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2019-04-02

ETHEKWINI MUNICIPALITY

EXTRACT OF COUNCIL MINUTES: MEETING HELD ON 2019-03-28

THIRD REPORT OF THE EXECUTIVE COMMITTEE

(Special meeting held 2019-03-28)

- PRESENT :** Executive Committee Members F Peer (Deputy Mayor – In the Chair), HU de Boer, BA Fortein, NL Graham, SA Kaunda, MM Mthembu, TM Mthethwa, MS Nkosi and ZR Sokhabase.
- ABSENT :** Executive Committee Members ZRT Gumede (Mayor and Chairperson – Indisposed Leave) and TM Mthethwa (Indisposed Leave)

The following recommendations were adopted by the majority vote by Council at its meeting held on 2019-03-28:-

3. TABLING OF MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF), 2019/20; 2020/21 AND 2021/22 (7/13/1)
(Page 154)

The Medium Term Revenue Expenditure Framework (MTREF) is tabled before Council in line with the requirements of the Municipal Finance Management Act (MFA). The MTREF under discussion is fully funded and in compliance with the requirements of National Treasury. As per the statutory requirement, stakeholder consultation will be conducted in preparation to adopt final budget in May 2019.

Increases have been effected in certain areas but the primary objective has been to maintain affordability. The electricity tariff increase is informed by National Energy Regulator of South Africa whereas the water tariff increase is informed by Umgeni Water charges. Some budget reduction has been made in certain portfolios but endeavours have been made not to compromise service delivery.

Measures will be put in place to monitor and control expenditure. As such, there will be continuous engagements with line departments and reference will be made as well to austerity measures.

Reference was made to the aspect relating to Senior Citizens and a request was made to increase budget in this regard from R2 Million to R2.5 Million to effect necessary improvements in this project. This was unanimously supported and, as such, the senior citizens recommendations include 3.7.3.4 which reads “That the Deputy City Manager: Finance investigates the possibility to increase the senior citizens budget from R2 Million to R2.5 Million Rand and indicate the financial year within which this will be applicable.

The (02) Executive Committee Members of the Democratic Alliance abstained at this stage. With the majority being in support,

COMMITTEE RECOMMENDS:

- 3.1 That Council notes the following resolutions relating to the 2019/20 – 2021/22 Medium Term Revenue Expenditure Framework (MTREF) of the eThekweni Municipality and its entities, tabled in terms of Section 24 of the Municipal Finance Management Act (MFMA), are submitted for consideration and adjustment where necessary, and will subsequently be subjected to stakeholder consultation and thereafter Council adoption in May 2019.
- 3.2 That note be taken of the contents of the budget documentation circulated in accordance with the Municipal Finance Management Act, No.56 of 2003.
- 3.3 Estimates of Income and Expenditure:
- 3.3.1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality for the financial year 2019/20; and indicative allocations for the two projected outer years 2020/21 and 2021/22; and the multi-year and single year capital appropriations are approved as set-out in the following tables of the budget document:
- Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) **(Table A2; Page 70)**
 - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) **(Table A3; Page 71)**
 - Budgeted Financial Performance (Revenue by Source and Expenditure by Type) **(Table A4; Page 72)**
 - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source **(Table A5; Page 73)**
- 3.3.2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
- Budgeted Financial Position **(Table A6; Page 75)**
 - Budgeted Cash Flows **(Table A7; Page 77)**
 - Asset Management **(Table A9; Pages 79 – 81)**
 - Basic Service Delivery Measurement **(Table A10; Page 82)**
- 3.4 Municipal Entities:
- That the Municipal Entities budget as reflected on **pages 275 to 302** of the budget documentation be approved
- 3.5 Recapitulation: Valuation of Rateable Property:
- That it be recorded that the recapitulation certificate summarising the valuations of rateable property, as certified by the City Valuer, is laid on the table.
- The following resolutions, pertaining to property rates (items 3.6 to 3.11) and in conformity with the provisions of Section 14 of the Local Government: Municipal Property Rates Act 6 of 2004 and Sections 17 (3) (a) (ii) and 24 (2) (c) (i) of the Local Government: Municipal Finance Management Act 56 of 2003, be adopted.

3.6 Determination of Rates:

3.6.1 In terms of Section 8 of the Local Government: Property Rates Act, 2004 read together with the Rates Policy, as amended, and to be adopted with the current budget, the Municipality may levy different Rates for different categories of Property.

3.6.2 That the rate randage for the said financial year for the eThekweni Municipality, be and is hereby assessed and levied for the following categories at:

Category of Property	2019 Cents in the Rand	2020 Cents in the Rand	2021 Cents in the Rand
Agricultural	0.2986	0.3192	0.3412
Business & Commercial	2.7081	2.895	3.0947
Outside Urban Development Line	1.7672	1.8891	2.0195
Industrial	3.495	3.7361	3.9939
PSI	0.2986	0.3192	0.3412
Residential	1.1944	1.2768	1.3649
Unauthorised/ Abandoned/ Illegal Usage	9.5549	10.2142	10.919
Vacant Land	5.3551	5.7246	6.1196
Agricultural SH	0.2986	0.3192	0.3412
Sectional Title Registered Real Rights of extension	5.3551	5.7246	6.1196
Mining property	2.7081	2.895	3.0947

Multiple-Use Property will be dealt with in accordance with the Rates Policy.

