

## ITEM A () MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2018/2019 TO 2020/2021

### **PURPOSE**

The purpose of this document is to table the 2018/19 to 2020/2021 Medium Term Budget and budget related policies for consideration.

The Budget has been compiled within the framework of the MFMA, Circulars No 90 and 91 of the National Treasury and the New Municipal Budget Regulations.

Circulars No 90 and 91 provides instructions, guidance and information on crucial issues that municipalities need to consider when preparing their budgets. These issues include the local response to the global economic crisis, headline inflation forecasts, revision of rates, tariffs and other charges, transfers to municipalities, budget process and submissions, and the Municipal Budget and Reporting Regulations.

### **BACKGROUND**

The Municipal Finance Management Act (MFMA) aims to modernize budget and financial management practices by placing local government on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all its residents, customers, users and investors.

The budget was tabled to Council on the 31 March 2018. Consultative meetings with the residents and Stakeholders of Merafong on the budget for the medium term expenditure framework 2018/2019 to 2020/2021 were held. The inputs of the community were taken into account.

Provincial Treasury had conducted an assessment and their inputs were taken into account with the tabling of the final Budget for the 2018/2019 MTREF.

### **DISCUSSION**

The application of sound financial management principles for the compilation of the Councils financial plan is essential and critical to ensure that the Council remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Councils business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The outcome of the Valuation Appeal Board and the liquidation of Blyvooruitzicht mine had a serious effect on council's cash flow and ability to render the same level off services to the community of Merafong.

This has, over the years, subsequently negatively affected council's ability to reduce service delivery backlogs. Programs planned for the outer years had to be cut back and reprioritised.

Council has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Council has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government.

National Treasury's MFMA Circular No. 90 and 91 were used to guide the compilation of the 2018/19 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- The amendments to the mines valuations and the liquidation of Blyvooruitzicht mine.
- Ageing and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water (due to tariff increases from Rand Water), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2018/19 MTREF process;
- Availability of affordable capital/borrowing as council will not be in a position to borrow additional funding.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- Producing a Balanced Budget – ensuring that the expenditure is aligned to the revenue and that the Council has sufficient cash to meet its debt obligations. Council will not be in a position to table a balance budget for the 2018/19 MTREF
- Sustainability – ensure that the capital investment is within the financial capacity of Council and ensure that there is continuous investment on the infrastructure maintenance and replacement in a medium to long term period.
- Budget needs to respond to basic service delivery.
- Stabilise the balance sheet – creating cash reserves to support and improve the current ratio and future capital investment capacity. Due to the current financial position of council no cash reserves will be created.
- Stabilisation and protection of the revenue base.
- Need to produce savings to facilitate the implementation of new programmes.

- On-going costs should be funded with on-going revenues – aligning continuing expenditures with continuing revenues, on a level that can be reasonably sustained and reduce reliance on onetime funding.
- Review all Council services and programs for operational efficiencies to improve service levels and delivery / managing the cost down.
  - The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
  - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
  - With the amendments to the mines valuations, and the large increase in Bulk Water, General Expenses and Repairs and Maintenance will have to be curtailed. No funds are available for Capital projects funded from Revenue.
  - An upper limit must be set for the following items and allocations. They must be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
    - Telephones costs.
    - The management of the fleet and usage of vehicles.
    - The management of safety clothes.
    - Furniture and Equipment
    - Computer equipment.
    - Overtime
  - The following expenditure will not be catered for due to the financial situation of council:
    - Entertainment,
    - Travel and Subsistence,
    - Attendance of Conferences,
    - Catering at meetings,
    - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The South African economy and inflation targets

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

Fiscal year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast		
CPI Inflation	5.30%	5.30%	5.40%	5.50%
Real GDP Growth	1.00%	1.50%	1.80%	2.10%

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2018/2019 MTREF**

R thousand	Adjustment Budget 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
<b>Total Operating Revenue</b>	1,152,510	1,203,379	1,257,141	1,338,720
<b>Total Operating Expenditure</b>	1,409,344	1,465,054	1,522,263	1,608,481
<b>Surplus / (Deficit) for the Year</b>	-256,834	-261,675	-265,122	-269,761
<b>Total Capital Expenditure</b>	217,897	255,432	120,650	119,719

Total operating revenue has increased by 4.26 per cent or R50.94 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget. For the two outer years, operational revenue will increase by R53.8 and R81.6 Million respectively, equating to a total increase in revenue of R186.24 million over the MTREF when compared to the 2017/18 financial year.

