

# **Metsimaholo Local Municipality**



## **2009/10 Medium Term Revenue and Expenditure Framework (MTREF)**

### **Draft Budget Document**

**May 2009**

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## 2. Mayoral Budget Speech

*(The Executive Mayor's Budget Speech will be delivered in Council on **2 June 2009**, after the completion of the community consultation process, and to coincide with the tabling of the budget for consideration and approval.*

*The purpose of the speech will be to provide a high-level summary of the budget that draws on the executive summary and highlights key deliverables during the next three years. The speech will address certain fundamental issues, including the eradication of service delivery backlogs, commencement of new programmes and projects.)*

### 2.1 Key assumptions

- Inflation is budgeted at 5.4 % in terms of Provincial Treasury circular No. 48
- 15% water loss
- 15% electricity loss
- 20% non payment rate
- 11% increase on Councillors allowance
- 10 % increase in compensation increases
- New developments R10m income budgeted , new arrears
- Sale of Municipal assets R49m
- Impairment and bad debt provision at R80million
- No additional increase in revenue from the implementation of the Property rates Act during 2008/2009 financial year

### **3. Draft Budget Related Resolutions**

1. Council approve the draft annual budget of the municipality for the financial year 2009/10 and indicative for the two projected outer years 20010/11 and 2011/12 as set-out in the following schedules:
  - 1.1. Operating revenue by source reflected in schedule 1;
  - 1.2. Operating expenditure by vote reflected in schedule 2;
  - 1.3. Council resolves that multi-year capital appropriations by vote and associated funding reflected in schedules 3, and 4 be approved
2. Council resolves that property rates reflected on page 37 are imposed for the budget year 2009/10.
3. Council resolves that the following tariffs and charges reflected are approved for the budget year 2009/10:
  - 3.1 Electricity (page 38)
  - 3.2 Water (page 40)
  - 3.3 Sewerage (pages 41 and 42)
  - 3.4 Cleansing - Refuse removal (page 43)
  - 3.5 Sundry tariffs (pages 44 to 60)
4. Council notes that the SDBIP submission and approval of the SDBIP will be dealt with in accordance with sections 69(3)(a) and 53(1)(c)(ii) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
5. Council notes that the Provision for Bad Debts/Impairment is reduced to R42 million.

#### 4. Executive Summary

The 2009/10 budget preparation and IDP review process were conducted mainly in line with the legislative and regulatory frameworks prescribed by the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA) and National Treasury Guidelines. The format and contents of this budget document are in accordance with the guidelines contained in *MFMA Circular 28*.

The draft budget was tabled in Council on 31 March 2009 after which an extensive **community consultation** and public participation process was conducted from 28 April 2009 to 13 May 2009. The programme that was followed with the various public meetings held is included on page 21 of the budget document. Key issues raised during these public meetings have been considered where possible.

The **strategic alignment** between national, provincial and district service delivery priorities was also a critical factor during the IDP review and budget preparation process. Alignment between the Free State Growth and Development Strategy (PGDS), 2007-2014 and the Fezile Dabi District Municipality were important considerations and inputs during the process.

Free State PGDS (2007-2014) Priority Areas for Intervention	Fezile Dabi District Municipality Integrated Goals
<ul style="list-style-type: none"> <li>▪ Economic Growth, Development and Employment</li> <li>▪ Justice and Crime Prevention</li> <li>▪ Social and Human Development</li> <li>▪ Efficient Governance and Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective, sustainable accountable governance</li> <li>▪ High level financial performance and management</li> <li>▪ Efficient and effective service delivery</li> <li>▪ Promotion of public participation and awareness</li> <li>▪ Strategic economic and social role playing in the District</li> </ul>

The Key Performance Areas of the Metsimaholo Municipality, in line with provincial and district priorities and goals are:

- Governance and Administration
- Economic and Development
- Social and Human Development
- Safety and Security

Further details on objectives and strategies are shown on pages 26-27 of the budget document.

The following are the main benefits offered to registered indigents for which a threshold of a monthly household income of R2 000.00 has been set.

- Free electricity of 50kWh per household
- 10 kiloliters of free basic water
- subsidy of R50.00 per month for assessment rates and other services not covered by FBS
- Free sanitation
- Free refuse removal

The average tariff increases (including expected growth in consumption levels and corrections in certain cases) are reflected in the table below.

<b>Service</b>	<b>% tariff increase</b>
Property rates	8
Electricity	25
Water	8
Sanitation	8
Refuse removal	8-100

Further information on proposed tariff increases, including sundry tariffs, are included on pages 33 to 60.

In terms of the municipality's *financial position* own revenue constitute close to **84%** of the total operating revenue of the municipality, whilst government grants and subsidies contribute on approximately **16%** to total revenue.

A summary of the operating and capital budget proposals over the medium-term, in terms of the attached budget schedules, is provided in the table below.

	<b>Medium Term Revenue and Expenditure Framework</b>		
	2009/10 R'000	20010/11 R'000	2011/12 R'000
Operating revenue	<b>(503 462 )</b>	<b>(493 534)</b>	<b>(530 891)</b>
Operating expenditure	<b>479 948</b>	<b>606 671</b>	<b>645 869</b>
Capital expenditure	<b>175 298</b>	<b>286 113</b>	<b>135 907</b>

It should be noted that the *Service Delivery and Budget Implementation Plan* (SDBIP) will be submitted to the Executive Mayor 14 days after the approval of the budget in accordance with section 69(3)(a) of the MFMA. The approval of the SDBIP by the Executive Mayor will be done as per the provisions of section 53(1)(c)(ii) of the MFMA, that is 28 days after the approval of the budget.

## 5. Budget Schedules

The budget schedules to be approved by resolution of Council:

### Schedule 1 – Revenue by Source

SCHEDULE 1  REVENUE BY SOURCE	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/08	2008/09			Budget Year	Budget Year +1	Budget Year +2
	Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	2009/10 Budget R'000	2010/11 Budget R'000	2011/12 Budget R'000
	A	B	C	D	E	F	G
<u>Operating Revenue by Source</u>							
Property rates	56 917	58 394	58 394	64 484	61 926	70 040	69 444
Service charges - electricity revenue from tariff billings	73 402	78 492	81 461	62 600	95 797	106 227	116 850
Service charges - water revenue from tariff billings	117 731	139 287	139 287	95 384	127 749	135 776	148 461
Service charges - sanitation revenue from tariff billings	12 543	8 626	8 626	12 450	14 145	15 788	17 304
Service charges - refuse removal from tariff billings	12 324	15 284	15 284	13 865	17 935	19 118	20 074
Service charges - other	7 436	3 771	3 771	3 907	6 767	7 033	7 400
Regional Service Levies							
Rental of facilities and equipment	1 288	2 125	2 375	2 166	1 525	1 611	1 683
Interest earned - external investments	1 827	50	50	90	750	700	650
Interest earned - outstanding debtors	14 585	10 607	10 607	19 831	10 937	8 100	9 150
Fines	6 528	10 610	10 610	398	20 643	18 676	20 712
Licenses and permits	63	100	100	52	105	111	116
Government grants & subsidies	50 726	63 426	67 995	64 536	80 665	95 255	102 706
Other	12 338	13 618	14 841	23 697	64 518	15 099	16 341
<b>Total Revenue By Source</b>	<b>367 708</b>	<b>404 390</b>	<b>413 401</b>	<b>363 460</b>	<b>503 462</b>	<b>493 534</b>	<b>530 891</b>

## Schedule 2 – Operating Expenditure by Vote

SCHEDULE 2  OPERATING EXPENDITURE BY VOTE	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/08	2008/09			Budget Year	Budget Year +1	Budget Year +2
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	2009/10 Budget R'000 E	2010/11 Budget R'000 F	2011/12 Budget R'000 G
Council/Speaker/Councillors	12 139	16 634	16 634	10 313	17 849	20 540	22 121
Municipal Manager	13 598	12 014	15 122	11 010	33 057	38 752	48 791
Organisational Development & Corporate Services	8 962	14 374	14 323	12 907	10 885	13 395	14 349
Social Services	55 223	70 150	70 349	35 236	69 256	87 915	92 629
Technical Services	261 467	273 872	263 118	258 109	331 794	410 730	424 892
Financial Services	6 768	6 173	22 532	22 227	7 403	22 787	29 685
Economic Development & Planning	7 711	10 590	10 590	4 420	9 704	12 552	13 402
<b>OPERATING EXPENDITURE BY VOTE</b>	<b>365 868</b>	<b>403 807</b>	<b>412 668</b>	<b>354 222</b>	<b>479 948</b>	<b>606 671</b>	<b>645 869</b>

## Schedule 2(a) – Operating Expenditure by Type

OPERATING EXPENDITURE BY TYPE	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/08	2008/09			Budget Year	Budget Year +1	Budget Year +2
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	2009/10	2010/11	2011/12
	R'000	R'000	R'000	R'000	Budget R'000	Budget R'000	Budget R'000
	A	B	C	D	E	F	G
<u>Operating Expenditure by Type</u>							
Employee related costs	93 337	120 206	120 109	102 762	127 738	142 757	151 687
Remuneration of Councillors	7 627	9 429	9 429	8 568	9 723	10 795	11 569
Bad debts	72 564	25 000	25 000	25 000	38 000	110 167	101 500
Collection costs							
Depreciation	27 101	15 599	15 599	15 599	16 816	18 809	19 252
Repairs and maintenance	8 777	21 609	21 487	13 461	25 600	32 190	35 597
Interest paid	1 429	1 012	1 012	903	1 553	1 551	1 376
Bulk purchases - Electricity	42 306	60 962	65 155	64 138	84 434	92 326	101 559
Bulk purchases - Water	50 790	63 340	63 340	56 913	74 105	78 534	83 994
Contracted services	9 048	8 994	9 508	6 548	11 082	13 509	15 217
Grants and subsidies paid	3 544	6 488	6 488	2 929	5 630	5 380	5 280
Advertising	213	665	455	218	638	942	836
Audit fees	1 699	2 233	2 233	690	2 497	2 797	2 997
Bank charges	1 150	1 200	1 200	834	1 510	1 650	1 700
Communications							
Insurance	1 796	1 566	1 566	1 500	1 707	1 887	1 911
Legal fees	1.652	1 550	2 050	1 591	1 200	2 188	2 308
Seminar / Conferences	350	932	767	410	1 009	1 178	1 243
Travel and Accommodation	155	516	633	259	552	687	723
General expenses	42 330	62 506	66 637	51 899	76 154	89 324	107 120
<b>Total Operating Expenditure By Type</b>	<b>365 868</b>	<b>403 807</b>	<b>412 668</b>	<b>354 222</b>	<b>479 948</b>	<b>606 671</b>	<b>645 869</b>