3.7 Exemptions, Rebates and Reductions:

That the following reductions on the market value of the property and rebates on the rates payable, be and are hereby granted in accordance with the Rates Policy.

3.7.1 Residential Property:

That in addition to the statutory reduction of R15 000, a further reduction of R105 000 be and is hereby approved for property values exceeding R230 000.

3.7.2 Public Benefit Organisations:

That on application and approval, only Public Benefit Organisations listed in Clause 7.5 of the Municipality's Rates Policy 2019/2020 shall receive an exemption from rates.

3.7.3 Senior Citizens, Disability Grantees / Medically Boarded Persons and Child Headed Households:

3.7.3.1 That in addition to the reduction in 3.7.1 above, a rebate not exceeding R4 373 or such lesser amount as may otherwise be payable, be and is hereby approved for qualifying Senior Citizens, disability grantees / medically boarded persons and child headed households as defined in the rates policy.

3.7.3.2 That it be and is hereby resolved to place a maximum limit of R2 million on the value of the property, in order to qualify for the Senior Citizens rebate in (3.7.3.1) above.

3.7.3.3 That it be and is hereby resolved that a rebate under Clause 7.2.2.4 of the rates policy may be granted to qualifying Senior Citizens who are trustees in a trust, notwithstanding that an independent professional person also holds office as a trustee and does not meet the qualifying criteria.

3.7.3.4 That the Deputy City Manager: Finance investigates the possibility to increase the senior citizens budget from R2 Million to R2.5 Million Rand and indicate the financial year within which this will be applicable.

3.7.4 Life Rights Schemes and Retirement Complexes:

That on application and approval, a 25% rebate be granted to qualifying Life Rights Schemes and Retirement Complexes registered in terms of the Housing Development Scheme for Retired Persons Act 65 of 1988.

3.7.5 Schools Not For Gain:

That a rebate of 50% be and is hereby granted to qualifying schools not for gain.

3.7.6 Bed and Breakfast Undertakings:

That on application and approval a rebate of 50% be granted to all Bed and Breakfast establishments that satisfy the requirements of the Rates Policy, as amended.

3.7.7 Guest House Undertakings:

That on application and approval a rebate of 25% be granted to all Guest House undertakings that satisfy the requirements of the Rate Policy, as amended.

3.7.8 Back-Packer Lodges, Holiday Accommodation and Student Accommodation:

3.7.8.1 That on application and approval, the following rebates shall apply to Back-packer establishments that satisfy the requirements of the Rates Policy, as amended:

- a) Where up to 40 beds are available to guests, a rebate not exceeding 50% will apply;
- b) Where up to 80 beds are available to guests, a rebate not exceeding 25% will apply;

3.7.8.2 That on application and approval, property let out for the purposes of Holiday Accommodation, be granted a rebate of 64%

3.7.8.3 That on application and approval, property let out for the purposes of Student Accommodation, be granted a rebate of 25%.

3.7.9 Natural and Other Disasters:

3.7.9.1 That on application and approval a temporary rebate of 75% be granted in respect of property damaged by disaster for a period of six months or a portion thereof.

3.7.9.2 That on application and approval, a further temporary rebate of 75% be granted thereafter, for a period not exceeding six months.

3.7.9.3 That the rebate is granted on the category of property prior to damage.

3.7.10 Vacant Land:

That the reduction of R30 000 on the market value of Vacant Land located in the 'outside the Urban Development Line', as defined in the amended Rates Policy, be granted.

3.7.11 Properties in the Ownership of the Municipality or Municipal Entities

3.7.11.1 That all municipal owned properties are exempted from property rates, except for Trading Services and municipal owned properties where the Municipality has entered into an agreement with any person, indicating otherwise.

3.7.11.2 That a rebate of 63% be and is hereby granted to the International Convention Centre in respect of property rates payable to the Municipality.

3.7.12 Nature Reserves and Conservation Areas:

That on application and approval, nature reserves and conservation areas shall be excluded from rates.

3.7.13 Economic Development:

3.7.13.1 Greenfield Developments in Priority Areas:

That on application and approval by Council, all non-residential developments which are located in Priority Areas, as contemplated in the Economic Development Incentive Policy, shall receive a rebate limited to the difference between the Vacant Land rate randage and that of the intended use of the developed land, as envisaged in the Rates Policy read with the Economic Development Incentive Policy.

