

JULY 2014

Bulletin

Official newsletter of the Overstrand Municipality

MAYOR PRESENTS BUDGET EVERY CENT COUNTS

On 28 May 2014, Overstrand's Executive Mayor Nicolette Botha-Guthrie presented the municipality's 2014/2015 budget to Council for approval.

In her speech she described the very difficult economic circumstances experienced since 2009 and said that a clear message was received from pensioners and those living on the interest from their life savings that they cannot afford sharp increases in rates and tariffs.

"We are painstakingly aware of the impact of our decisions on all inhabitants of Overstrand. We must however ensure that the Municipality remains financially sustainable whilst providing affordable municipal services to all communities. We are under continuous pressure to maintain our level of service delivery to the fast-growing population of our area," said the Mayor.

Regarding public participation, she believes that the Municipality truly involves all citizens in the process of ensuring a people-led government. Encouragement of structured community participation in the matters of the Municipality is a strategic objective and Overstrand is renowned for the effectiveness and efficiency of its ward committee system. Notwithstanding this, an open-door policy is in place.

The Mayor feels that the current communication/consultation process can be improved, but she is of the opinion that the voices of residents and other stakeholders were heard. "Although all of it might not be reflected in this budget, as due process must be followed, I can give you the assurance that they were noted," she said.

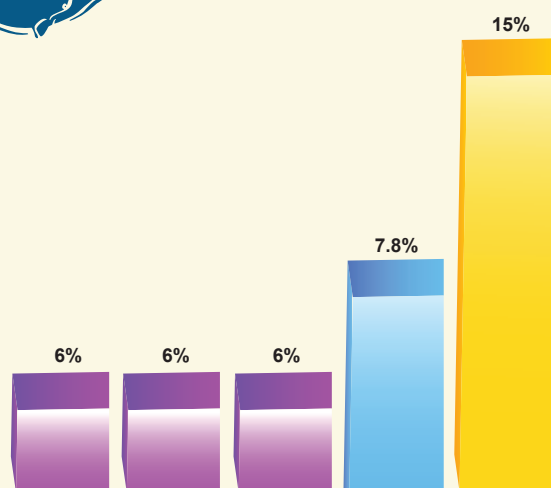
The budgeting process started in August last year when the communities and the administration provided their inputs. Political guidance was given in principle on an increase in basic service charges of only 6%, except for electricity, as NERSA had given Eskom the right to increase their rates in excess of inflation. Given the 2013/14 increase in property rates on vacant land of more than 63%, the Mayor recommended that Council does not increase the tariff applicable on vacant land for the 2014/15 financial year.

Mayor Botha-Guthrie said that after numerous Budget Steering Committee meetings, where serious cut-backs were made on the needs registered by the Ward Committees and administration, it was still very difficult to balance the expenses with the proposed increase in income. Salary increases are negotiated at national level and, combined with other costs that increase above the inflation rate, keeping total costs below inflation would prove a difficult task. She therefore recommended to Council to increase property rates with 15% for 2014/15. Exemptions and rebates will still be applicable on residential properties to lessen the plight of the poor and rebates applicable to guesthouses, B&B's and agricultural properties will be

maintained to stimulate economic development. In all instances, the overall impact of the proposed tariff increases on household bills will remain below 9%, with the increase for indigent households at 6,22%.



Figures based on a household with medium consumption.



	Refuse removal	Sanitation	Water	Electricity	Property Rates
2013/2014	R122,81	R288,62	R96,49	R1 319,90	R588
2014/2015	R130,18	R305,94	R102,28	R1 423,56	R676,20

The overall impact of the proposed tariff increases on household bills will remain below 9%

A further recommendation to Council was that other sundry fees, such as building plan fees, be increased with 10%, as these costs are directly related to salary increases and do not affect the majority of ratepayers. Following articles in the press and also as noted during public budget meetings in all wards, as well as in the comments on the draft budget, the following perspective regarding remuneration was given:

- Employee-related costs for the 2014/15 financial year total R289m (33% of the total operating expenditure) and is within the National Treasury norm of 25 - 40%.
- Salary increases of 6,79% for the 2014/15 financial year are based on a South African Local Government Bargaining Council Agreement to which SALGA (on behalf of the employers) and the SAMWU and IMATU Trade Unions (on behalf of the employees) are the stakeholders.
- Notch increases of between 2,39% and 2,5% also need to be implemented as a result of a collective agreement and contractual obligations.
- With effect from 1 July 2010, the remuneration of the Municipal

Manager and Section 56 Employees' (Directors) is determined by an independent consulting firm to determine market-related cost-to-employer remuneration packages based on market conditions that prevailed in March of that year.

The aforementioned employees receive no bonuses, which principle was negotiated with them. The average increase for 2014/15 amounts to 6,25%, said officials do not receive notch increases.

- The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account and the increase for the current financial year amounts to 7%.
- As part of the Municipality's cost-saving measures, a R7,75m contingency has been provided on the salary budget. Expenditure against overtime and stand-by allowances was reconsidered and the implementation of shift systems will be investigated. The Municipal Manager and Directors undertook to have a serious re-look at the salary budget but bearing in mind that service delivery must not be affected.