### Schedule 3 – Capital Expenditure by Vote

SCHEDULE 3  CAPITAL EXPENDITURE BY VOTE	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/2008	2008/2009			Budget Year	Budget Year +1	Budget Year +2
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	2009/2010	2010/2011	2011/2012
	R'000	R'000	R'000	R'000	Budget R'000	Budget R'000	Budget R'000
A	B	C	D	E	F	G	
Council/Speaker/Councillors	154	17	17	0	48	810	0
Municipal Manager	144	399	399	0	4,330	2,207	1,851
Organisational Development & Corporate Services	446	2,907	2,012	0	6,211	15,743	10,610
Social Services	1,314	19,177	7,597	0	22,708	16,971	12,845
Technical Services	40,114	50,260	34,459	0	58,309	90,175	86,906
Financial Services	8	184	184	0	726	1,629	1,131
Economic Development & Planning	0	15,980	7,500	0	82,966	158,578	22,564
<b>CAPITAL EXPENDITURE BY VOTE</b>	<b>42,180</b>	<b>88,924</b>	<b>52,168</b>	<b>0</b>	<b>175,298</b>	<b>286,113</b>	<b>135,907</b>

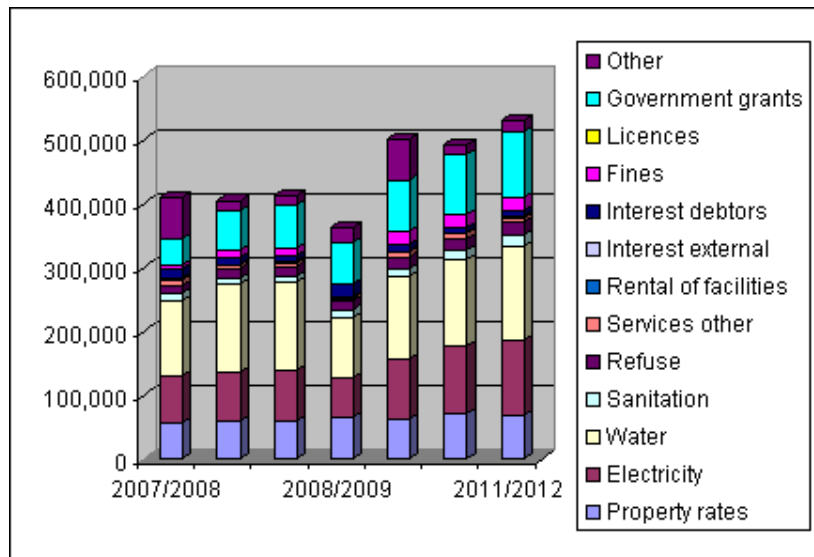
## Schedule 4 – Capital Funding by Source

SCHEDULE 4  CAPITAL FUNDING BY SOURCE	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/08	2007/08	2008/2009		Budget Year	Budget Year +1	Budget Year +2
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	2009/10 Budget R'000 E	2010/11 Budget R'000 F	2011/11 Budget R'000 G
<b>National Government</b>							
Amounts allocated / gazetted for that year	-	26,132	26,491	-	40,385	51,076	61,132
Amounts carried over from previous years	-	-	-	-	-	-	-
<b>Total Grants &amp; Subsidies - National Government</b>	-	<b>26,132</b>	<b>26,491</b>	-	<b>40,385</b>	<b>51,076</b>	<b>61,132</b>
<b>Provincial Government</b>							
Amounts allocated / gazetted for that year	-	7,500	7,500	-	75,000	139,000	-
Amounts carried over from previous years	-	0	-	-	0	-	-
<b>Total Grants &amp; Subsidies - Provincial Government</b>	-	<b>7,500</b>	<b>7,500</b>	-	<b>75,000</b>	<b>139,000</b>	-
<b>District Municipality</b>							
Amounts allocated for that year	-	-	-	-	-	-	-
Amounts carried over from previous years	-	-	-	-	-	-	-
<b>Total Grants &amp; Subsidies - District Municipalities</b>	-	-	-	-	-	-	-
<b>Total Government Grants &amp; Subsidies</b>	-	<b>33,632</b>	<b>33,991</b>	-	<b>115,385</b>	<b>190,076</b>	<b>61,132</b>
<b>Public Contributions &amp; Donations</b>	-	<b>18,140</b>	-	-	<b>11,350</b>	<b>4,000</b>	<b>4,900</b>
<b>Accumulated Surplus (Own Funds)</b>	-	<b>18,177</b>	<b>18,177</b>	-	<b>22,803</b>	<b>55,216</b>	<b>36,571</b>
<b>External Loans</b>	-	<b>18,975</b>	-	-	<b>25,760</b>	<b>36,821</b>	<b>33,304</b>
<b>TOTAL FUNDING OF CAPITAL EXPENDITURE</b>	-	<b>88,924</b>	<b>52,168</b>	-	<b>175,298</b>	<b>286,113</b>	<b>135,907</b>

## 6. Budget Related Charts

**Chart 1: Revenue by Major Source**

	2007/2008	2008/2009	2008/2009	2008/2009	2009/2010	2010/2011	2011/2012
Property rates	56,917	58,394	58,394	64,484	61,926	70,040	69,444
Electricity	73,402	78,492	81,461	62,600	95,797	106,227	116,850
Water	117,731	139,287	139,287	95,384	127,749	135,776	148,461
Sanitation	12,543	8,626	8,626	12,450	14,145	15,788	17,304
Refuse	12,324	15,284	15,284	13,865	17,935	19,118	20,074
Services other	7,436	3,771	3,771	3,907	6,767	7,033	7,400
Rental of facilities	1,288	2,125	2,375	2,166	1,525	1,611	1,683
Interest external	1,827	50	50	90	750	700	650
Interest debtors	14,585	10,607	10,607	19,831	10,937	8,100	9,150
Fines	6,528	10,610	10,610	398	20,643	18,676	20,712
Licences	63	100	100	52	105	111	116
Government grants	41,067	63,426	67,995	64,536	80,665	95,255	102,706
Other	64,740	15,481	15,481	23,697	64,518	15,099	16,341



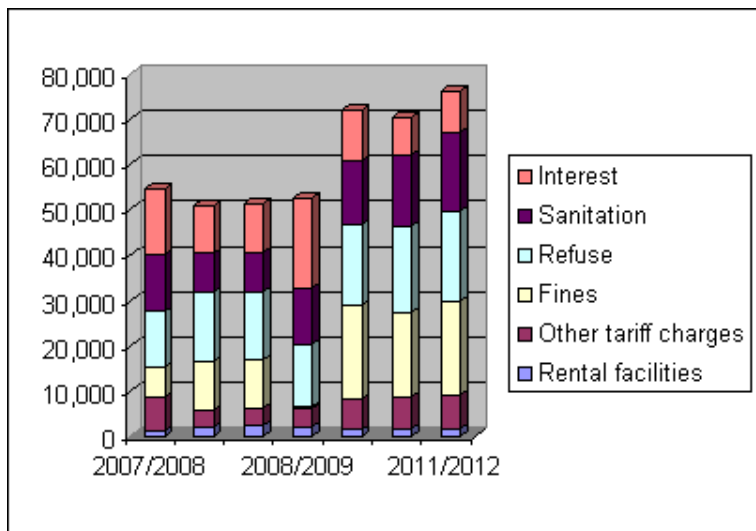
Revenue from own source represent **84%** of total revenue in 2009/10 increase slightly to **85%** in 2011/12. This indicates that the municipality relies more on its own sources for revenue than on government grants.

Water remains the major source of revenue for the municipality at an average of 25% over the medium term.

Electricity revenue contribute on average 19% of own revenue of the medium term period.

**Chart 2: Revenue by Minor Source**

	2007/2008	2008/2009	2008/2009	2008/2009	2009/2010	2010/2011	2011/2012
Rental facilities	1,288	2,125	2,375	2,166	1,525	1,611	1,683
Other tariff charges	7,436	3,771	3,771	3,907	6,767	7,033	7,400
Fines	6,528	10,610	10,610	398	20,643	18,676	20,712
Refuse Sanitation	12,324	15,284	15,284	13,865	17,935	19,118	20,074
Sanitation	12,543	8,626	8,626	12,450	14,145	15,788	17,304
Interest	14,585	10,607	10,607	19,831	10,937	8,100	9,150



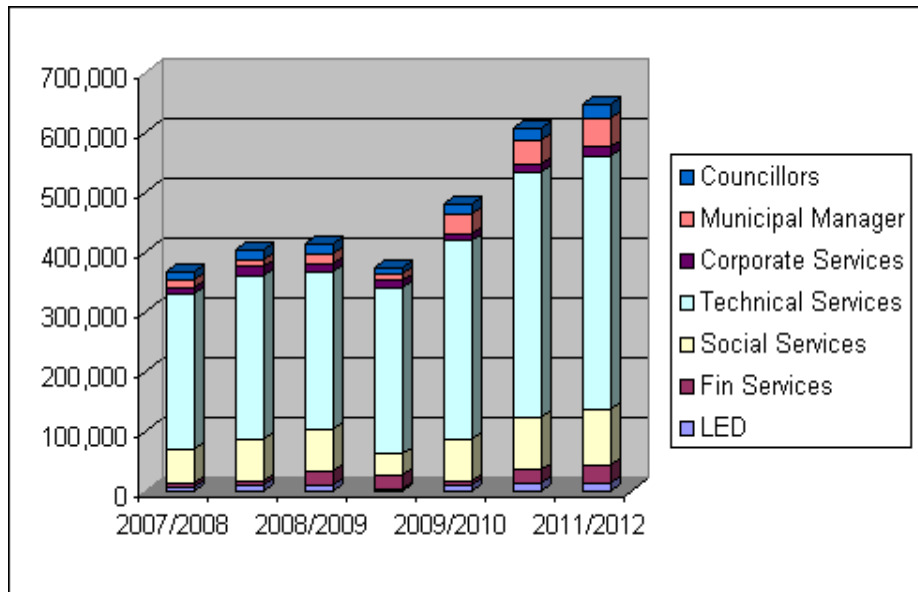
Revenue from sanitation and refuse tariffs represents on average 6% of total revenue and could also be investigated as part of a revenue enhancement strategy.

Interest earned on outstanding debtors decreases from R11,6 million in 2009/10 to R8,8 million in 2010/11.

Revenue from fines increases with more than 50% from R10,6 million in 2008/09 to R20, 7 million in 2011/12.