3.7.13.2 Brownfield Developments in Priority Areas:

That on application and approval by Council, all non-residential developments which are located in Priority Areas, as contemplated in the Economic Development Incentive Policy, shall receive a rebate based on the value of the development as per the table below:

VALUE OF DEVELOPMENT R (MILLIONS)	PERCENTAGE REBATE ON RATES
0 - 50	15%
51 - 150	25%
151 - 300	50%
301 and above	65%

- 3.7.13.3 That subject to compliance with criteria contained in the Economic Development Incentive Policy read together, where applicable, with the Rates Policy, all industrial or commercial Brownfield developments which are located outside of Priority Areas, be granted a general rebate for a fixed period of three years, calculated on the value of the additional new investment as follows:

Brownfield Development Outside the Priority Areas	Outside the Priority Areas – Job Creation Rebate Incentive
20% The rebate becomes effective upon completion of construction and receipt of a valid occupancy certificate	20% The rebate becomes effective upon completion of construction and receipt of a valid occupancy certificate

3.7.14 Special Rating Areas:

- 3.7.14.1 That the existing Special Rating Areas as indicated in Annexure A be and are hereby noted.
- 3.7.14.2 That in respect of the Special Rating Areas, additional rates, as indicated in Annexure A hereto, be approved and levied (subject to any exclusions or exemptions determined in the Rates Policy) in respect of each category of rateable property within the boundaries of the Special Rating Area.
- 3.7.14.3 That for the purposes of **Clause 9** of the Rates Policy in relation to requirements for the determination of a new special rating area, the total minimum value of the rateable properties within the proposed boundaries of the area, be determined at R400 Million.

3.7.15 Consulates:

That property owned by Consulates be valued and rates be raised and recovered from the Department of International Relations and Co-operation in terms of the Diplomatic Immunities and Privileges Act 2001 (Act 37 of 2001).

3.7.16 Green Certified Buildings:

On application and approval by Council, all non-residential developments which fall within the City, as contemplated in the Green Building Incentive Policy of Council read together with the Rates Policy shall receive a rebate as set out below:

(a) GREEN STAR

Certification	Description	Incentive/Provision	Responsibility
6 Star	Mandatory: 6 Star rating, i.e. over 75 points, with a minimum of 14 points for ENE 1. Optional additional: 1. 6 points or more for the Socio-Economic Category, and/or 2. 3 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction. Optional additional: 1. Additional 3%; and/or 2. Additional 2%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
5 Star	Mandatory: 5 Star rating, i.e. between 60 and 74 points, with a minimum of 8 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category, and/or 2. 5 points or more for the Innovation Category.	Rebate calculated on property rates tax payable: Mandatory: 20% reduction. Optional additional: 1. Additional 6%; and/or 2. Additional 4%.	Revenue Management Unit and Development Planning, Management and Environment Unit.
4 Star	Mandatory: 4 Star rating, i.e. between 45 and 59 points, with a minimum of 4 points for ENE 1. Optional additional: 1. 12 points or more for the Socio-Economic Category.	Rebate calculated on property rates tax payable: Mandatory: 9% reduction. Optional additional: 1. Additional 6%.	Revenue Management Unit and Development Planning, Management and Environment Unit.

(b) EDGE:

Certification	Description	Incentive/Provision	Responsibility
Edge	Mandatory: Residential buildings to achieve minimum 20% less energy use (than National Building Regulations), 20% less water use, and 20% less embodied energy in materials, as per the EDGE tool.	Rebate calculated on property rates tax payable: Mandatory: 35% reduction.	Revenue Management Unit and Development Planning, Management and Environment Unit.

3.8 Phasing in of Rates:

That the following phasing in of rates be and are hereby approved subject to Section 21 of The Local Government: Municipal Property Rates Act 6 of 2004:

- 3.8.1 A rate levied on newly rateable property must be phased in over a period of three financial years.
- 3.8.2 A rate levied on property belonging to a Land Reform Beneficiary or his or her heirs must, after ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds, be phased in over a period of three financial years.

The phasing in discount on properties referred to in (3.8.1) and (3.8.2) above will apply as follows:

- a) 75% in the first year
- b) 50% in the second year
- c) 25% in the third year

3.8.3 A rate levied on newly rateable property owned and used by organizations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities must be phased in over a period of four financial years, with the following phasing in discounts:

- a) 100% in the first year
- b) 75% in the second year
- c) 50% in the third year
- d) 25% in the fourth year

3.9 Flat Service Charge Rate for Formal Properties Valued Below R185 000 and Informal Settlements Where Water and Ablution Facilities Have Been Provided:

That a flat service charge rate be investigated for formal properties valued below R185 000 and those informal settlements where water and ablution facilities have been provided.

3.10 Date of Operation of Determination of Rates:

That this determination comes into operation on 1 July 2019.

3.11 Final Date for Payment of Rates:

3.11.1 Where rates are payable in monthly instalments, such payments shall be in twelve (12) equal or near equal instalments payable 21 days from the date of account.

3.11.2 Where rates are payable annually the final date for payment shall be 31 October 2019, provided that where this date falls on a Sunday or public holiday payment shall occur on the last working day prior to such Sunday or public holiday.

3.12 Administration Charge on Arrear Rates:

That the administration charge on arrear rates as referred to in Section 10.7 of the Credit Control and Debt Collection Policy is determined at 10%. Collection of arrear rates is in accordance with the Credit Control and Debt Collection Policy.

3.13 Interest on Arrears:

That the interest rate to be applied to arrear accounts, shall be the interest rate as prescribed by Regulation 9 of the Municipal Property Rates Regulations, 2006.

3.14 Other Tariffs and Charges:

3.14.1 That other tariffs and charges as circulated with the budget document in terms of section 24(2)(c)(i) and (ii) be approved for the financial year commencing 1 July 2019.