Total operating expenditure for the 2018/19 financial year has been appropriated at R1,465.1 billion and translates into a budgeted deficit of R261.7 million. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by R55.7 Million or 3.95 per cent in the 2018/19 budget and increase by R57.2 and Million R86.2 Million for each of the respective outer years of the MTREF. The operating deficit for the two outer years will increase for the two outer years. These deficits will be funded from the accumulated surpluses.

The capital budget of R255.4 Million for 2018/19 is 17.23 per cent more when compared to the 2017/18 Adjustment Budget. Note that the Council has reached its prudential borrowing limits and so there is no scope to increase these borrowing levels over the medium-term.

Attached as **Annexure A** is a detailed discussion on the 2018/2019 MTREF and supporting documentation.

Council is not in a position to table a funded budget. Its projected that council will have a deficit of R261.7 Million for 2018/2019. A Turnaround strategy and plan was adopted by council on the 19 October 2017 to address the issues related to the deficit of council.

The main reasons for councils deficit is as follows:

- Payment levels
- Electricity Losses
- Water Losses

Council experienced serious financial constraints during the past three years. Blyvooruitzicht mine was liquidated and the mines valuations were amended by the Valuations Appeal Board. This had serious implications to council's cash flow. Council is not in a position to service its supplier's and contractual accounts.

The disturbing culture of non-payment for municipal services prevailing in the municipal township areas is a significant cause for greater concern. This culture is spread to newly developed townships and this placed the financial wellbeing, viability and sustainability of the municipality at a huge risk.

Herewith the positive financial implications for council with the implementation of the turnaround strategy.

<b><u>MERAFONG TURN-AROUND STRATEGY</u></b>				
		<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
<u>Payment levels townships</u>	Revenue	R51,963,764	R161,731,015	R109,777,251
		Current payment level of 27.31%		
		Calculated at 85% payment level		
<u>Indigent Management</u>		(R8,764,044)	(R2,109,082)	(R6,654,962)
<u>Water</u>		Current usage of 46,773 KI should be 10,020		
		Calculated at 1670 consumers times 6KI		
		(R726,448.68)	(R73,830.00)	(R652,618.68)
<u>Electricity</u>		Current usage of 56,577 kWh should be 5,750 kWh		
		Calculated at 115 consumers times 50 KI		
<u>By-passed pre-paid electricity meters</u>		0	(R80,876,799)	(R80,876,799)
		Calculated at 8300 meters times 600 kWh		
<u>Water losses</u>		R52,534,186	R25,254,010	(R28,280,176)
		Current % water loss is 43.32%		
		Calculated at 20% water losses- reduction off 23.32%		
<u>Consumers with excess water usage and do not service its account</u>		R26,347,946	R6,314,616	(R20,033,330)
		Current usage of 155,176 KI per month for 1876 consumers		
		Calculated at 30 KI per household		

<b><u>Summary</u></b>	
Increase in revenue	R109,777,251
Reduction in Eskom bulk account	R81,529,418
Reduction in Rand Water bulk account	R54,968,468
<b><u>Possible benefit to council for 12 months</u></b>	<b><u>R246,275,137</u></b>

Attached as **Annexure B** is the turnaround strategy to effectively deal with the deficit.

### **ORGANISATIONAL AND PERSONNEL IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

None

### **COMMUNICATIONS IMPLICATIONS**

#### **Publication of budgets on municipal websites**

In terms of section 75 of the MFMA, council are required to publish its adopted budgets on the Website.

Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget.

### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- In year reporting
  - Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has

progressively improved and includes monthly published financial performance on the City's website.