**Chart 3: Operating Expenditure by Vote**

	2007/2008	2008/2009	2008/2009	2008/2009	2009/2010	2010/2011	2011/2012
LED	7,711	10,590	10,590	4,420	9,704	12,552	13,402
Fin Services	6,768	6,173	22,532	22,227	7,403	22,787	29,685
Social Services	55,223	70,150	70,349	35,236	69,256	87,915	92,629
Technical Services	261,467	273,872	263,118	277,010	331,794	410,730	424,892
Corporate Services	8,962	14,374	14,323	12,907	10,885	13,395	14,349
Municipal Manager	13,598	12,014	15,122	11,010	33,057	38,752	48,791
Councillors	12,139	16,634	16,634	10,313	17,849	20,540	22,121



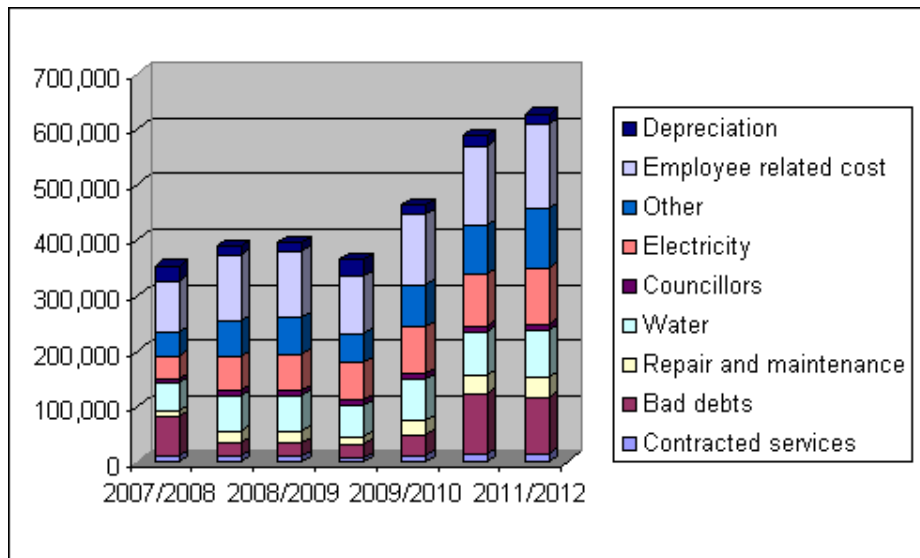
Operating expenditure relating to the Technical Services (Electricity, Water, Sanitation and Roads) is the biggest component at 69% in 2009/10 and then decrease to 65% in 2011/12.

Social Services, which includes Refuse Removal is the second biggest component at R69,2million (14%) in 2009/10 increasing to R92,6 million (18%) in 2011/12.

Expenditure relating to Councillors, which includes the Offices of the Mayor and Speaker and Council (General) accounts for R17, 8 million in 2009/10 or 3,7% of total expenditure; increasing to R22,1 million or 3,4% of total operating expenditure in 2011/12.

**Chart 4: Operating Expenditure by Major Type**

	2007/2008	2008/2009	2008/2009	2008/2009	2009/2010	2010/2011	2011/2012
Contracted services	9,048	8,994	9,508	6,548	11,082	13,509	15,217
Bad debts	72,564	25,000	25,000	25,000	38,000	110,167	101,500
Repair and maintenance	8,777	21,609	21,487	13,461	25,600	32,190	35,597
Water	50,790	63,340	63,340	56,913	74,105	78,534	83,994
Councillors	7,627	9,429	9,429	8,568	9,723	10,795	11,569
Electricity	42,306	60,962	65,155	69,122	84,433	92,326	101,559
Other	42,330	64,022	66,637	51,899	76,154	89,324	107,120
Employee related cost	93,337	120,206	120,109	102,762	127,738	142,757	151,687
Depreciation	27,101	15,599	15,599	31,916	16,816	18,809	19,252



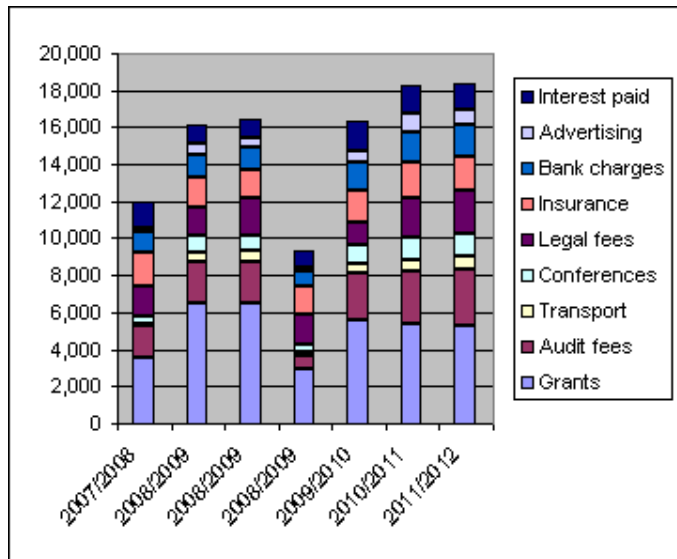
Employee related costs constitute 26,6% of total operating expenditure in 2009/10 decreasing to 23.49% in 2011/12

Remuneration of Councillors increases from R9 723 million in 2009/10 to R11 569 million in 2011/12.

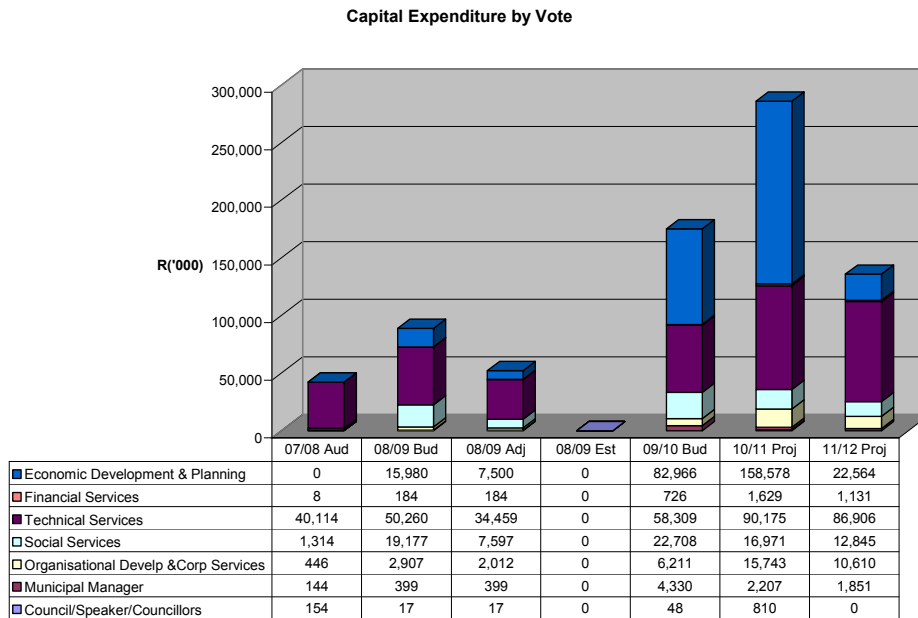
Bulk purchases of electricity amounts to R84,4 in 2009/10 increasing to R101,5 (20%) million in 2011/12, whilst water purchases increase from R74,1 million to R83,9 million (13,2%) over the same period.

General expenses amount to **R76, 1** million in 2009/10 increasing to **R107,1million** in 2011/12.

**Chart 5: Operating Expenditure by Minor Type**

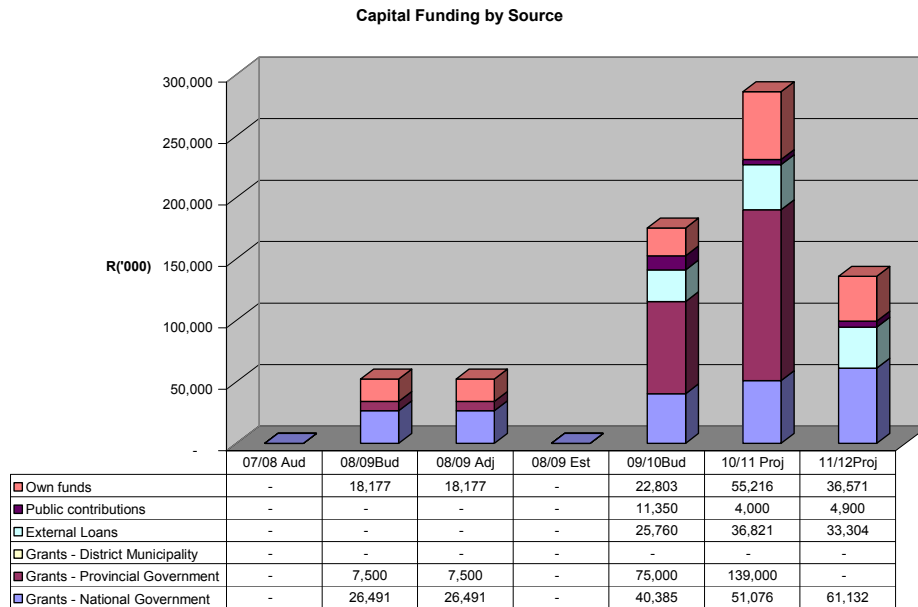


	2007/2008	2008/2009	2008/2009	2008/2009	2009/2010	2010/2011	2011/2012
Grants	3,544	6,488	6,488	2,929	5,630	5,380	5,280
Audit fees	1,699	2,233	2,233	690	2,497	2,797	2,997
Transport	155	516	633	259	552	687	723
Conferences	350	932	767	410	1,009	1,178	1,243
Legal fees	1,652	1,550	2,050	1,591	1,200	2,188	2,308
Insurance	1,796	1,566	1,566	1,500	1,707	1,887	1,911
Bank charges	1,150	1,200	1,200	834	1,510	1,650	1,700
Advertising	213	665	455	218	638	942	836
Interest paid	1,429	1,012	1,012	903	1,553	1,551	1,376

**Chart 6: Capital Expenditure by Vote**

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R58,3** million in 2009/10 increasing to R86,9 million in 2011/12.

It is projected that capital expenditure will decrease over the next three years. This mainly due to delays in confirmation of funding from external sources (province and district) inadequate planning by departments of their capital projects over the medium term. This issue is continuously being addressed as part of the municipality's budget reform programme. However, the two outer years will be populated with projects during the 2009/10 budget and IDP process.

**Chart 7: Capital Expenditure Funding**

The graph indicates that the municipality is reliant for funding from government grants and subsidies to sustain its capital investment and infrastructure delivery programme.

Government grants and subsidies from the National and Provincial spheres constitute 65, 8% of the total capital funding in 2009/10.

Provision is made in operating budget for internal funding of capital, therefore financed via tariff increase.

## 7. Budget Process Overview

MFMA, Chapter 4, as well as Circular 48 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are: the manner in which the strategic planning process is integrated; the input of policy directions; and consultation with the community and other stakeholders, as summarised below:

- Political oversight and management of the budget process
  - Time schedule relating to the budget process
  - Process used to integrate the review of the IDP and preparation of the budget
  - Process for tabling of budget and community consultations
- 
- **Political oversight of the budget process**

The Council and Senior Management convened various planning sessions from December 2008 to discuss political and strategic priorities that would inform the IDP review and Budget preparation processes.

In regard to budget committees, the Portfolio Head for Finance, assisted by the various portfolio committees/heads and Mayoral Committee provided a political oversight role over the IDP review and Budget preparation processes.

Informal meetings were also convened to discuss issues pertinent to the budget and to solicit views from councillors on such matters.

The Municipal Manager and Directors provided inputs into the process at various management meetings.

Various public participation meetings with residents and ward committees on the annual revisions to IDP were held during the period October 2008 to November 2008.

- **Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]**

The following time schedule of key deadlines for the preparation of the budget for the 2009/10 medium term period was tabled in Council in August 2008 and was approved by council accordingly.