3.14.2 That the average Electricity Tariff increase of 14.4 % be hereby approved by Council, it being recorded that the proposed Municipal Electricity Tariff guideline is yet to be approved by NERSA and that any adjustment and revision must be in accordance with applicable legislation. Accordingly, the impacts of any changes to NERSA's proposed municipal tariff increase will need to be considered by the Council.

3.14.3 That the average Water tariff increases of 15.0 % for residential properties and 15.5% for commercial properties be hereby considered by Council.

3.15 Domestic Water Debt Relief Programme:

That it be and is hereby resolved to place a maximum limit of R250 000 on the rateable value of the property in order to qualify for the Water Debt Relief Program.

3.16 Budget Related Policies:

3.16.1 Rates Policy:

That the Rates Policy, as amended be adopted with the final budget.

3.16.2 Credit Control and Debt Collection Policy:

That the Credit Control and Debt Collection Policy, as amended be adopted with the final budget.

3.16.3 Tariff Policy:

That the Tariff Policy as adopted by Council on 2017-05-31 remains unchanged for the 2019/20 financial year.

3.16.4 Funding and Reserves Policy:

That the Funding and Reserves Policy adopted by Council on 3 May 2010 has been reviewed and remains unchanged.

3.16.5 Budget Policy:

That the Budget Policy adopted by Council on 23 February 2011 has been reviewed and remains unchanged.

3.16.6 Investment Framework Policy and Borrowing Policy:

That the reviewed Investment Framework policy and Guidelines as adopted by Council on 2017-06-28 remains unchanged.

3.16.7 Supply Chain Management Policy:

That the Supply Chain Management Policy as amended be adopted with the final budget.

3.16.8 Other Budget Related Policies:

That in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, there are no proposed amendments to any other budget related policies.

3.17 Capital Expenditure Estimate:

3.17.1 That in those instances where information has been provided in terms of Section 19(2)(b) of the Municipal Finance Management Act No. 56 of 2003, together with project procurement scheduling, the approval of the capital budget constitutes project approval for the specific projects as reflected in the detailed capital budget. It being noted that project budgets will be re-prioritised if departments fail to submit their project procurement schedules.

3.17.2 Where information in terms of Section 19(2)(b) is not provided, specific project approval is to be sought from Council during the course of the year and that approval by Council be given only if the report seeking approval is accompanied by the specific project procurement schedule.

3.17.3 That the capital budget procurement process commences with the approval of the tabled budget.

3.17.4 The spend on the capital budget for the first 6 months of the financial year is targeted at not less than 35%.

3.18 Borrowings to Finance the Capital Budget:

That authority be sought from Council for the raising of appropriate long term debt in terms of Section 46 of the Municipal Finance Management Act No 56 of 2003, to finance in part the municipality's capital budget over the MTREF period. In this regard authority is sought to raise an amount of R 1.5 billion per annum over the MTREF period. It being noted that the increase of 0.5bn is mainly as a result of the purchases of buses for the rollout of the IRPTN.

3.19 Housing/Hostels Deficit:

3.19.1 That the estimated Formal Housing Deficit of R65.9m for the 2019/2020 financial year be met from the Rate Fund.

3.19.2 That the estimated New Development Housing and Hostels deficit of R458.1m be funded from the Rate Fund.

3.19.3 That appropriate interventions be escalated by the Executive Committee including, inter alia, the phased introduction of economic rentals, the constructive engagement of the Provincial State Authorities to secure additional funding and strategies to reduce electricity and water consumption.

3.20 New Functions/ Services:

That no new functions or service be introduced without specific approval thereto by the Council after full consideration of the effect thereof on the Council's Budget. In addition the budgets pertaining to new functions or services can only be approved in principle and thereafter would have to be prioritised in terms of the Integrated Development Plan together with all other submissions that have been received.

3.21 Measurable Performance Objectives:

That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act No. 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in **Table SA7 (Page 150)** be approved.

3.22 Integrated Development Plan (IDP):

That the draft reviewed Municipality's Integrated Development Plan (IDP) was tabled with the budget in terms of Section 17(3)(d) of the Municipal Finance Management Act No.56 of 2003, it being recorded that the annual review process as prescribed in terms of Section 34 of the Municipal Systems Act, is continuing and that report to the Executive Committee will be submitted on completion of the consultative process.

3.23 Particulars of Investments:

That in terms of Section 17 (3) (f) of the Municipal Finance Management Act No. 56 of 2003, particulars of the Councils investments are reflected in **Tables SA15 – SA16 (Pages 160 – 161).**

3.24 Remuneration of Councillors and Senior Officials:

That in terms of Section 17(3)(k) of the Municipal Finance Management Act No.56 of 2003 that the proposed cost to Council of the salary, allowances and benefits of each political office bearer, councillor and senior officials of the municipality and its entities, is reflected in **Table SA23 (Pages 171)**.