FINAL BUDGET FOR 2014/15 REPRESENTS THE FOLLOWING:

The total operating revenue of R784,474m has grown by 5,53% for the 2014/15 financial year when compared to the 2013/14 Adjustment Budget.

One of the reasons why this increase is lower than the tariff increases, is that a provision was made for a decrease in water consumption, which also affects the budgeted income from sewage.

The total operating expenditure for the 2014/15 financial year has been appropriated at R870m. When compared to the 2013/14 adjustment budget, the operating expenditure has grown with 4,97%. This indicates a negative difference between income and expenses of R85,1m. Due to non-cash items, one of the biggest items being depreciated by R109,2m and other cash flows as set out in the budget document, a surplus cash budget of R3,7m is realised.

The capital budget of R97,721m is 22,7% less than the 2013/14 Adjustment Budget. This is due to limited resources available. Although the long-term planning is for at least R100m per annum, considerably more than this target has been spent over the past eight years.

The Mayor then explained what the budget is set to achieve:

- Limiting the increase of consumer tariffs for water, sewer and refuse (solid waste) to 6%.
- Adopting a conservative approach when projecting expected revenue and cash receipts. A small surplus on the operational budget has been budgeted for in order to provide money from own resources for capital expenditure during 2015/16.
- The ability to maintain spending on infrastructure maintenance.
- Maintaining cost-containing measures to eliminate non-priority spending, of which the decrease in the money provided for Grants-in-Aid and contributions towards festivals bears testimony. As far as unfunded mandates are concerned, the baboon monitor project will cease as from 1 July 2014. Negotiations with certain institutions and NGO's are under way with the aim for them to take over the service. An announcement in this regard will be made in the near future.

Mayor Botha-Guthrie said that they had explained to the community the reasons why there are not enough resources to meet all the demands and indicated that the way forward will be focused on, but not limited to:

- increasing productivity;
- increasing efforts to receive more grants from national and provincial government;
- making land available to attract more investors; and
- appealing to the Department of Human Settlements to increase the subsidies for low-cost housing to ensure that it does not put an additional burden on the Municipality.

She informed the meeting that the draft budget was assessed by a technical committee from the Western Cape Provincial Government who found the budget proposals to be credible and sustainable.

She then expressed her sincere gratitude to the Councillors, ward committees, members of the public, the Chairman of the Finance Portfolio Committee, Cllr. Ben Solomon and the Municipal Manager Coenie Groenewald for their inputs regarding the budget. She also conveyed a special word of appreciation to the Director: Finance, Santie Reyneke-Naudé, the Senior Manager: Financial Services and Budgets, Bernard King and his team, all the directors and all the officials of the other directorates for many hours of overtime worked during the compilation of the budget.

The Mayor said a further word of thanks to the Director: Management Services, Desireé Arrison and the Senior Manager: Strategic Services, Rochelle Louw for the quality IDP which was once again tabled for consideration. She mentioned that the IDP is compiled in-house by a very small team.

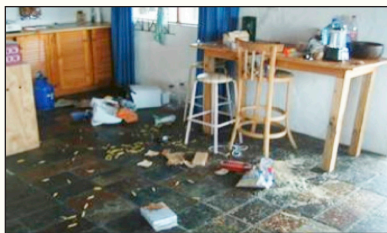
She concluded her speech by warning that economists predict that the South African economy is heading towards a recession and that it sketches a bleak picture for our coming financial year. "We will nonetheless endeavour, with strict financial discipline and continued efforts, to increase our productivity and to render first-class services to all our communities in the Overstrand," the Mayor said.



WHAT A NUISANCE!

This is an urgent but friendly appeal to all residents who reside in problem animal areas to make use of animal-proof refuse bins.

Overstrand Municipality's Solid Waste By-Law that was promulgated in Provincial Gazette 7149 on 12 July 2013 stipulates clearly that each owner or occupier must use animal-proof containers in areas that the Municipality has identified as problem animal areas. **The By-Law further stipulates that refuse must be put out on the pavement on the day of collection ONLY in an animal-proof refuse container.**



• Refuse Removal Days

ADMINISTRATION	DECLARED PROBLEM AREA	REMOVAL DAY
Kleinmond	Betty's Bay Pringle Bay Rooiels Proteadorp Extention 6 Overhills Mountain View	Monday Monday Monday Tuesday Tuesday Tuesday Tuesday
Hermanus	Voëlklip Eastcliff (East of Fairway Avenue) Hermanus Heights Kwaaiwater	Monday Friday Friday Friday

We need your continued co-operation to minimise the baboon problem.

BRRRR, IT IS COLD! ANY BLANKETS TO DONATE?

Winter in all its glory has arrived earlier than we expected and many people were caught off guard. It is predicted that a long, cold, wet season awaits us.

During the past week, many residents enquired about where and what to donate to people who are struggling. The Municipality's disaster store welcomes any contributions such as blankets, warm clothing and supplies to distribute amongst disaster victims in the Overstrand area.

