

BEN RHEEDERS - SFB WARD COUNCILLOR'S FEEDBACK REPORT RE THE BUDGET.

DA issues tabled with the Mayor as regards to the budget:

- That there would be no change in the situation we are in now.
- The increase in rates and taxes of over 8% is too high for the present economic situation in our country and our municipality. This heavy increase is $\pm 3\%$ above the inflation rate, and 2% above the Treasury's recommendation.
- The 95% collection rate is over optimistic and will not be achieved. Every 1% not collected is a shortfall of R4 million.
- The provision for salaries and wages is too high and does not provide for our contract workers. What will happen to them: Are they going to be dismissed?
- The Environmental Management Fund (EMF), Canal Levy and St Francis Bay sewerage levy is not ring fenced. What has happened to the SFB sewerage levy that has been collected over the past three years? EMF funds should be used for environmental matters not normal operating budget items.
- The R26 million budgeted for land sales is not guaranteed and may create another shortfall. (This should be used for capital projects).
- What is the shortfall (outstanding creditors) for this year and how will it affect our budget?
- That the expenditure as proposed in the draft budget be realistically reduced to be in line with the income votes.
- That KM acts in accordance with section 25.1 of the Municipal Finance Management Act in the process of finalizing the budget.
- DA proposed that the budget be referred back and corrected

The Municipality's summary of the key elements of the medium-term budget for 2011/12.

"The main tariff increases remain the same as per the draft budget, except for a lower tariff increase for EMF. These increases are as follows:

- *Assessment Rates: 8%*
- *Electricity (bulk): 20.38%*
- *Refuse: 8%*
- *EMF: 5%*
- *Water: 14%*
- *Sewerage: 8%*
- *Sanitation: 8%*
- *Other: 4.8%*

The Operating Budget for 2011/12 amounts to R483,102,426.21

It is distributed as follows:

- *Staff cost: R175,694,304.20*
- *Repairs and Maintenance: R35,050,603.32*

- Other expenditure: R272,357,518.69

The provision for salaries and wages makes up 36% of the total operating budget. This decrease follows ongoing efforts by the Municipality Management to address the high cost of staff. These efforts have included reviewing the contracts of temporary staff, a process that has demanded great sensitivity and empathy because those affected are people, not numbers.

The salary increase has been set at 6.05%, in line with the Salary and Wage Collective Agreement 2009/10 to 2011/12.

Repairs and Maintenance account for 7% of the total operating budget.

The operational revenue of R483,102,426.21 will be sourced as follows:

- Assessment rates: R123,453,174.90
- Electricity: R157,591,947.35
- Water: R45,682,001.07
- Sewerage: R31,682,701.78
- Refuse: R21,074,473.32
- Other income: R57,314,027.79
- Grants and subsidies: R46,304,100.00

The Capital Budget for the year totals R38, 151,900. The actual projects associated with the Capital Budget can be found in the budget document and the IDP.”