3.25 Unfunded Mandates

That the Council make representation to the Provincial and National Government regarding unfunded mandates presently undertaken by the Municipality with a view to securing funding for those services. The cost of unfunded mandates is set out hereunder:

	<u><i>R' m</i></u>
Libraries	434.6
Health – other than municipal health services	367.2
Museums	92.0
Housing: New Development and Hostels	458.1
Formal Housing	65.9
	<hr/> 1417.8 <hr/>

3.26 Impact of Housing Expenditure on the Cash Reserves:

3.26.1 That Council makes further representation regarding expenditure incurred in previous years by the municipality amounting to R4.07 bn for the construction and provision of housing done on an agency basis on behalf of the KZN Department of Human Settlements (KZN DOHS) in order to finalise the approval in principle that was made that USDG funds could be utilised over a five year period subject to Council committing expenditure of the same amount on Human Settlements related infrastructure.

3.26.2 In addition, in order to avoid the cash reserves dropping below prudent levels that could negatively impact our good credit rating, the municipality only implement KZN DOHS approved housing projects and implementation (incl. invoicing and submission of claims to KZN DOHS) of these approved projects to be in line with the approved KZN DOHS budget and cash flows.

3.27 Expenditure Control, Austerity Measures & Tariffs in the Current State of the Economy:

3.27.1 That in view of the current economic climate further austerity measures be considered and that all departments review their expenditure and ensure that Council is getting best value for all expenditure.

3.27.2 That in view of high water ,sanitation and electricity increases the price elasticity be closely monitored as there has been decreasing volumes of sales over the past five financial years and the sustainability of these services need to be closely monitored. Tariff structures as well as alternate sources of revenue need to be considered together with the improved effectiveness of spend.

3.27.3 That the recommendations by the independent consultant on security costs be urgently implemented.

3.27.4 That overtime and outsourcing of services as well as higher of equipment be critically evaluated as per city manager circulars Dated 28 February 2019.

3.27.5 That all vacant posts be evaluated ito need to fill on an absolute necessary basis, refer CM circular 04/2019.

3.27.6 That the operating model for the IRPTN be urgently considered as the current projected deficits cannot be met from property tax.

3.27.7 That the EPWP spend is reviewed taking into account the outcome of the audit currently underway and key interventions put in place to drive the expenditure down to the grant amount.

3.27.8 That NT circular no 82 be strictly adhered to iro cost containment with regard to travel ,entertainment eventing ,etc .

3.27.9 That Manager's closely monitor the use of council vehicles and ensure that all trips are justified and in the best interest of Council.

3.27.10 That urgent interventions be put in place to improve the collection rates in hostels and that appropriate sanctions be considered to enforce payment.

- 3.27.11 That all reports to BAC include a section on the benchmarking of the most responsive tender and that any Tender that is above the market rates be justified.
- 3.27.12 That the SCM unit also introduce benchmarking of prices on all good and services that are procured for less than R 200 000 and that a motivation be provided for the acceptance of any quote that is more than the bench mark rate.
- 3.27.13 That all departments need to expedite the outstanding disciplinary proceedings as the Auditor – General has raised the issue of consequence management in the last three audits
- 3.27.14 That a zero tolerance approach to irregular, fruitless & wasteful, and unauthorised expenditure be enforced.
- 3.27.15 That Department's look at opportunities for rationalization of services and elimination of duplication.
- 3.28 Free Basic Services:
- 3.28.1 That the Free Basic Services Package as set out on **page 98** is approved for the budget year 2019/2020.
- 3.28.2 That in view of the sustainability of providing free basic services a flat rate for services be considered as a matter of urgency
- 3.29 Off Balance Sheet Financing:
- That approval in principle be granted for alternate financing options/models to be considered, incorporating but not limited to Sect 33 (Contracts having future budgetary implications) of the MFMA type arrangements, to finance major infrastructure works requiring significant capital sums over several years where risks and rewards are equitably shared between the municipality and its chosen partner/s. Each specific project will be submitted to Council for consideration.
- 3.30 Catalytic Projects:
- 3.30.1 In keeping with National Treasury's directive to stimulate the economy, grow the rates base and create jobs, the City is considering the implementation of several catalytic projects, subject to these projects having a favourable return on investment (ROI).
- 3.30.2 That Council supports these projects in principle and that whilst initial funding has been provided for feasibility studies, further funding be sourced during the year as and when the projects are ready for implementation.
- 3.31 Food Aid Programme (Soup Kitchens):
- That the engagement of faith based organisations and NGO's to assist the municipality in its food aid program by adopting soup kitchens be investigated and where considered necessary a grant in aid be provided. It being noted that a provision of R87.7 million has been budgeted for to increase the number of soup kitchens from 74 to 92.

3.32 Hostel Collections:

That the Council supports the installation of prepaid electricity and water meters for individual hostel units using the 50/50% principle inclusive of the payment of rentals, in view of the low hostel debtors collection rate of 5%.

3.33 Meter Reading Strategy:

3.33.1 That the Electricity and Water Units finalise their strategy on the replacement of electricity and water meters. It being noted that the Electricity Unit is currently in the process of finalising an implementation plan for all electricity meters to be smart by 2026. A similar implementation plan needs to be developed by the Water Unit.

3.33.2 That the feasibility of combining the electricity and water meter reading services be investigated.

3.33.3 That quarterly reporting on progress on these issues be submitted to Exco

3.34 Destination Marketing Programmes:

3.34.1 That Council approves the hosting of the destination marketing programs as budgeted for and indicated on Annexure B.