Donations can be dropped off at the respective local Municipal Area Managers' offices, i.e. in Hermanus - Magnolia Street; Kleinmond - Fifth Avenue; Gansbaai - Main Road; Stanford - Queen Victoria Street and the Department: Fire Services in Mussel Street, Hermanus Industria is an alternative drop-off point.

Mayor Nicolette Botha-Guthrie thanks the Overstrand community for their willingness and concern about those who desperately need it. May everyone experience a cosy and safe winter season.



Piano recital by Pieter Grobler in Auditorium
on Sunday afternoon, 13 July, at 15h30.
Book at BELLINI on 028 312 4988.

ZONING SCHEME APPROVED

*The Overstrand Municipality Zoning Scheme, 2013 was approved and Gazetted on 29 November 2013. The Zoning Scheme came into effect on 1 January 2014. The approved document is available on the Municipal Website: www.overstrand.gov.za.



FLOWER FESTIVAL AT FERNKLOOF - SEPTEMBER 2014

The Hermanus Botanical Society Flower Festival will be held from Thursday, 25, to Sunday, 28 September, at the Fernkloof Nature Reserve.

This year's exciting theme is 'Plant Explorers; Then and Now'. Exhibition spaces within the hall will recreate both the floral wealth that early travellers experienced and the modern-day techniques of plant discovery by means of digital photography and global positioning.

Hundreds of local flower specimens will be displayed and labelled, and indigenous flower bunches and plants will be for sale. Local interest groups, craft and food stalls will be positioned in the marquee and small show gardens will adorn the amphitheatre lawns.

Many activities are planned for the children and delicious teas and lunches will be available throughout the festival.

Entrance fee: R20

(Children under 12 enter for free)

Email: botsochermanus@telkomsa.net

Web: www.fernkloof.com

Tel: 028 313 0819 or 028 313 8100

OVERSTRAND MUNICIPALITY IS THE SECOND BEST IN THE COUNTRY

The report of the Institute of Racial Relations (IRR) entitled 'The 80/20 Report: Local Government in 80 indicators after 20 years of democracy' has rated Overstrand Municipality as the second best municipality in South Africa.

The author of the report and programme manager and researcher for the IRR, Georgina Alexander, said the unemployment rate, the proportion of people aged 20 and older with a Grade 12 pass and the poverty rate were some of the main indicators used to measure municipal performance.

Other indicators include the proportion of households that use electricity for lighting, that have access to piped water within 1 km of a household, that have flush or chemical toilets and households without toilets. Six of the ten main indicators were related to service delivery.

No less than seven of the ten best municipalities hail from the Western

Cape, which is a magnificent achievement given the fact that there is a total of 278 municipalities in the country.

Saldanha Bay Municipality was crowned the winner, whilst the other six top-ten scorers were Overstrand, Drakenstein, Mossel Bay, Swartland, Stellenbosch and City of Cape Town.

Nicolette Botha-Guthrie, Executive Mayor of Overstrand, is naturally very proud of this achievement and believes that the rating as second-best municipality is an acknowledgement of the efforts of the Council, officials, communities, businesses and organisations in the Overstrand area.

She added that "notwithstanding this honour bestowed on our municipality, we need to do more to increase the level of our service delivery to our satisfaction." However, she gave the assurance that "we are working hard at this and hope that our community will experience the improvement in service delivery."

LOOK MA! NO ELECTRICITY!

Isn't it wonderful when someone designs something that could save us money? Mayor Nicolette Botha-Guthrie is a strong believer in alternative ways to relieve the burden of electricity and gas costs.

She recently visited KWA-VUVU restaurant in Zwelihle and when she was informed by the owner, Nomvuyo Mpalweni that they struggle to keep up with the overheads, she decided to donate a Wonderbag to the restaurant.

The Wonderbag is a non-electric, heat-retention cooker for cooking anything from meaty stews or vegetable curries to simple rice and soups. You bring your pot of food to the boil on the stove, kick-starting the cooking process, and then place the pot in the Wonderbag.

Wonderbag cooking times		
	Time on stove	Time in Wonderbag
Meat	20 minutes	5 hours
Chicken	15 minutes	3 hours
Vegetables	5 minutes	1 hour
Rice	2 minutes	1 hour



Some of its benefits include • reducing energy costs by up to 30% • reducing CO₂ emissions • reducing toxic fumes • reducing accidents in the kitchen • reducing time spent cooking • saving precious water • saving food, as nothing will be burnt • keeping food warm



Mayor Nicolette Botha-Guthrie and Nomvuyo Mpalweni



DO YOUR PART TO ALLEVIATE LOAD SHEDDING

Eskom is currently experiencing huge strains on the national electricity grid.

All consumers are hereby requested to switch off all non-essential office appliances to reduce the load on the electrical network.

Please ensure that all lights and air conditioners are switched off when leaving your house or office.

This is not only the correct and safe practice but also our duty as responsible citizens and will result in our contribution to alleviating load shedding in the Overstrand.