Sept. 2008	Consultation with Wards, should consider the IDP – Operating / Capital programs for three years	Ward Councillor
1 – 8 October 08	Directors to discuss input with Portfolio and submit inputs to F/S – discuss submissions	MMC's and Directors
13 October 08	All directors submit feedback to Finance	Directors
29 October 08	IDP review finalized	IDP Manager
3 – 7 Nov. 08	Discussion Capital Budget (Meetings)	Per Directorate
3 November 08	Director Organizational Development and Corporate Services / Director Economic Development and Planning	
4 November 08	Executive Mayor	
5 November 08	Municipal Manager (IDP, Security, Audit, PMU, SCM)	
6 November 08	Director Technical Services	
7 November 08	Director Social Services	
12 November 08	Management meeting	Snr Management
17 – 20 Nov. 08	All Portfolio Committee meetings Capital Budget; Proposed tariff increase	MMC's and Direct.
21 November 08	Directors submit feedback on Portfolio meetings, to Finance	Directors
27 November 08	Informal meeting: Tariffs; Capital Budget (District Council, Provincial Government included)	Councillors Directors
5 December 08	- Operating Expenditure (2009/2010) Salary Budget. - Three year Operating Budget – Submitted to F/S	Directors Directors
12 – 16 Jan 09	Discussions with Directors	Per Directorate
12 January 09	Director Organizational Development and Corporate Services / Director Economic Development and Planning	
13 January 09	Executive Mayor	
14 January 09	Municipal Manager (IDP, Security, Audit, PMU, SCM)	
15 January 09	Director Technical Services	
16 January 09	Director Social Services	
27 January 09	Operating Budget Discussion (Meeting)	Snr Management
2 – 6 February 09	All Portfolio Committee meetings	MMC's
9 February 09	All directors submit feedback on Portfolio meetings, to Finance	Directors
18 February 09	Informal meeting Operating Budget (included DC, Provincial Government)	Councillors Directors
25 February 09	Budget meeting – Management	Directors

2 – 6 March 09	All Portfolio Committee meetings	MMC's
9 March 09	All directors submit feedback on Portfolio meetings, to Finance	Directors
20 March 2009	Informal meeting: - Capital - Operating - Tariffs	Councillors Directors
27 March 2009	Informal meeting - Capital, Operating, Tariffs	Councillors
30 March 2009	Formal meeting - Table proposed Budget	Councillors
1 April 2009	- Report back to Wards	Councillors & Wards
3 May 2009	- Budget available to public for comments	
3 May 2009	- Submit budget to: National Treasury Provincial Government DC	CFO
8 May 2009	Mayor respond to submissions	Mayor
15 May 2009 and 22 May 2009	Informal Council : Budget	Councillors Directors
28 May 2009	Council meeting - Approval of Budget	Councillors Directors

Communication with municipal departments regarding budget preparation guidelines were communicated at budget meetings with directors and line managers. This was further augmented with formal memoranda from the chief financial officer to departments as indicated in the table below.

Meetings		Memoranda	
30 October 08	Directors/Managers	02 Sept. 08	Capital budget guidelines
03 Nov. 08		18 Nov. 08	
06 Nov. 08		27 Oct. 08 27 Jan. 09	
	Directors/Managers	17 Nov. 08	Staff budget guidelines
27 Nov. 08	MMC Finance, Portfolio Committees with Management Directors/ Management	17 Nov. 08	Operating budget guidelines
18 Feb. 09		4 Feb. 09	
20 March 09		19 & 24/03/09	

- **Process used to integrate the review of the IDP and preparation of the budget**

The IDP Steering Committee consisting of key political office bearers and senior management ensured that issues relating to the IDP and budget preparation are managed and dealt through an integrated and holistic approach.

All IDP related matters having an impact on resource allocations and the budget in general are therefore handled more appropriately by the Steering Committee.

- **Process for tabling of budget and community consultations**

In terms of section 16(2) of the MFMA, the mayor must table the annual budget at least 90 days before the start of the budget year.

The following table provides a clear illustration of the types of consultations, stakeholders involved, dates on which the various consultations took place and the respective venues.



P O Box 60  
SASOLBURG  
1947

### DRAFT BUDGET : PUBLIC MEETINGS

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate in the Public meetings as indicated below for the 2009/10 Draft Budget.

*X W Msweli*

**ACTING MUNICIPAL MANAGER**

02 April 2009

(Notice No.: 13/2009)

Ward	Name	Date	Venue	Time
Ward 1 Ward 2 Ward 7	Clr S I Ramathesele Clr N M Mafika Clr M R Raboroko	06/05/09	Lehutso School, Zamdela	17:00
Ward 8 Ward 9	Clr L S Semonyo Clr D E Mokoena	05/05/09	Arts and Culture, Zamdela	17:00
Ward 3 Ward 4	Clr M I Mashinini Clr T L Soetsang Clr D E Mokoena	10/05/09	Refengkgotso Hall	08:00
Ward 5	Clr A N Radebe	08/05/09	Metsimaholo Hall	17:00
Ward 5	Clr A N Radebe	11/05/09	Oranjeville Primêre Skoolsaal	18:00
Deneysville Ward 5	Clr A N Radebe	07/05/09	Deneysville Primary School	18:00
Ward 10	Clr L S Lempe	04/05/09	Iketsetseng School	15:00
Ward 6 Ward 13	Clr M M Mtimkulu Clr J M Lelahla	03/05/09	Credo School, Zamdela	08:00
Ward 11 Ward 12	Clr M W Khonto Clr F Ngubentombi	28/04/09	Boiketlong Hall, Zamdela	17:00
Ward 14 Ward 18	Clr F C Coetzer Clr R J Mabefu	13/05/09	Vaalpark Primary School	18:00
Ward 15 Ward 16 Ward 17 Farmers	Clr J J Grobbelaar Clr L Smith Clr M C van der Walt All Councillors	12/05/09	Etienne Rousseau Theatre	18:00
Businesses/ Industries	All Councillors	11/05/09	Etienne Rousseau Theatre	07:00

## **Summary of Community Priority Issues**

The Executive Mayor considered the key issues raised where possible.

- **Strategic alignment with National, Provincial and District Governments**

### Free State Growth and Development Strategy

In terms of Section 24(1) of the Municipal Systems Act “The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution”.

In the case of the Metsimaholo Local Municipality the most important (although not the only) directives in this regard are the National Spatial Development Perspective (NSDP), Free State Growth and Development Strategy (PGDS) and the Integrated Development Plan of the Fezile Dabi District Municipality.

The PGDS (2007-2014) is the strategic framework for the Free State Provincial Government that sets the tone and pace for growth and development in the province. It addresses the key and most fundamental issues of development spanning the social, economic and the political environment.

The PGDS is considered a strategic document in as far as it ties provincial policies with national policies while it spells out strategies on a sectoral level. Moreover, the PGDS also serves as guideline to provincial departments and local government/organisations when they lay out their budget allocations in the light of key growth and development priorities at the beginning of each budgeting cycle. It is thus essential that the issues

and programmes emanating from IDPs be compatible with the priority areas of the PGDS.

Free State Province identified several priority areas of intervention as part of the Provincial Growth and Development Strategy, namely:

- Economic Growth, Development and Employment
- Justice and Crime Prevention
- Social and Human Development
- Efficient Governance and Administration

**Integrated Goals for the Fezile Dabi District are:**

- Effective, sustainable accountable governance
- High level financial performance and management
- Efficient and effective service delivery
- Promotion of public participation and awareness
- Strategic economic and social role playing in the District

Care was taken during the Metsimaholo IDP process that all actions and initiatives proposed by the municipality are in line with these Provincial and District Priority Areas for Intervention as highlighted above.

## 8. Alignment of Budget with IDP

This section provides a good understanding of what is contained in the IDP and how that guides the allocations in the budget. The budget documentation provides a good high-level overview of the IDP and reference is being made to the detailed IDP documentation.

The following information obtained from the IDP is included in the budget document for ease of reference.

<b>VISION</b>
<p><b>“Metsimaholo Municipality strives to be a leading Municipality in delivering effective, affordable and sustainable quality services to its communities”.</b></p>

<b>MISSION</b>
<p><b>We will achieve our vision by:</b></p> <ul style="list-style-type: none"><li>• <b>Promoting proper planning and implementation of projects and programmes</b></li><li>• <b>Setting standards</b></li><li>• <b>Being accountable</b></li><li>• <b>Communication</b></li><li>• <b>Capacity building of staff and communities</b></li><li>• <b>Having proper systems and processes</b></li><li>• <b>Ensuring a sustainable, affordable and effective service delivery.</b></li></ul>

## MUNICIPAL KEY PERFORMANCE AREAS AND IDP PRIORITY ISSUES

Based on the above, the following are the Key Performance Areas (KPAs) of the Metsimaholo Local Municipality:

<b>KEY PERFORMANCE AREAS</b>
<p><b>Basic Service Delivery and Infrastructural Investment</b></p> <p><b>Municipal Transformation and Intuitional Development</b></p> <p><b>Financial Viability and Financial Management</b></p> <p><b>Local Economic Development</b></p> <p><b>Good Governance and Public Participation</b></p>

Following from these, and informed by inputs provided by the community during consultation processes, as well as an analysis of technical information pertaining to the area, the following Objectives or Clustered Priority Issues have been identified in the Metsimaholo Municipal Area:

<b>Governance and Administration</b>	<b>Safety and Security</b>
<ul style="list-style-type: none"> <li>▪ Monitoring</li> <li>▪ Governance</li> <li>▪ Performance Management and Implementation</li> </ul>	<ul style="list-style-type: none"> <li>▪ National Crime Prevention Strategy</li> <li>▪ Disaster Management</li> </ul>
<b>Economic and Investment</b>	<b>Social and Human</b>
<ul style="list-style-type: none"> <li>▪ Local Economic Development</li> <li>▪ Poverty Alleviation</li> <li>▪ Acquisition of Land</li> <li>▪ Housing</li> <li>▪ Water Provision</li> <li>▪ Sanitation Provision</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved Level of Health Services</li> <li>▪ Education</li> <li>▪ Youth Development</li> <li>▪ Welfare Service Provision</li> <li>▪ Culture Enhancement</li> </ul>

- Streets and Storm Water
- Electricity Provision
- Refuse Removal
- Cemeteries
- Telecommunication
- Public Transport
- Environment
- Land Reform

- Safety and Security
- Disaster Management
- Gender Equity
- HIV / AIDS

## **9. Budget Related Policies: Overview and Amendments**

The following policies relating to the budget will not be changed:

- Indigent Policy
- Supply Chain Policy
- Property Rates Policy

The reviewed credit control and debt collection policy has been submitted to Council for consideration, and is awaiting public participation.

## 10. Fiscal Overview and Source of Funding (Tariffs)

### Revenue Trends

	Medium Term Revenue and Expenditure Framework					
	2009/10		2010/11		2011/12	
	R'000	%	R'000	%	R'000	%
Own revenue	<b>422 797</b>	<b>84</b>	<b>398 279</b>	<b>80</b>	<b>428 185</b>	<b>85</b>
Government grants	80 665	16	95 255	20	102 706	15
<b>Total revenue</b>	<b>506 136</b>	<b>100,0</b>	<b>463 282</b>	<b>100,0</b>	<b>465 438</b>	<b>100,0</b>

Revenue from own source represent **84%** of total revenue in 2009/10 increase slightly to **85%** in 2011/12. This indicates that the municipality relies more on its own sources for revenue than on government grants.