3.34.2 That authority be granted to the City Manager to negotiate benefits and rights to leverage the destination and profile Durban with the organizers.

3.34.3 That authority be granted to the City Manager to conclude contracts with the owners in terms of the partnership investment.

ANNEXURE A – 2019/20

ADDITIONAL RATES LEVIED ON SPECIAL RATING AREAS (3.7.14 REFERS)

Special Rating Areas	Residential	Business & Commercial	Industrial	Vacant Land	Agriculture	Unauthorised/abandoned	Public Service Infrastructure
a) Precincts bordered by Monty Naicker, Dorothy Nyembe, Anton Lembede and Dr Yusuf Dadoo Streets. (CBD Precinct)	0,001911	0,004332	0	0	0		
b) Precinct bordered by Soldiers Way, Dr AB Xuma Road, Florence Nzama Street and Bram Fischer Road. (North East Business Precinct)	0	0,000608	0,000785	0,001203	0		
c) Precinct bordered by Dorothy Nyembe Street, Margaret Mncadi Avenue, Beach Walk and Anton Lembede Street. (North East Business Precinct)	0	0,000608	0,000785	0,001203	0		
d) Precinct bordered by Soldiers Way, Bram Fischer Road, Sylvester Ntuli, KE Masinga and Archie Gumede (Place) Roads. (North East Business Precinct)	0	0,000608	0,000785	0,001203	0		

e)	Precinct bordered by OR Tambo Parade, Dr Pixley KaSeme Street Mall, Rutherford and Gillespie Streets (South Beach Precinct).	0,002259	0,005121	0	0,010126	0		
f)	Umhlanga Promenade Precinct bordered by Ocean Way (South), Lot 430 (North), Lagoon Drive (West) and the Indian Ocean (East).	0,001208	0,002738	0	0,005415	0		
g)	Precinct bordered by Burlington Road, Burlington Drive, Nagel Road, Windsor Road, Midmar Road and Henley Road.	0,002962	0,006717	0	0,013281	0	0	0
h)	Umhlanga Village Precinct bordered by Flamingo Lane, Ocean Way, Lagoon Drive, McCauland Crescent, Weaver Crescent and the Ruth First Highway.	0	0,002828	0	0	0		
i)	Giba Gorge bordered by N3 Highway (South), Reservoir Road, Jan Smuts Avenue, Galloway Lane, Mountbatten Place, Alexander Drive, King Cetshwayo Highway (East), Portion 157 of Clifton (North) to Saint Helier Road (West)	0,000428	0	0	0,001918	0,000107		
j)	Maytime Community bordered by M13 Highway, Woodside Avenue, Haygarth Road, Abrey Road, Msonti, Quilhall Lane, Alexander Avenue, Mtonbi and Victory Road.	0,00281	0,006372	0	0,0126	0		
k)	Area consisting of the length of Florida Road, from Lillian Road to Mitchell's Park, including properties on both sides of Florida Road.		0,00868	0,011202	0,017163	0	0	
l)	Westville Perth West Area bounded by Glencairn Close in the West, Stanley Teale Road in the South, Robert Herrick Avenue in the North and the eastern boundary consisting of Linford Place and Drayton Place in Westville	0,003989		0	0,003989			0
m)	Glenwood area bounded by Helen Joseph Road, King Dinuzulu Road, Berea Road, Turners Avenue, Che Guevara Road, Moore Road, Clark Road and Bulwer Road.		0,004389	0,005664				

ANNEXURE B

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
1.	Durban Beach Extravaganza	July	Promotes and provides nautical and aqua sport entertainment experience during holiday season along the Beachfront. It also has a knowledge empowerment element for the students interested in aqua sport that feature as sport tourism experience.
2.	Joyous Celebration	July/ August	Biggest Gospel show attracting high LSM from various parts of South Africa. It has a countrywide roadshow and the brand has huge following locally and beyond Durban.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
3.	South African Music Conference (SAMC)	July	Utilization of local talent to promote music that highlights Durban lifestyle. The conference discusses the commercialization of local music. Exhibition of Durban emerging talent utilizing township lounges.
4.	Township Tourism Experience and Promotion in across all the townships in the eThekweni Municipality	Various Periods of the Year	This is a robust destination promotion of the townships in Durban during in various seasons of the year to promote township tourism. This is through leisure, culture heritage, Township Lifestyle experience with a huge economic impact to the business in townships and also destination exposure through the hosting of stakeholders in the familiarization trips in various township tourism products such as Max's Lifestyle, Eyadini, Aritizens lounge, Magaba Lounge and many other products.
5.	Jazz in July	July	This is an entertainment and leisure experience that happens with the Durban July festivities but a day after (Sunday) the main Durban July main race. It attracts another targeted visitor's audience that love the jazz genre and it extends the length of stay for the visitors in Durban during the Durban July festivities.
6.	Sports Tourism	Various period of the year	Durban also position itself a premium leisure and sporting destination hence the partnership with various sporting codes organizations is paramount to help promote the sporting tourism. The sports tourism promotion is through the hosting of various local national and international tournaments in Durban's world class sporting facilities like Moses Mabhida Stadium. These sporting codes will range from aqua sport, soccer, rugby cup tournaments and many more. Sports tourism attracts a large number of national and international visitors comprising of the athletes, accompanying friends and relatives of the athletes and spectators. Sports tourism also affords the destination a huge media exposure for destination promotion and brand exposure.
7.	The Vodacom Durban July	July	<p>Vodacom Durban July is an annual race horseracing event that takes place on first weekend of July at the Greyville Racecourse. It offers a variety of activities taking place such as fashion, music and entertainment and also a showcase of Durban lifestyle. This is Africa's greatest horse racing event that is witnessed by just over 56 000 people and it one of the City's mega events. It draws a number of visitors to the city, which in turn generates substantial revenue for the City in turn boosting the economy. The financial and service support given to this event is substantially outweighed by the amount of socio economic impact received from visitors, their spending and destination exposure value received by the City. The event also generates extensive media coverage pre, during and post event. The coverage received from this event includes the repetitive use of the Durban in the event name which in turn generate extensive total coverage that converts to stimulating potential visitor interest to visit the destination.</p> <p>The occurrence of this event has become a spring board for establishment of new SMME's and significant growth of existing businesses as it attracts a lot of visitors into the City. The business development ranges from business within the urban and Township areas whereby the livelihoods of the various communities are economically transformed. These visitors arrive with a plan of getting maximum leisure, sporting and lifestyle tourism and they extensively spend till the Monday after the Vodacom Durban July weekend.</p> <p>The City's participation is in 3 components:</p> <ul style="list-style-type: none"> a) The destination promotion leveraging through destination promotion partnership. b) The Durban Tourism brand and destination activation at the Vodacom July. This is through the hosting of national and international key strategic stakeholders which includes Tourism trade (from tour operators to tourism buyers), media, Captains of