➤ Service Delivery and Implementation Plan

The detail SDBIP document will be tabled together with the annual budget

**OTHER DEPARTMENTS / BODIES CONSULTED**

Council  
Budget Steering Committee  
Communities  
National and Provincial Treasury  
CoGTA

**RESOLUTIONS**

1. The Council of Merafong City Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) resolves that:
  - 1.1. The annual budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are considered as set out in the following tables:
    - 1.2.1. Budgeted Financial Position
    - 1.2.2. Budgeted Cash Flows
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation
    - 1.2.4. Asset management
    - 1.2.5. Basic Service Delivery measurements.
2. The Council of Merafong City Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) resolves that with effect from 1 July 2018:



- 2.1. the tariffs for property rates – Detailed below
- 2.2. the tariffs for electricity – Detailed below
- 2.3. the tariffs for the supply of water – Detailed below
- 2.4. the tariffs for sanitation services – Detailed below
- 2.5. the tariffs for solid waste services – Detailed below
3. The Council of Merafong City Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) resolves that with affect from 1 July 2018 the tariffs for other services, as contained in the Tariff Policy.
4. To give proper effect to the municipality’s annual budget, the Council of Merafong City Local Municipality resolves:
  - 4.1. That the deficit of R261.7 Million will be funded from the accumulated surplus but is not cash backed
5. That the annual Operating Revenue budget of R1 203.3 Million and Operating Expenditure budget of R1 465.1 Million including Operational Transfers and excluding capital transfers for the 2018/2019 Financial Year be approved, which will result in a deficit of R261.7 Million. That the deficit be funded from accumulated surplus.
6. That the annual Capital Budget of R255.4 Million, Including capital transfers for the 2018/2019 Financial Year be approved.
7. That the following be approved in respect of Assessment Rates and the charge to be as follows:
  - a) The property rates are to be levied in accordance with Council policies, unless otherwise indicated, and the Local Government Municipal Property Rates Act 2004 and the Local Government Municipal Finance Management Act 2003.
  - b) Property rates are based on values indicated in the new General Valuation Roll. The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. All values are as at the date of the roll, being July 2012.
  - c) Rebates and concessions are granted to certain categories of property usage or property owner.
  - d) The definitions and listing of categories are reflected in the Rates Policy.
  - e) Industrial / Commercial Properties – Undeveloped Land
 

All properties other than those defined below as residential will be rated as “non-residential” properties. This includes all undeveloped land. The cent-in-the-rand for all “non-residential” properties for 2018 / 2019 is proposed to be R 0,0359.
  - f) Residential Properties

For all residential properties, as defined per the Rates Policy, the first R 65 000 of property value will be rebated by an amount equal to the rates payable on a property of R 65 000 in value.

All residential properties, as defined per the Rates Policy, will be levied a rate which is rebated by 10%. The cent in the rand for 2018 / 2019 is proposed to be R 0, 0148c

g) Agricultural Properties

Agricultural properties (including farms and small holdings) fall into three categories:

- (a) Those used for residential purposes;
- (b) Those used for industrial purposes;
- (c) Those used for other businesses and commercial purposes

Properties in rural areas deemed to be small holdings or farms that are not used for *bona fide* farming, but are used as residential properties will be categorized as “residential”, provided that they meet the definition of a residential property as described in the Rates Policy. Such properties will qualify for the rebate of the first R 65 000 of municipal value as per the General Valuation Roll and the “rebated” cent-in-the-rand. The cent-in-the-rand for agricultural properties or small holdings that qualify for residential status is proposed to be R 0, 0148c

Properties in rural areas deemed to be small holdings or farms that are not used for *bona fide* farming, but are used for industrial or business purposes will be categorized as “business”. The cent-in-the-rand for agricultural properties or small holdings that qualify for business status is proposed to be R 0, 0359c

Properties in rural areas deemed to be small holdings or farms that are used for *bona fide* farming, will be categorized as “agricultural. The cent-in-the-rand for agricultural properties or small holdings that qualify for agricultural status is proposed to be R 0, 0037c

h) Public Service Infrastructure

In terms of the Municipal Property Rates Act, Council may not levy rates on the first 30% of the market value of Public Service Infrastructure. The remainder of the market value is rated at the non-residential cent-in-the-rand of R 0, 0037c

i) Mines

All Mine properties, as defined per the Rates Policy, will be levied a rate. The cent in the rand for 2018 / 2019 is proposed to be R 0, 0449c

j) Senior Citizens and Disabled Persons Rate Rebate

Registered owners of properties who are senior citizens and/or registered owners of properties who are disabled persons qualify for special rebates according to gross monthly household income. To qualify for the rebate(s) a property owner must be a

natural person and the owner of a property which satisfies the requirements for the residential rebate and must on the 1 July of the financial year:

- I. occupy the property as his/her normal residence and
- II. be at least 60 years of age or in receipt of a disability pension from the Department of Social Development and
- III. be in receipt of a total monthly income from all sources (including income of spouses of owners)
- IV. not be the owner of more than one property and
- V. submit the application by 30 September for this rebate for the current financial year, failing which the rebate will not be granted.