### Trends in major sources of own revenue

	Medium Term Revenue and Expenditure Framework					
	2009/10		2010/11		2011/12	
	R'000	%	R'000	%	R'000	%
Property rates	61 926	<b>12</b>	70 040	<b>14</b>	69 444	<b>13</b>
Electricity	95 797	<b>19</b>	106 227	<b>22</b>	116 850	<b>22</b>
Water	127 749	<b>25</b>	135 776	<b>27</b>	148 461	<b>28</b>
Sanitation	14 145	<b>3</b>	15 788	<b>3</b>	17 304	<b>3</b>
Refuse removal	17 935	<b>4</b>	19 118	<b>4</b>	20 074	<b>4</b>
Interest	11 687	<b>2</b>	8 800	<b>2</b>	9 800	<b>2</b>
Other	<b>174 223</b>	<b>35</b>	137 785	<b>28</b>	148 958	<b>28</b>
	<b>503 462</b>	<b>100,0</b>	<b>493 534</b>	<b>100,0</b>	<b>530 891</b>	<b>100,0</b>

- Water remains the major source of revenue from services for the municipality at an average of 25% over the medium term.

- Property rates income at an average of **12%**. Electricity revenue contribute on average **19%** of own revenue of the medium term period.

In the preceding financial years revenue from water was negatively affected by billing problems, inconsistent meter readings and high water losses. It is expected that the following interventions already in place will positively address these issues:

- Appointment of a service provider to audit and verify meter information with the billing information.
- The establishment of a task team to focus on consumption and billing by heavy industrial consumers in the municipal area.
- The implementation of the new debt collection and credit control policy

It is further expected that the installation of more pre-paid electricity meters will also assist in more effective credit control and debt collection. Currently the number of households with pre-paid meters is 21 064 compared to 4687 households with conventional meters.

## Tariff Overview

The municipality has succeeded in most of the services to maintain tariff increases within the growth limits set by National Treasury in line with the inflation target band of the Reserve Bank of between 3 and 6 per cent. However, the average increases include an allowance for growth in consumption levels and corrections in certain tariffs. The average tariff increases are reflected in the table below.

Service	% tariff increase
Property rates	8
Electricity	25
Water <sup>1</sup>	8
Sanitation	8
Refuse removal	8 -100%

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## Proposed Tariff Increases

The tables below indicate the proposed tariff increases for the main consumer services and sundry services for the 2009/10 financial year.

### Assessment Rates

The option to tax private development and agricultural land are in place and enter the second year and will be taxed at 50%. A phasing in period of 3 years remain to get some properties (zoning) on equal tariffs as per regulations issued in December 2007 by DPLG.

<b>Sasolburg/ Zamdela</b>	<b>2008/09</b>	<b>Proposed 2009/10</b>
Heavy Industries	0,025	<b>0.0270</b>
Light Industries	0,025	<b>0.0270</b>
Businesses	0,010	<b>0.0108</b>
State property	0,010	<b>0.0108</b>
Domestic and other – Sasolburg	0,005	<b>0.0054</b>
- Zamdela	0,005	<b>0.0054</b>
<b>Deneysville/Refengkgotso/ Phomolong</b>		
Residential	0,005	<b>0.0054</b>
Businesses	0,010	<b>0.0108</b>
Churches	0	<b>0</b>
State Property	0,010	<b>0.0108</b>
Refengkgotso	0,005	<b>0.0054</b>
<b>Oranjeville/Metsimaholo</b>		
Residential	0,005	<b>0.0054</b>
Businesses	0,010	<b>0.0108</b>
Metsimaholo : Residential	0,005	<b>0.0054</b>
Metsimaholo: Businesses	0,010	<b>0.0108</b>
State Property	0,010	<b>0.0108</b>
<b>Farmland:</b>		
Residential	0,00063	<b>0.00136</b>
Businesses	0,00125	<b>0.0027</b>
Industries	0,00313	<b>0.0067</b>
Private owned towns, Body Corporate, Sectional Titles	0,00063	<b>0.00136</b>
Mining	0,00313	<b>0.0067</b>
Agricultural	0,00031	<b>0.00067</b>
Unregistered Erven		<b>Municipal services charges equal to category of property</b>

The amount allocated to approve indigents for Assessment Rates is to a **maximum of R50.00 per month. For budget purposes the assumption was made that there will be 11 000 approved indigents be registered.**

### **Electricity**

Approval must be obtained from NER for the 25% increase in fees/tariff to finance the ring fencing of the service.

#### ***Basic Service charges for Electricity***

	<b>2008/09</b>	<b>2009/2010</b>
Sasolburg/Zamdela/Deneysville/ Oranjeville		
Schools, Churches, Halls, etc.	R76,60	R96.00
Businesses, Offices, Hotels, clubs, etc.	R76,60	R96.00
Businesses Zamdela:		
Single phase	R76,60	R96.00
Three phase	R76,60	R96.00
Four meters		
Businesses: Deneysville/Refengkgotso Phomolong	R76,60	R96.00
Businesses : Oranjeville/Metsimaholo	R76,60	R96.00
Bulk Supply	R148,50	R185,50

Free basic electricity of 50kWh will be given to all residents (households). An amount of R13, 3m is allocated in order to make it possible. Eskom must be informed accordingly.

The current tariffs can be implemented after approval from NER is as follows:

Tariff	2008/09	2009/10
Domestic	R0,5145/kWh	R0,6432/kWh
Schools, Churches	R0,474/kWh	R0,5925/kWh
Businesses	R0,474/kWh	R0,5925/kWh
Bulk	R0,2286/kWh	R0,2858/kWh
KVA	R70,20/Kva	R87,75/Kva

**All tariff increases by Eskom will result in an equal increase of tariffs payable by electricity consumers in Metsimaholo area. An extra 0.02c /kWh will be added in order to provide for the Eskom levy that was introduced on all bulk purchasing.**

**Water**

Basic charges for others than households will increase:

	2008/09	2009/10
	R	R
<b>Sasolburg/Zamdela</b>		
Churches	16,60	17,93
Businesses	65,75	71,01
Light Industries	85,18	92,00
Heavy Industries	2007/08 tariff	8% on 2008/09 tariff
<b>Deneysville</b>		
Businesses	65,75	71,01
<b>Oranjeville</b>		
Co-operatives	672,50	726,30
Businesses	65,75	71,01

6kl free water will be given to all households. This will be financed from the Equitable Share. A further amount is allocated from equitable share to finance additional 4kl of water to approved indigents. An approved indigent will receive 10kl of water free. Total amount of R28, 5 million is allocated from Equitable Share. 8 % increase applicable.

***Water consumption tariff***

	2008/09	2009/10
<i>Sasolburg/Zamdela/Deneysville/ Refengkgotso/Phomolong</i>		
Domestic	R8,84/kl	R9,55/kl
Schools	R8,30/kl	R9,55/kl
State property (excl. residential properties)	R8,30/kl	R8,97/kl
Businesses	R8,30/kl	R8,97/kl
Light Industries	R8,30/kl	R8,97/kl
Heavy Industries	R9,45/kl (including levy for ring feed)	R10,21/kl (including levy for ring feed)
Oranjeville/Metsimaholo	R6,00/kl	R6,48/kl
Oranjeville Businesses	R6,16/kl	R6,66/kl

Guest houses are operated as businesses and are levied as businesses.

### Sewerage Service

A tariff increase of 8% is proposed.

The basic charges of sewer for residents (households) will be subsidised by Council. An amount of R2 126 040 is allocated from Equitable Share for this purpose. A further amount of R3 531 540 is allocated from Equitable Share for additional sewer to all approved indigents.

### Tariffs

<b>Sasolburg</b>	<b>2008/09</b>	<b>Proposed 2009/10</b>
Domestic - Basic	Free. (R6,40)	Free. (R6,92)
Heavy Industries	Actual cost by	Actual cost by
Businesses	SCI plus 35%	SCI plus 35%
Additional		
(a) Sasolburg sewer	R52,00	R56,16
(b) Zamdela sewer	R52,00	R56,16
(c) Business sewer	R54,70	R59,08
(d) Flats	R3,87	R4,18
	R52,00	R56,16
(e) 2 <sup>nd</sup> Dwelling Sasolburg	R52,00 + R52,00	R56,16 + R56,16
(f) 2 <sup>nd</sup> Dwelling Vaalpark	R52,00 + R52,00	R56,16 + R56,16
(g) Industries sewer	R54,70	R59,08
(h) Day schools	R17,80	R19,23
(i) Creches	R17,80	R19,23
(j) Flats sewer	R52,00	R56,16
(k) Add units flats	R30,60	R33,05
<b>Oranjeville/Metsimaholo</b>		
Suction tank per service	R69,35	R140,00
<i>Basic sewer</i>		
Oranjeville Domestic	Free	Free
Metsimaholo Domestic	Free	Free
Businesses	R52,00	R56,16
<i>Additional sewer</i>		
Water borne sewer Oranjeville	R33,05	R35,70
Water borne sewer		
Metsimaholo	R15,70	R16,96
<b>Deneysville</b>		
Suction tank per service	R69,35	R140,00
<i>Basic sewer</i>		
Deneysville Domestic	-	-
Refengkgotso/Phomolong:		
Domestic	-	-
Businesses	R52,00	R56,16

Water borne sewer Refengkgotso/Phomolong Bucket services system	R33,05 R15,70	R35,70 R16,96
<b>Rural areas:</b> Suction Tank Services <b>Areas that is not included in the disestablished towns (No Rates Payable)</b>		
Normal working hours	R250,00/Service	R1 000.00/Service
After hours	R475,00/Service	R2 000.00/Service
<b>Areas with discounted rates:</b>		
Normal working hours	R132,00/Service	R1 000.00/Service
After hours	R265,00/Service	R2 000.00/Service

Guest houses are levied with business tariffs.

### Cleansing Services

In order to economise the service it must be considered that the same tariff be charged where there is a service once a week.

All residents in all areas receive a service once a week. Therefore the tariff must be uniformed.

An average increase of between 8 - 100% is proposed.

<b>Sasolburg</b>	<b>R 2008/09</b>	<b>R 2009/10</b>
Dwellings/Single flats	64,00	69,12
Joint flats (one service point)	50,00	54,00
Businesses and Schools	117,10	128,81
Dumping ground:		
Industries and Contractors	30,70	60,00
<b>Zamdela</b>		
<i>Formal areas:</i>		
Dwellings	50,00	60,00
Flats (Tswelopele)	50,00	60,00
Businesses	65,00	90,00
Churches	50,00	60,00
Private Hostels	50,00	60,00
<i>Informal areas:</i>		
Dwellings	50,00	60,00
Informal settlement	50,00	60,00
<b>Deneysville/Refenggotso/Phomolong</b>		
<i>Domestic:</i>		
Deneysville	60,00	69,12
Refenggotso	30,00	50,00
<i>Businesses</i>	117,10	128,81
<b>Oranjeville/Metsimaholo</b>		
<i>Domestic:</i>		
Oranjeville	50,00	65,00
Metsimaholo	30,00	50,00
<i>Businesses</i>	65,00	90,00
All areas		
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied as businesses.