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
			<p>industry and influencers in the tourism destination promotion space.</p> <p>c) The Durban July Local fashion talent development through the partnership with Gold Circle a components of the Durban Fashion Development Programme</p>
8.	Imbokodo Jazz Festival	August	In line with the women economic empowerment in the women's month, this is a programmer that completely has women feature in it This is from the planning, management, artist performance as well as the provision and oversight of the event technical logistics. The unique offering attracts domestic visitors into the City to experience leisure tourism.
10.	Township to Township Marathon	September	An annual qualifier marathon that alternates each year between KwaMashu to Umlazi. As the marathon happens, the local communities gate business opportunities brought in by this marathon from the spectators. There is also a township promotion brought benefited through the marathon route in exposing what the township has to offer hence stimulate culture and heritage tourism.
11.	Shisanyama Festival	September	This program takes place during the heritage month and it brings together diversity, fashion, art & craft and food particularly the shisanyama experience at is predominantly in the townships. It is also a platform to recognize and acknowledge the various township based shisanyama restaurants that are predominantly owned by African emerging businesses. This also gives them exposure at this festival and the diverse ethnic groups get a taste their cuisine.
12.	House and Garden Show	October	Promoting and taking Township Kasi Lifestyle Pavillion for music, food, furniture SMME's during this packed show across all demographics.
13.	Umlazi Jazz Festival	November	Umlazi Jazz is a budding Jazz event that aims to increase tourist traffic to Umlazi by introducing a genre specific event. The event works with the township products to promote the destination and event.
14.	INKHop Festival	November	Promotes the Inanda route and tourism products in KwaMashu by staging various activations. It also provides information economy by staging an artist development workshop. The event has an element that focuses on health and safety awareness during the festive season.
15.	Amambazo	November	Specializes in producing and marketing world class theater productions. The company is a brainchild of Professor Joseph Shabala aimed at preserving South African arts and culture through quality stage musical productions. The company boasts with the expertise of personnel of high caliber and stature
16.	Crown Gospel Awards	November	An annual gospel awards ceremony that attracts a large number of gospels followers across the country and beyond South Africa to converge to Durban.
17.	Umnini Extravaganza	December	The event promotes Umnini Dam as a tourism product in the South region and ability and flexibility to host mega events.
18.	Durban Christmas Street Lighting Festival	December	This is a signature programme that will happen over two weeks of the start of the festive season. It will be happening after the City's Festive and Management Committee (FEMAC) launch in and around the City with an objective of promoting the culture and heritage tourism attractions within the City center in alignment with the City's urban renewal programme. It will start with Christmas Carols and various Christmas visitors' entertainment while showcasing the City's attractions like museums, City tours etc as well as well as the street festival including the Christmas lights and tree lighting festivities.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
19.	Durban New Year's Eve Festival	December	As part of the promotion of the beach front as one of Durban's natural tourism attraction, a New Years' eve festival will be staged at the Durban beach front. This happens from midday till just after midnight to give visitors a viable entertainment ambience through a big fireworks display. It is also to create a hype within the beachfront for all the visitors in Durban to disperse to the beach front.
20.	Inkasi Experience	December	This event enables attendees to experience the Inanda route and the INK area through music and entertainment.
21.	Africa Youth Music Festival	December	An event facilitated by an NGO to celebrate young talent within the space of music. The NGO is strictly youth and creates platforms for youth to participate in government programs and engage with government.
22.	Good Sundaes	December	Good Sundaes is a lifestyle program where city trendsetters gather in one venue to enjoy the country's best hip hop acts. Good Sundaes has made daytime/night time partying on a Sunday a culture for the past 4 years. Good Sundaes boasts attendance of between 3000 and 5000 with the December programs being the most highly attended. The program primarily attracts the 18 – 35 age group. The program is always themed which attracts more numbers.
23.	Durban Underground	December	An annual Christmas Day program that celebrates Durban artists and offers Tourist an entertainment and fun experience during Christmas day.
24.	Durban Braai Day	December	This is a first time program that envisages to attract 8000 - 12000 attendees to take place at the MMS Peoples park. It will be giving the visitors and locals an additional desired lifestyle tourism experience with the vibrant entertainment and great ambience in the festive. The braai day is characterized as a family fun day which allows the visitors to travel as a collective family at all times during the festive season. This program is also platform to drive the campaign of youth against crime during the festive season.
25.	Durban Beach Festival	December	It is an extravaganza that offers a multiple entertainment package at the beach front for the whole family. It also affords a platform for local artists' development through performance after a series of road show recruitments.
26.	Durban Jazz Festival	December	Biggest program in South Africa during the festive season taking place on 26 December. Strategic hosting of stakeholders.
27.	Ingoma Cultural Zonal Festival	December and January	Promotes cultural social cohesion, traditional dance competition and ethnic pride. This is also an appealing attraction to the tourism and it showcases the culture and heritage of the people of Durban and KwaZulu-Natal which is of great interest to tourists.
28.	KwaMakhutha New Years	December	A youth owned event from the local area of KwaMakhutha. The event aims to participate in tourism by building a footprint by encouraging visitors to the townships through events. The event is an event that empowers 100% youth through the supplying of service, entertainment, food and beverage supply.

