July 2013;
- ii. That the following charges and prices, excluding VAT, in connection with the supply of refuse removal services are submitted for approval.

Tariff (3)(a): Erf used for Residential Purposes

Size of the Stand (square metres)	Tariff per month (maximum of one removal per week)
0 - 300	32.10
301 - 600	42.80
601 - 900	74.90
901 - 1500	107.00
>1500	128.40

Tariff (3)(b): Flats and Townhouses per unit

Tariff per month (maximum of one removal per week) - R 74.90 per month

Tariff (3)(c): Duet Houses and Private Towns

Tariff per month (maximum of one removal per week) as per tariff (3)(a) above

Tariff (3)(d): Businesses, Commercial and Industrial (Non-bulk)

Tariff per month (Maximum of one removal per week) - R 160.05 per month

Tariff (3)(e): Businesses, Commercial and Industrial (Bulk)

A minimum of R 160.05 per businesses, commercial and industrial per month for land fill costs plus costs associated with the type of service required as contained in the Tariffs Booklet.

- iv. It is recommended that the refuse removal levies as stated above, become due monthly on the following dates: 8 July 2013; 7 August 2013; 9 September 2013; 7 October 2013; 7 November 2013; 9 December 2013; 7 January 2014; 7 February 2014; 7 March 2014; 7 April 2014; 7 May 2014 and 9 June 2014.

4. Water Tariffs

It is recommended

- i. That the water tariffs for the 2013/14 financial year be increased on average by 8.80% and the details in terms of our step tariff structure is as outlined below:

Residential Properties (non-bulk)

1 to 6kl	-	18.0%
7 to 15kl	-	7.0%
16 to 30kl	-	7.0%
31 to 60kl	-	7.0%
>61kl	-	7.5%

Business / Commercial (Bulk)

1 to 60kl	-	8.0%
61 to 100kl	-	8.5%
>100kl	-	8.5%

- ii. That, the water tariffs for 2013/14 be applicable from the consumer month of July 2013;
- iii. That for the calculation of water accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and consumption of water are submitted for approval;
- iv. That in terms of Section 145 of the Local Government Ordinance of 1962, (Ordinance No 8 of 1962) the following charges and prices, excluding VAT, in connection with the supply and consumption of water are submitted for approval.

Part A: Erf within Municipal Area

Tariff A1

(a) Erf used for Residential Purpose and

(b) Sports Club Incorporated in the Council's Sport Club Scheme

Water Consumed:

- i. R 5,12 per kilolitre per month for 0 to 6 kiloliters;
- ii. R 12,84 per kilolitre per month for 7 to 15 kilolitres;
- iii. R 13,55 per kilolitre per month for 16 to 30 kilolitres;
- iv. R 14,64 per kilolitre per month for 31 to 60 kilolitres;
- v. R 15,32 per kilolitre per month for each kilolitre more than 60 kilolitre.

(c) Bulk metered Flats, Townhouses and Duet Houses

- i. Total kilolitres used, number of flats, townhouse or duet houses
- ii. Apply sliding scale:
 - 0 - 6 kilolitres
 - 7 - 15 kilolitres
 - 16 - 30 kilolitres
 - 31 - 60 kilolitres
 - 61 kilolitres and more

Divide unit by number of flats, townhouses or duet houses as per the sliding scale. Tariffs applicable to erf used for residential purposes are applicable to the above.

- iii. Fire meter water consumed - R 13,07 per kiloliter per month.

Tariff A2: Unmetered Erf Used for Residential Purpose only

Fixed amount: R 24,66 per month

Tariff A3: Unimproved Erf

(a) Unimproved erf which may be used for residential purposes only:

Minimum charge: R 28,70 per month

(b) Any other unimproved erf:

Minimum charge: R 3,092.63 per month

Tariff A4: Directorates of Council

Water consumed: R 10,35 per kilolitre per month.

Tariff A5: Any other point where water is supplied not mentioned in Tariffs A1, A2, A3 and A4 per Water Meters:

- i. Minimum charges R 375,67 per month

plus

Water consumed:

- R 13.57 per kilolitre per month for 0 to 60 kiloliters;
- R 15,00 per kilolitre per month for 61 to 100 kilolitres;
- R 15.67 per kilolitre per month for each kilolitre more than 100 kilolitres

Part B: Erf outside Municipal Area

Tariff B1: Erf used for Residential Purposes only:

Water Consumed:

- i. R 5,12 per kilolitre per month for 0 to 6 kiloliters;
- ii. R 12,84 per kilolitre per month for 7 to 15 kilolitres plus a surcharge of 35%
- iii. R 13,55 per kilolitre per month for 16 to 30 kilolitres plus a surcharge of 35%
- iv. R 14,64 per kilolitre per month for 31 to 60 kilolitres plus a surcharge of 35%
- v. R 15,32 per kilolitre per month for each kilolitre more than 60 kilolitre plus a surcharge of 35%

Tariff B2: Any other point where water is supplied not mentioned in Tariff B1, per water meter (excluding Special Arrangements)

Minimum charges R 375,67 per month plus a surcharge of 35%
plus

Water consumed:

- R 13,57 per kilolitre per month for 0 to 60 kiloliters plus a surcharge of 35%
R 15,00 per kilolitre per month for 61 to 100 kilolitres plus a surcharge of 35%
R 15,62 per kilolitre per month for each kilolitre more than 100 kilolitres plus a surcharge of 35%

5. Housing Rental Tariffs

It is recommended that the rental tariffs on all housing schemes be increased with 10% from 1 July 2013.

6. General Tariffs

It is recommended that the general tariffs and charges be increased at an average of 10% as reflected in the Tariffs Booklet.

7. Electricity Tariffs

It is recommended:

- i. That, the electricity tariffs for the 2013/14 financial year be increased with 5.25% (on average) above the previous year;
- ii. That, the new electricity tariffs for 2013/14 be applicable from the consumer month of 1 July 2013;
- iii. That, for the calculation of electricity accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and with a winter and summer component for all tariffs;
- iv. That the following charges and prices, excluding VAT, in connection with the supply and consumption of electricity are submitted for approval:

62.

- (i) MANGAUNG TABLING OF THE MANGAUNG METROPOLITAN MUNICIPALITY RE-VIEWED
INTEGRATED DEVELOPMENT PLAN (IDP) FOR THE 2013/2014 FINANCIAL
- (ii) RELATED SECTOR PLANS
 - (a) Five Year Strategic Management Plan for the
Reduction Pages of Non-Revenue Water
 - (b) Local Economic Development Outlook
 - (c) Five Year Integrated Human Settlements Plan :
2012/2013 – 2016/2017
 - (d) Water Services Development Plan : 2012/2013
 - (e) Disaster Management Plan
 - (f) Integrated Waste Management Plan

RESOLVED

- (a) that the Council approve the reviewed IDP (2013/2014) and corresponding sectoral plans and
- (b) that the Council note that the tabled reviewed IDP (2013/2014) with sectoral plans will be
submitted to the MEC's of Treasury and Co-operative Governance and Human Settlement.