An amount of R4, 4 million is allocated from equitable share for the refuse service to approved indigents.

## Sundry Tariffs

That the following miscellaneous tariffs (VAT excluded) be implemented from 1 July 2009:

### Financial Services

	2008/09	2009/2010
<b>New Consumers who moved into municipal area</b>		
Connection fee per meter:		
- Water	R80,00	R100,00
- Electricity	R80,00	R100,00
Delivery of warning notices	R80,00	R100,00
<b>Non-payment fees for defaulters</b>		
- Normal reconnection fee	R200,00	R200,00
- After hours reconnection fee (additional)	R150,00	R150,00
- Reduce water supply	R180,00	R180,00
- Cut electric cable	R180,00	R180,00
- Remove electric cable	R500,00	R500,00
- Replace electric cable	R500,00	R500,00
- Final Notice Fee	R40,00	R50,00
- Dishonoured Cheques R/D	R100,00	R100,00
<b>Illegal Connection</b>		
Household (Water or Electricity)	R10 000,00	R15 000,00
Business	R20 000,00	R30 000,00
<b>Clearances and Valuation</b>		
<b>Clearance certificates</b>		
Normal collection	R120,00	R150,00
Registered mail	R150,00	R150,00
Valuation Roll per Town (Residential Area) or part thereof	R200,00	R200,00
Valuation electronic format New		R100,00
Valuation Objection Fee	R100,00	R100,00
Valuation Certificate	R80,00	R80,00
Address list per 500 pages or part thereof	R300,00	R300,00
Search Fees	R30,00	R40,00
<b>Other Fees</b>		
Testing of electricity/water meters	R220,00	R220,00
Replacement of padlock	R100,00	R100,00
Duplicate Accounts	R5,00	R5,00
Duplicate tenant's Accounts send to owners	R10,00	R10,00
Duplicate IRP 5	R5,00	R5,00
Fee for block/unblock of Prepaid electricity meters	R60,00	R60,00
Replacement of prepaid card	R40,00	R40,00
Refuse bags	R14,00	Cost + 10%
Selling of wood (= LDV load)	NEW	R75.00
Cutting of trees (per tree)	NEW	R800.00

**Deposits**

	2008/09	2009/2010
<b>Flats/Town houses</b>		
(with pre-paid meters) Refuse charged	R400,00	R800,00
(without pre-paid meters)	R800,00	R1 200,00
Owners		
(without pre-paid meters)	R800,00	R800,00
Tenants	R1 200,00	R1 200,00
Where body corporate pay other services	0	0
<b>Houses</b>		
(with pre-paid meters) Owners	R1 200,00	R1 500,00
(with pre-paid meters) Tenants	R1 200,00	R1 500,00
Owners (without pre-paid meters)	R1 200,00	R3 000,00
Tenants (without pre-paid meters)	R1 200,00	R3 000,00
<b>Businesses</b>		
<i>Civic Centre</i>		
(with pre-paid meters) Owners	R1 000,00	R1 000,00
(without pre-paid meters) Tenants	R2 000.00 min	R2 000,00 min
based on twice monthly consumption		
based on the type of business		
<i>Light Industries</i>		
(with pre-paid meters) Owners	To be determined	To be determined
based on twice monthly consumption		
based on the type of business		
<i>Heavy Industries</i>		
based on twice monthly consumption	To be determined	To be determined
based on the type of business		

**Water and Sewer connection tariffs increases**

Connections to be done	2008/09	2009/2010
<b>Water</b>		
15mm - 3m max	R 964,92	R 1 254.38
20mm - 3m max	R1 131,58	R1 473.68
80/20 COMBO meter	DETERMINED	R17 543.86
50/20 COMBO meter	DETERMI	R13 684.21
40 mm	NED	R8 464.91
All other to be calculated independently (longer than 3m and larger meters)		
Water and Sewer road crossings		R6578.94
<b>Electricity</b>		
New single phase connection	R2 930.00	R3 614.04
Upgrading from 60 – 80 ampere	R2 026.42	R4 035.09
New three phase connection up to design load	R2 192.98	R2 192.99
New three phase connection larger than design load	R339.64	R 694.30
Single phase prepaid meter	R716.65	R 719.30

Three phase prepaid meter	R1 743.78	R1 666.67
Moving of connection	R846.28	R 850.88
New ready board and keypad	R1 511.73	R1 517.55
Replacement of cable	R846.28	R 850.88
Repair of cable (damaged by owner)	R374.72	R 377.20
Temporary connection if service is available	R571.93	R 578.95
Additional for road crossing 40mm 80/20	NEW	R9 630.00
Additional for road crossing 50/20	NEW	R15 600.00
Three phase (town houses)	R1 043.86	R1 043.86
Testing of kWh meter	R313.94	R 315.79
Testing of prepaid meter	R198.78	R 201.76
Moving kWh meter from house to stand boundary	R716.65	R 719.30
Damaged keypad prepaid meter	R549.67	R 526.32
Prepaid meter and relay	R1 445.07	R1 447.37
Ripple relay	R684.99	R 692.99
Electrical installation test (1'st free)	NEW	R 219.30
	R1445.06	R1445.06
	R684.98	R684.98
	NEW	R250.00
<b>Sewer</b>		
100mm - 3m max	R 2 210,53	R 2 877.19
All other to be calculated independently (longer than 3m and larger pipe diameters)		
Relocating Water meters (labour only)	R 614,04	R 701.75

### **Printing price list - Technical Services**

	2008/2009	2009/2010
<b>PAPER</b>		
A0	R30,70	R35.31
A1	R15,35	R17.65
A2	R 8,77	R 10.09
A3	R 2,64	R 3.04
A4	R 1,32	R 1,52
<b><u>Durester</u></b>		
A0	R104,39	R120.05
A1	R52,63	R60.52
A2	R29,39	R33.80
A3	R15,35	R17.65
A4	R 8,33	R 9.58
<b><u>Film</u></b>		
A0	R75,88	R87.26
A1	R50,00	R57.50
A2	R26,75	R30.76
A3	R13,16	R15.13
A4	R 7,02	R 8.07

**Social Services**

(a)	<b>D P de Villiers Stadium</b>	<b>2008/2009</b>	<b>2009/2010</b>
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident : meetings	R80 per hour	R150 per hour
	Non-Resident : meetings	R150 per hour	R300 per hour
	Functions	R400,00	R400,00
	Churches and schools	half price	half price
	<b>Club complex Hall</b>		
	Resident : meetings	R 50,00/ hour	R 50,00/ hour
	Non-Resident : meetings	R100,00/hour	R100,00/hour
	Functions	R200,00	R200,00
	Churches and schools	half price	half price
	<b>Athletics</b>		
	<b>Schools sport meeting</b>		
	Morning session 07:00 - 13:00	R550,00	R660,00
	Afternoon session 13:00 - 19:00	R550,00	R660,00
	Lights to switch on first 2 hours	R300,00	R300,00
	Then per half hour	R80,00	R80,00
	<b>Non Residents (Free State)</b>		
	Morning session 07:00 - 13:00	R800,00	R825,00
	Afternoon session 13:00 - 19:00	R800,00	R825,00
	Lights to switch on first 2 hours	R300,00	R300,00
	Then per half hour	R 80,00	R 80,00
	<b>Schools in Gauteng</b>		
	Morning session 07:00 - 13:00	R550,00	R1 100,00
	Afternoon session 13:00 - 19:00	R550,00	R1 100,00
	Lights to switch on first 2 hours	R300,00	R300,00
	Then per half hour	R80,00	R80,00
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R800,00	R1 650,00
	Afternoon session 13:00 - 19:00	R800,00	R1 650,00
	Lights to switch on first 2 hours	R300,00	R300,00
	Then per half hour	R 80,00	R 80,00

<b>National Meetings</b>			R2 200.00
Morning session 07:00 - 13:00			R2 200.00
Afternoon session 13:00 - 19:00			R300.00
Lights to switch on first 2 hours			
<b>Rental of Electronic Timing Equipment</b>			
	R600,00		R600,00
Electronic Timing Equipment per session			
<b>Training sessions</b>			
<u>Pre-determined practice periods</u>			
Training at the stadium will only be allowed after payment of R250,00 per annum as well as purchase of proxy card at R37,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances.			
Purchase card at R37.00 for student and other person.			
<b>School Rugby, School league all rugby fields as available.</b>			
	R200,00		R200,00
Resident per session/season	R300,00		R300,00
Non-resident per session/season			
			R1 000.00
<b>Provincial Games</b>			Per day
	R300,00		R300,00
Lights to switch on first 2 hours	R80,00		R80,00
Then per half hour			
			R2000.00
<b>National and International Games Soccer meetings (outside stadium)</b>			
	R200,00		R200,00
Resident per session/season	R300,00		R300,00
Non-resident per session/season			
<b>Soccer meetings (inside stadium)</b>			
	R550,00		R550,00
Morning session 07:00 - 13:00	R550,00		R550,00
Afternoon session 13:00 - 19:00	R300,00		R300,00
Lights to switch on first 2 hours	R80,00		R80,00

	Then per half hour		
	<b>Cross Country</b>		R600.00 per day
	A Field		R200,00 per day
	Outside Field		R500,00 per day
	Stadium Hall		
	<b>Dog show</b>		
	Resident per session	R200,00	R200,00
	Non-resident per session	R300,00	R300,00
(b)	<b>Sasolburg show ground</b>		
	Cricket pitch (Not maintained)		
	Halls (Rented out by agreement)		
(c)	<b>Sports facilities</b>		
	<b>Penny Heyns :</b>		
	Adults: Season tickets	R110,00	R130,00
	: Day tickets	R 11,00	R 13,00
	Children : Season tickets	R 55,00	R 65,00
	: Day tickets	R 5,50	R 6,50
	<b>School Galas</b>		
	Morning session 07:00 - 13:00	R200,00	R300,00
	Afternoon session 13:00 - 19:00	R200,00	R300,00
	Lights to switch on first 2 hours		R300,00
	Then per half hour		R80,00
	<b>Clubs/ Social clubs</b>		
	Occasion	R750,00	R800,00 without touch pad
	<b>Training sessions</b>		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R300 per annum as well as purchase of seasonal tickets per swimmers training
	<b><u>Zamdela Swimming Pool</u></b>		
	: Adults : Season tickets	R 55,00	R 70,00
	: Day tickets	R 5,50	R 7,00
	: Children : Season tickets	R 33,00	R 40,00
	: Day tickets	R 3,30	R 5,00