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
29.	Woz' eDurban Picnic Program Partnership and Destination promotion and leveraging	January	Attracts high LSM from Gauteng and other provinces to come to Durban during the Festive Season. It renders an opportunity to local entertainment artists targeting hotel visitors to experience various option.
30.	Gospel All Stars	December	This is a gospel concert that is staged in commemoration of ending the year. It has a great following of lovers of the gospel genre who are then attracted a visitors. It is also a performing platform for emerging gospel artists who are afforded exposure.
31.	Metro FM Music Awards (MMAs) and MMAs Public Viewing Area (PVA)	February	Music awards owned by the biggest commercial Radio Station. The Partnership seeks to yield the robust promotion of the destination through the radios leadership and also leverage on the media muscle that Metro FM has.
32.	Lions of Zulu UK tour	February	This is a United Kingdom tour by local group of African artists in promoting the Durban destination in the UK. It entails performances in various schools and community shows that promote the destination. They have in the past also had engagements with the various local leadership of the City's in the UK.
33.	Lovers and Frinds	February	This is a leisure program for visitors for the month February as the month of love. This is part of the Durban Summer love campaign that runs from September to March and visitors come in the month of love to celebrate their love in Durban.
34.	Endless Summer Experience	March	Endless Summer Experience is an event that boasts that destination and the various ongoing campaigns from Durban Tourism and endless summer in Durban
35.	Youth in Tourism Development and Youth Tourism Experience Promotion.	Various periods of the Year	This is a youth developmental program aimed as empowering youth through the tourism sector as aligned to the radical economic transformation. It will happen through various activations and programs that are run and owned youth within the Durban Area including townships. The aim is to develop young program organizers in various platforms to support youth as they showcase the various talent of the youth in music and also afford the various economic development opportunities to the youth of eThekweni.
36.	Durban Picnic Day	Annually Easters Weekend	A family orientated event that provides the Durban visitors some entertainment during Easter weekend as they visit Durban. The day is also characterized as a family fun day which allows the visitors to travel as a collective family at all times during the festive season. It also affords a platform for local artists to perform on stage hence getting exposure and promoted social cohesion and is converges Durban's cultural diversity population in one event.
37.	Tour Durban Cycle	April	A cycle race within Durban of exposing the various attractions of the City. This destination exposure is through the attraction of cycle lovers and mass media exposure.
38.	Zakifo Music Festival	May	Zakifo is a music festival that brings the world's biggest international musicians to Durban. The event has a diverse and eclectic program ranging from pop to reggae and world music as well as indigenous sounds from Africa and the Indian Ocean Islands. The event boasts an innovative urban festival concept

DESTINATION PROMOTION PARTNERSHIPS PROGRAMS			Profile and Motivation
39.	Iron Man	June	IronMan is an international triathlon with a half marathon taking place in Durban. The event boasts participants of a high LSM. The event is a gruelling swim, run and cycle event that has a spectacular public participation as spectators.
40.	Comrades Marathon	June	This is an international marathon that attracts thousands of athletes from around the world. The destination exposure is through the live media broadcast, post media coverage, activations culminating to the marathon and on the day as well as the accompanying relatives of the athletes into Durban.
TOTAL BUDGET OF R 41 742 613 PER ANNUM OVER THE MTREF PERIOD.			

ADOPTED, by the majority vote.

Certified a true extract of the Council Minutes for meeting held on 2019-03-28.

(for) CITY MANAGER

DATE

I.C.N. Ramsunder

2019-04-02