The percentage rebate granted to different monthly household income levels will be determined according to the schedule below.

The proposed incomes and rebates for the 2018 / 2019 financial year as follows:

The proposed incomes and rebates for pensioners for the 2018 / 2019 financial year as follows: Gross Annual Household Income 2018/2019	% Rebate
R 1 To R 80 000	100%
R 80 001 to R 84 000	75%
R 84 001 to R 88 000	50%
R 88 001 to R 92 000	25%
R 92 001 and above	0%

k) Rebates for Certain Categories of Properties / Property Users

The categories of properties qualifying for exemption and rebates are as per the Rates Policy.

- l) The Budget for 2018 / 2019 has been balanced using the estimated income from levying the rates proposed in this report.
- m) Provision has been made in the Budget for 2018/ 2019 for the income forgone arising from the rebates and concessions proposed in this report as detailed in the Rates Policy.
- n) that in terms of Section 26(1) of the Municipal Property Rates Act, the payment of any amount owed emanating from the levy of rates as determined on 1 July 2018 is payable

before or on 7 August 2018 and thereafter monthly before or on the date due as determined.

- 8 That the following electricity tariffs be approved in terms of Sections 4 and 11(3) of the Municipal Systems Act, 2000 (Act 32 of 2000) as the Tariff of Charges: Electricity of the Merafong City Local Municipality, provided that the tariffs are approved by the National Electricity Regulator.

<b>Proposed Tariff Structure - Merafong City Local Municipality</b>					
<b>Tariff Category</b>		<b>Current</b>	<b>Proposed</b>	<b>% change</b>	
<b>1. Domestic</b>					
Basic Charge		71.61	76.51	6.84%	
Energy Charge	Block 1 (0 - 50kWh)	0.86	0.91	6.84%	
	Block 2 (51 - 350kWh)	1.10	1.18	6.84%	
	Block 3 (351 - 600kWh)	1.55	1.65	6.84%	
	Block 4 (above 600kWh)	1.82	1.95	6.84%	
<b>2. Commercial</b>					
Basic Charge		813.10	868.72	6.84%	
Energy Charge		1.47	1.57	6.84%	
*Pre-Paid		1.51	1.62	6.84%	
<b>3. Industrial</b>					
Basic Charge		1180.18	1260.90	6.84%	
Energy Charge		0.90	0.96	6.84%	
Demand Charge		211.00	225.43	6.84%	
<b>3. Industrial -3%</b>					
Basic Charge		1180.18	1260.90	6.84%	
Energy Charge - 3 %		0.88	0.94	6.84%	
Demand Charge -3%		204.67	218.67	6.84%	
Temporary Power		1.61	1.72	6.84%	

Streetlights		0.97	1.04	6.84%	
Council kWh		0.97	1.04	6.84%	

9 that the following Water Tariff be approved and the tariffs be promulgated in terms of Sections 4 and 11(3) of the Municipal Systems Act, 2000 (Act 32 of 2000) as the Tariff of Charges: Water of the Merafong City Local Municipality.

		<u>2017-2018</u>	<u>2018-2019</u>	<u>Percentage increase</u>
Residential 0 – 15 kiloliters		11.00	11.66	6.00%
Residential 16-35 kiloliters		15.45	17.35	12.25%
Residential 36-50 kiloliters		25.00	28.73	14.90%
Residential 50 kiloliters and above		30.00	35.00	16.67%
<b>Business and Industrial</b>	200 Kiloliters and below	25.20	28.95	14.90%
	Above 200 Kiloliters	30.00	35.00	16.67%
<b>Special Consumers (Schools, Churches and welfare organisations)</b>	200 Kiloliters and below	18.90	21.72	14.90%
	Above 200 Kiloliters	25.00	35.00	40.00%
Departmental		16.70	19.19	14.90%
Mines Domestic		16.45	18.90	14.90%
Mines Operations		16.45	18.90	14.90%
Availability Charge	Vacant Stands - Residential	64.50	74.11	14.90%
Availability Charge	Vacant stands-	64.50	74.11	14.90%

	business			

10 that the following Refuse Removal Tariff be approved and the tariffs be promulgated in terms of Sections 4 and 11(3) of the Municipal Systems Act, 2000 (Act 32 of 2000) as the Tariff of Charges: Cleaning Services of the Merafong City Local Municipality:

**CLEANSING: (PLUS V.A.T.):**

	<u>Actual 2017/2018</u>	<u>Proposed 2018/2019</u>	<u>% Increase</u>
Residential and Business 1 bin/week	155.00	168.95	9.00%
Business Bin/3 x week	405.00	441.45	9.00%
Business Bin/5 x week	680.00	741.20	9.00%
MMH (1.75M <sup>3</sup> ) 1x per week	1,950.00	2,125.50	9.00%
MMH (1.75M <sup>3</sup> ) 2x per week	3,380.00	3,684.20	9.00%
MMH (1.75M <sup>3</sup> ) 3x per week	4,800.00	5,232.00	9.00%
MMH (1.75M <sup>3</sup> ) 5x per week	8,700.00	9,483.00	9.00%
Bulk container (30M <sup>3</sup> ) 1x per week	27,500.00	29,975.00	9.00%
Bulk container (30M <sup>3</sup> ) 2x per week	42,000.00	45,780.00	9.00%
Bulk container (30M <sup>3</sup> ) 3x per week	75,500.00	82,295.00	9.00%
Bulk container (30M <sup>3</sup> ) 5x per week	124,000.00	135,160.00	9.00%
Temporary service Per Bin	73.00	80.00	9.59%
Bulky waste Per m <sup>3</sup>	340.00	370.60	9.00%
Special Exemption Per m <sup>3</sup>	170.00	185.30	9.00%
Garden services waste LDV/Trailer	50.00	54.50	9.00%
Small Animal Carcasses	132.00	144.00	9.09%
Bulky garden waste 1m <sup>3</sup> - 3m <sup>3</sup>	325.00	354.25	9.00%
Bulky garden waste 3m <sup>3</sup> and above	650.00	708.50	9.00%
Building rubble per m <sup>3</sup>	342.00	373.00	9.06%

240 Liter Bins	Per Month for twelve months	26.50	29.00	9.43%
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11 And that the following Sewerage Tariff be approved and that the tariffs be promulgated in terms of Sections 4 and 11(3) of the Municipal Systems Act, 2000 (Act 32 of 2000) as the Tariff of Charges: Drainage Services of the Merafong City Local Municipality:

<b><u>SEWERAGE TARIFFS</u></b>				
		<b><u>2017-2018</u></b>	<b><u>2018-2019</u></b>	<b><u>% Increase</u></b>
Residential 0 – 15 kiloliters		5.00	5.30	6.00%
Residential 16-35 kiloliters		5.10	5.55	8.82%
Residential 36-50 kiloliters		5.20	5.70	9.62%
Max 50KL				
Business and Industrial	200 Kiloliters and below	5.20	5.70	9.62%
	Above 200 Kiloliters	5.80	6.30	8.62%
Special Consumers (Schools, Churches, Welfare organisations and consumers as approved by council)	200 Kiloliters and below	5.00	5.40	8.00%
	Above 200 Kiloliters	5.20	5.70	9.62%
Basic Charge Pre-Paid Water Consumers			135.00	New Tariff
Basic Charge (Payable by property owner)		50.00	54.00	8.00%
Basic Charge - Vacant Stands (Availability charge		63.00	68.00	7.94%

- 12 That Council approves the amendments to the Tariff Policy.
- 13 That Council approves the amendments to the Rating Policy.
- 14 That Council approves the amendments to the budget related policies of Council.
  
- 15 That council approves the miscellaneous tariffs as included in the tariff policy and that the tariffs be promulgated in terms of Sections 4 and 11(3) of the Municipal Systems Act, 2000 (Act 32 of 2000) and that the current Property Rates By-law be replaced with the attached Property Rates By-law as recommended by CoGTA and promulgated as such.
- 16 That council take cognizance that the draft 2018/2019 MTREF and IDP was tabled before Council on 31 March 2018 for community consultation and was published on the municipality's website, and hard copies were made available at municipal notice boards and various libraries.
- 17 That council take cognizance that the consultative meetings with the residents and Stakeholders of Merafong on the budget for the medium term expenditure framework 2018/2019 to 2020/2021 were held.
- 18 That council approves the turn-around plan to address the deficit in 2018/2019.