	<b>School Galas</b>		
	Morning session 07:00 - 13:00	R100,00	R200,00
	Afternoon session 13:00 - 19:00	R100,00	R200,00
	Lights to switch on first 2 hours		R300,00
	Then per half hour		R80,00
	<b>Clubs/ Social clubs</b>		
	Occasion	R750,00	R800,00 without touch pad
	<b>Training sessions</b>		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R300 per annum as well as purchase of seasonal tickets per swimmers training
(d)	<b>Cemeteries</b>		
	Zamdela : Adult : Resident	R150,00	R250.00
	: Non resident	R660,00	R1 000.00
	: Children : Resident	R120,00	R200.00
	: Non resident	R450,00	R800.00
	Deneysville:		
	Refengkgotso / Metsimaholo :		
	: Adults : Resident	R100,00	R250.00
	: Non Resident	R550,00	R1 000.00
	: Children :Resident	R50,00	R200.00
	: :Non Resident	R400,00	R800.00
	Sasolburg:		
	: Adults : Resident	R500,00	R750.00
	: Non Resident	R1 980,00	R2 970,00
	: Children : Resident	R330,00	R495,00
	: Non Resident	R1 380,00	R2 070,00
	Oranjeville:		
	: Adults : Residents	R100,00	R250.00
	: Non Residents	R550,00	R1 000.00
	: Children : Residents	R50,00	R200.00
	: Non Residents	R400,00	R800,00
	<b>Indigents</b>		

	Approved as per Metsimaholo Local Municipality policy	Free	Free
	<u>Urns in Walls of Remembrance</u>		
	Residents	R 363,00	R 600,00
	Non Residents	R1 650,00	R2 475,00
	Placing of urn in existing grave:		
	Residents	NEW	R150,00
	Non Residents	NEW	R165,00
	<u>Stack Burials:</u>		
	Two coffins in one grave		Double price of one
(e)	<b>Halls</b>		
	<b>Zamdela/Refengkgotso/ Metsimaholo</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R250,00	R300,00
	Afternoon session 13:00 - 19:00	R250,00	R300,00
	Extra hour	R50,00	R100,00
	Kitchen use	R50,00	R100,00
	<b>Music/Jazz and others</b>		
	Morning session 07:00 - 13:00	R500,00	R550,00
	Afternoon session 13:00 - 19:00	R500,00	R550,00
	Extra hour	R50,00	R150,00
	Kitchen use	R50,00	R150,00
	<b>Funeral service and memorial service</b>		
	Morning session 07:00 - 13:00	R200,00	R250,00
	Afternoon session 13:00 - 19:00	R200,00	R250,00
	Extra hour	R50,00	R100,00
	Kitchen use	R50,00	R100,00
	<b>Political meetings</b>		
	Morning session 07:00 - 13:00	R100,00	R100,00
	Afternoon session 13:00 - 19:00	R100,00	R100,00
	Extra hour	R50,00	R50,00
	Kitchen use	R50,00	R50,00
	Season 2 meetings per month	R300,00	R300,00
	<b>Government structures</b>		
	Morning session 07:00 - 13:00	R200,00	R200,00
	Afternoon session 13:00 - 19:00	R200,00	R200,00
	Extra hour	R50,00	R50,00

	Kitchen use	R50,00	R50,00
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	<b>Welfare</b>	Free with approved letterhead	R300.00
	<b>Deposit</b>		
	Music/Jazz and others	R500,00	R1 000,00
	All other	R150,00	R200,00

(f)	<b>Etienne Rousseau Theatre</b>	<b>2008/09</b>	<b>2009/10</b>	<b>PERIOD COVERED</b>
	<b>Promotion of the Arts</b> (use of theatre for music, dance or drama) Hire of theatre by artist / group for show.	R1 000.00	R2 500.00	Per day (until 1 hour after show ends)
	For matinee	R300.00	R500.00	Same day
	Hire of theatre by local educational institution or church or charity for presentation of a show. For additional matinee.	R700.00	R800,00	Per day (until 1 hour after show ends)
	Hire of theatre by educational Institution or charity for an event such as a prize giving or pageant	R175.00 R800.00	R300.00 R1 000,00	Per day (until 1 hour after show ends)
	Hire of foyer for art exhibitions	R330.00	R600.00	Per day
	Hire of stage only e.g. dance or drama workshops	R330.00	R500.00	Per day
	Hire of foyer for function related to show / event presented in auditorium	R275.00	R300.00	Per day
	<b>Hire of theatre non arts related activities/business</b>			
	Hire of theatre for meeting	R1 000.00	R2 500.00	Per morning (8:00 – 13:00), afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	Hire of foyer only for meeting or function	R800.00	R1 000.00	Per morning (8:00 – 13:00), afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	<b>Other tariffs</b>			
	Commission on all ticket sales		10% 12,5%	Category 2.3 Category 1
	Commission on the sale of articles exhibited		10%	Category 2.3

			12,5%	Category 1
	Rehearsals	R40.00	R50,00	Per hour between 8:30 and 16:00
		R60.00	R70,00	Per hour between 16:00 and 22:30 and Saturdays
	Preparation/dismantling of stage, sets, sound, lighting	R45.00	R45,00	Per hour
	Hire of piano, special curtains, special effects, theatre equipment		As per schedule	
	<b>Other services:</b>		Actual cost	
	Piano tuning			
	Special effects			
	Newspaper advertisements			
	Dressers / Hair stylists			
	<b>Sundays</b>		Double cost	
	Cleaning of theatre and grounds		Discretionary	
(g)	<b>Abrahams rust recreation resort</b>			
	Season tickets (only residents)	R220.00	R440,00per annum/ motor vehicle/motor cycle/power boat	
		R110.00	R220,00/ <u>second</u> motor vehicle/motor cycle	
	Pensioners (age 60 years)	R80.00	R160,00 for 1 ticket per family	
	Metsimaholo workers with proof	R80.00	R160,00 for 1 ticket per family	
	Non-residents registered power boat / caravan owners:	R380.00	R760,00 / annum per vehicle / power boat	
	<u>Entrance fees</u> (Day visitors)			
	Season ticket holders :		Free(Vehicle & 6 passengers, 1 visit per day)	
	Other visitors	R30.00	R60,00/day/vehicle	
		R25.00	R50,00/day/person older than 6 years	
		0-6 yrs free	0-6 years	
		R40.00	R20,00	
		R40.00	R150,00/day/power boat	
		R100.00	R300/Day/bus	

	Motorbike not allowed /rally
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<u>Caravan and tent sites</u>		<u>with power sockets/not exceed 6 people</u>
Season ticket holders/rallies (10-29 caravans)	R60.00	R120,00 / caravan/ night
Pensioners/Rallies(30 and more caravans)	R50.00	R100,00 / caravan /night
Non-season ticket holders	R120.00	R240,00 / caravan/ night
<u>Caravan and tent sites</u>	<u>R55.00</u>	<u>without power sockets/not exceed 6 people</u>
Season ticket holders/rallies(10-29 caravans)	R55.00	R110,00 / caravan/ night
Pensioners/rallies(30 and more caravans)	R40.00	R80,00 / caravan / night
Non-season ticket holders	R80.00	R160,00 / caravan/ night
<u>Chalets</u>		
Small type 2-bed	R250.00	R500,00
Large type 4-bed	R300.00	R600,00
Luxury chalets Chalet A	R400.00	R800,00
Chalet B (with lapa)	R450.00	R900,00
Park home 6 bed	R250.00	R500,00
Refundable key deposit	R250.00	R250,00
<u>Lapa</u>		
With shelter per function	R250.00	R500,00 plus entrance fee
Without shelter per function	R200.00	R400,00 plus entrance fee
Hall		R400,00

(h) <u>Moses Kotane Stadium</u>			
<u>Athletics</u>			
In-house school sport			
	Morning	R250.00	R250.00
	Afternoon	R250.00	R250.00
Lights to switch on first 2 hours		R200.00	R200.00
Then per half hour		R80.00	R80.00
Practice session		R100.00	R100.00/school/season
Soccer:			
Schools		R200.00	R200.00/school/season

Other soccer games	15% of entrance fee minimum of	15% of entrance fee minimum of
	Morning	R250.00
	Afternoon	R250.00
	Evening	R250.00
Lights to switch on first 2 hours	R200.00	R200.00
Then per half hour	R80.00	R80.00
Practice inside stadium	R150.00/hour	R150.00/hour
Coaching development team and soccer clinics	R80.00 per occasion	R80.00 per occasion
Practice outside fields	R150.00/season twice weekly	R150.00/season twice weekly
Schools	R120.00/season twice weekly	R120.00/season twice weekly
Social games	R150.00 per occasion	R150.00 per occasion
Other facilities		
Netball/Basketball and Tennis		
	Morning session	R80.00
	Afternoon session	R80.00
<b>Stadium Hall</b>		
Sport clubs and cultural groups (by pre-arrangement)	R80.00	R80.00
<b>Non sporting events Inside the stadium</b>		
Entrance income	15%	15%
Refundable Damage fee	R1 500.00	R1 500.00

(i)	<b>Fire and Rescue</b>	<b>2008/09</b>	<b>2009/10</b>
I	<u>Extinguishing of fires (excluding grass-bush and rubbish fires)</u>		
(a)	<b>Call out fee</b>		
	Industrial Fire (High Risk)	R1 000.00	R1 000.00
	Industrial Fire (Low Risk)	R500.00	R500.00
	Residential	R250.00	R250.00

	Institutions	R250.00	R250.00
	Public Assembly	R250.00	R250.00
	Commercial	R250.00	R250.00
	Storage	R250.00	R250.00
	Shack or Informal housing (Flat rate) <b>all costs included</b>		R50.00
	Heavy Motor Vehicle Fire	R250.00	R250.00
	Motor Vehicle, Motor Bike, trailer with content		R100.00
	Lamp or Electrical Poles (Council property excluded)		R100.00
	Transformers (Council property excluded)		R250.00
(b)	<b>Personnel</b>		
	Per Senior Officer (Per hour or part thereof)	R130.00	R130.00
	Per Officer (Per hour or part thereof)	R110.00	R110.00
	Per Senior Fireman (Per hour or part thereof)	R100.00	R100.00
	Per Fireman (Per hour or part thereof)	R80.00	R80.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R367.38	R367.38
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
<b>II</b>	<b><u>Grass, bush and rubbish fires</u></b>		
(a)	Rubbish Fires	R250.00	R250.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R500.00	R500.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 000.00	R1 000.00
(b)	<b>Personnel</b>		
	Per Senior Officer	R88.00	R88.00
	Per officer	R110.00	R110.00
	Per Senior Fireman	R100.00	R100.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R80.00	R80.00
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R367.38	R367.38
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
<b>III</b>	<b><u>Special services (Dangerous goods etc).</u></b>		
(a)	<b>Call out Fee</b>	R500.00	R1 000.00

(b)	<b>Personnel</b>		
	Per Senior Officer	R88.00	R160.00
	Per officer	R110.00	R200.00
	Per Senior Fireman	R100.00	R180.00
	Per Fireman	R80.00	R140.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R367.00	R700.00
	Per kilometre (Travelled to and from the time of pump per hour)	R3.37	R6.00
	Per portable pump (Real working time of pump per hour)	R50.00	R100.00
	Per Fire Hose (per hour of part thereof)	R10.00	R20.00
	Per ladder used per call	R50.00	R100.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
	For the protection or rescue of life, no fees to be charged.		
<b>IV</b>	<b><u>Protection services (Standby Services)</u></b>		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	<b>Call out Fee</b>	R500.00	R1 000.00
(b)	<b>Personnel</b>		
	Per Senior Officer	R130.00	R260.00
	Per officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R367.00	R700.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R3.00	R6,00
	Per portable pump (Real working time of pump per hour)	R50.00	R100.00
	Per Fire Hose (per hour of part thereof)	R10.00	R20.00
	Per ladder used per call	R50.00	R100.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
<b>V</b>	<b><u>Filling of swimming pools and water tanks</u></b>		
	Hydrants must be within 90m from swimming or tank basic levy	R250.00	R500.00

	Per Fire Hose per hour period or part thereof	R10.00	R20.00
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00
	Per kilometre (calculated to and from the address per utility vehicle)	R3.00	R6.00
	If a fire truck is required per hour or part thereof	R349.89	R700.00
	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

<b>VI</b>	<b><u>Other Services</u></b>		
(a)	<b>Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:</b>		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R100.00	R200.00
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00
(b)	<b>Pumping of water from property:</b>		
1	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R367.38	R700.00
2	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R367.38	R700.00
3	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R367.38	R700.00
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R48.00	R100.00
(c)	<b>Using Compressor per hour or part thereof</b>	R55.00	R110.00
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00
(d)	<b>Emergency Rescue unit per hour or part thereof</b>		
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00
(e)	<b>Any other duty not mentioned under item VI per hour or part thereto</b>		

	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R367.38	R700.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R3.37	R6.00
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00

(f)	<b>Firebreaks per hour or part thereof</b>	R250.00	R500.00
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R367.38	R367.38
	Per Officer	R110.00	R220.00
	Per Senior Fireman	R100.00	R200.00
	Per Fireman	R80.00	R160.00

J	Traffic Services	2008/09	2009/10
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R80.00	R100.00
	Per Officer Overtime (Per hour or part thereof)	R110.00	R220.00
(a)	<b>Sport Meetings</b>		
	Per Officer (Per hour or part thereof)	R80.00	R150.00
	Per Officer Overtime (Per hour or part thereof)	R110.00	R225.00
(b)	<b>Impounded Vehicles</b>		
	Hitching of vehicles	R300.00	R450.00
	Towing of the vehicle	R200.00	R300.00
	Tracing of the owner	R500.00	R750.00
	Storage Fees (Per day excluding first and last day)	R20.00	R200.00
K	<b>URBAN PLANNING</b>		
	Rezoning	R150.00/application	R300.00/application

Subdivision	R150.00/application	R300.00/application
Consolidation	R150.00/application	R300.00/application
Consent uses	R1 000.00	R2 000.00
Zoning certificates	R50.00	R100.00
Building plans: Approval fee:	R130.00	R250.00
	R12.00/10m for the first 1000m	R15.00/10m for the first 1000m
	R10.00/10m for the first 1000m	R13.00/10m for the first 1000m
	R8.00/10m for the first 1000m	R11.00/10m for the first 1000m
Internal alternation	R130.00	R250.00
Swimming pool	R130.00	R250.00
Shade net	R130.00	R250.00
Boundary wall	R130.00	R250.00
Permit	R130.00	R250.00
Signage	R130.00	R250.00
Inspection fee (Farms, Plots)	R300.00/plan	R400.00/plan
Building Clause Certificate	R130.00	R250.00
Billboards	NEW	R30.00/m <sup>2</sup>
Encroachment fees	NEW	To be determined
Penalties	NEW	To be determined

## 11. Disclosure on Salaries, Allowances and Benefits

	Salary	Social Contributions	Allowances	Performance Bonuses	Total Package
	Rand pa	Rand pa	Rand pa	Rand pa	Rand pa
<b><u>Disclosure of salaries, allowances &amp; benefits</u></b>					
<b><u>Councillors</u></b>					
Mayor	355 400	53 320	260 370		669 090
Speaker	272 220	53 760	207 590		533 570
Members of Mayoral Committee (7)	1 840 240	301 350	1 182 270		3 323 860
<b>Total all other Councillors</b>	<b>2 929 300</b>	<b>382 050</b>	<b>1 365 590</b>		<b>4 676 940</b>
<b><u>Officials of the Municipality</u></b>					
Municipal Manager(MM)	1 099 730				1 099 730
Chief Financial Officer	570 320		222 400		792 720
<b>List of senior manager reporting to MM by designation</b>					
Director Social Services	551 170	75 190	142 380		768 740
Director Technical Services					
Director Economic Development and Planning	792 720				792 720
Director Organisational Development and Corporate Services	792 720				792 720
<b>TOTAL COST OF REMUNERATION TO MUNICIPALITY</b>	<b>9 203 820</b>	<b>865 670</b>	<b>3 380 600</b>	<b>0</b>	<b>13 450 090</b>

### NOTES

1. Total package must equal the total cost to the municipality.
2. Social contributions included pensions, medical aid, etc.

## **12. Measurable Performance Objectives and SDBIP's**

**This section will be completed after approval of the draft budget.**

Included in this section is a summary of annual measurable performance objectives for votes (directorates). Annual performance objectives are converted into quarterly targets for the Service Delivery and Budget Implementation Plan (SDBIP) and will be audited in terms of the annual performance report required by the Systems Act (refer also to chapters 2 and 5 of the annual report as per MFMA circular 11).

### 13. Disclosure on Implementation of MFMA

This section provides disclosure regarding progress in implementing various related legislation including the MFMA and how this affects the budget and budget process.

#### MFMA Implementation and Monitoring Checklist

The municipality is generally complying for the majority of the implementation priorities as per the National Treasury implementation and monitoring checklist. This checklist is updated quarterly and submitted to National Treasury.

Below is a summary of progress against the plan.

No.	Implementation priority as per NT template	Progress
1	Preparing an implementation plan	100%
2	Allocating appropriate responsibilities under the MFMA to Accounting Officer	100%
3	Establishing a top (senior) management team	100%
4	Implementing appropriate controls over municipal bank accounts and cash management	100%
5	Meeting of financial commitments	70%
6	Reporting revenue and expenditure	90%
7	Supply chain management	50%
8	Implementing reforms in relation to municipal entities and long-term contracts	100%
9	Completing financial statements and advising National Treasury	100%
10	Completing and tabling annual report	75%
11	Complying with provisions for tender committees, boards of municipal entities and in relation to forbidden activities	80%
12	Complying with provisions for internal audit and audit committees	70%
13	Complying with provisions for budgets	80%
14	Information to be placed on website	90%

### MFMA returns

All MFMA and DORA returns are submitted by the municipality as required monthly, quarterly and annually.

Name of return	Submitted to
<b>MONTHLY</b>	
Financial Management Grant	NT/PT
Age Analysis Debtors (AD) and Creditors (AC), Cash Flow, Operating Statement Actuals (OSB)	NT/PT
Section 71 Budget Statements	PT/NT
Supply Chain Management	NT/PT
MIG returns	NT/PT
Equitable Share	NT/PT
<b>QUARTERLY</b>	
MFMA Implementation and monitoring checklist	NT/PT
Municipal entities	NT/PT
Public Private Partnerships	NT/PT
Long-term contracts	NT/PT
Borrowing	NT/PT
<b>ANNUALLY</b>	
Appendix A	NT/PT
Operating Statement Budget (OSB)	NT/PT

### Audit units and audit committees

The internal audit function of the municipality was outsourced to an external service provider until the end of the 2005/06 financial year. There is a process currently underway to perform this function in-house. The function is performed partially due to serious staff shortages.

The municipality has an audit committee in place comprising of independent members as required by section 166 of the MFMA.

**Risk management**

The municipality does not have an updated risk management strategy and plan in place. This will be addressed when new in-house internal audit is established in the 209/10 financial year.

**Implementation of SCM**

The new supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in July 2005.

All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.

**Effectiveness of audit steering committees**

The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.

**Reduction of short-term debt**

This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.

**Tabling of section 71 reports**

Section 71 reports are submitted to the mayor and also forwarded to provincial treasury on a monthly basis. Further the reports are forward to the Municipal Manager and MMC Finance.

**Delegations**

All delegations are in place and council approved the generic financial delegations in November 2006.

**Performance agreements**

The 2008/09 performance agreements of the municipal manager and directors were duly signed at the beginning of the second quarter of the financial year. The new performance agreements for 2009/10 will be finalised after the SDBIP has been approved.

**Implementation of GRAP/GAMAP**

The key challenges for implementation of GRAP/GAMAP requirements are the following:

- Asset Register. Full compliance to IAS and GRAP not achieved, to be compliant 1 June 2010.
- Impairment of assets not yet done - 30 June 2010
- Investment property guidelines not yet implemented - 30 June 2010
- Employee benefits not fully captured. 30 June 2009 (Medical Aid and Pension).
- Unbundling of PPE as per guidelines 30 June 2010.
- Not all stands are transferred in terms of housing scheme - needs to be sorted out for inventories 30 June 2010
- All lease information not yet available for asset register 30 June 2010

- Long term loans and Debtors impaired.
- Billing information to be updated to accurate information for statements.
- Debtors and creditors to be discounted/fair valued. Insuffiecnt information is available on system to make this possible 30 June 2010

### **Cost implications**

Cost implications have been investigated and the following major costs need to be incurred.

1	Asset Register - Fully GRAP compliant	R2, 5 million	
2	Debtors fair value	R4 million	
3	Long-term debtors and creditors	Included in 2	
4	Revenue	Included in 2	
5	Accounting standards – Sundry	Included in 2	
6	Accurate Billing information	R2 million	

### **Development of accounting policies**

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with.

The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

### **Inventories - unsold water**

The inventories of unsold water are available from the Technical Section responsible. The water in stock” is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2009. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water.

**Asset register**

The Asset register was previously compiled by several companies. The most important fact is that the compliance requirements of an itemised asset register for moveable assets by 1 July 2007 was complied with by the municipality in May 2009. The compliance of moveable to GAMAP and IAS Standards was funded by the District Council in 30 June 2009. The physical asset count will be performed and communicated by the external service provider. The unbundling of PPE as well as impairment and investment property guidelines will need to be addressed in 2010/2011.

The REDS (finalised) process will finalise a major component of the GRAP requirements.

## 14. Summary of Detailed Capital Plan

	2009/10	2010/11	2011/12
	R'000	R'000	R'000
-			
<b>Council/Spoker/Councillors</b>	<b>48</b>	<b>810</b>	
<b>Municipal Manager</b>	<b>4 330</b>	<b>2 207</b>	<b>1 851</b>
<b>Organisational Development &amp; Corporate Service</b>	<b>6 211</b>	<b>15 743</b>	<b>10 610</b>
<b>Social Services</b>	<b>22 708</b>	<b>16 971</b>	<b>12 845</b>
<b>Technical Services</b>	<b>58 309</b>	<b>90 175</b>	<b>86 906</b>
Streets and Storm water	3 253	19 910	18 670
Sewerage	7 764	11 266	7 526
Water supply	20 154	32 596	26 276
Electricity supply	16 366	14 943	22 840
Mechanical Workshop	194	210	344
Buildings	169	1 000	1 000
Administration	10 409	10 250	10250
<b>Financial Services</b>	<b>726</b>	<b>1 629</b>	<b>1 131</b>
<b>Economic Planning and Development</b>	<b>82 966</b>	<b>158 578</b>	<b>22 564</b>
<b>TOTAL</b>	<b>175 298</b>	<b>286 113</b>	<b>135 907</b>

*See Annexure A for detailed capital plan*