



CLEAN AUDITS SINCE 2010/11



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File Ref: 5/1/R

Enquiries:
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6 June 2023

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The Chairman
Yzerfontein Residents' Association
P O Box 2
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7351

Attention: Mr E Brittain

SWARTLAND MUNICIPALITY – DRAFT BUDGET 2023/24

Your letter dated 28 April 2023 refers.

It is hereby confirm that your inputs in the above regard was considered at the Municipal Council Meeting held on 25 May 2023.

Your inputs was resolved by Council as per Annexure E of which an excerpt is attached hereto.

For the complete set of budget documents tabled to Council, please access the link below:

<https://www.dropbox.com/scl/fo/e4kkr8g80qkej6sr69sw5/h?dl=0&rlkey=8wa1p5s9em0t8z3zdxsers6cz>

We hope you find the information in order.

Yours faithfully

MUNICIPAL MANAGER

via Department Corporate Services

KOMMENTAAR ONTVANG OP VERTOË RAKENDE DIE KONSEP BEGROTING SOOS ONTVANG TEEN 28 APRIL 2023 VIR VOORLEGGING AAN DIE RAAD VIR OORWEGING / COMMENTS ON REPRESENTATIONS REGARDING THE DRAFT BUDGET AS RECEIVED BY 28 APRIL 2023 FOR TABLING IN COUNCIL FOR CONSIDERATION

VANAF / FROM	KOMMENTAAR OP: (die volledige skrywes word aangeheg) / COMMENTS ON: (the complete letters are attached)	KOMMENTAAR / COMMENTS/ CONSIDERATION AND COUNCIL RESOLVE
<p>Yzerfontein Residents' Association (Letter dated 28 April 2023)</p>	<p>1. Property Tax: request to adjust the rate downwards following:</p> <p>1.1 Rebate and increase in residential property rate</p> <p>(i) Rebate for Senior Citizens (R300 000 vs R450 000 by Cape Town Metro)</p> <p>(ii) Increase in residential property rate by 5.90% and total property income by a massive 13.2% vs Metro's rate is decreased by 1.12% yet income from property tax increases by 5.8%</p> <p>(iii) Depreciation – reference to e-mail of Mr Leon Smith of Mubesko</p> <p>(iv) Nr of residents receiving subsidised services = 40% of ratepayers / Every three ratepayers have burden of own account but also subsidise two others</p>	<p>It is a fact that the NT guidance in respect of CPI falls short year-on year at a difference of around 150 -200 basis points, resulting in reduced operational revenues required to sustainably fund the longer term development requirements of the municipality with emphasis on the needs of the Swartland Municipality.</p> <p>The published draft rates was the result of an extensive revenue modelling exercise, which unfortunately cannot be lowered further. Such revenue modelling takes into account and is informed by past performance, extrapolated revenue performance for the current year, inclusive of making provision for growth derived from the interim valuation results. The revenue for the 2023-2024 is therefore derived from 2022-2023 adjusted estimates resulting in overall growth in revenue of around 13%.</p> <p>The main contributing cost drivers to higher operational costs are amongst other, fuel and the impact on cost centres occasioned by continued load shedding (which adds to the overtime bill) which place additional financial burdens on the municipality. The latest published CPI by STATSA is at a high of 7.1% for March 2023 with published annual inflation around 6.9%, whilst the municipality is guided towards 5.4% for the next year. Evident from the municipality's audited financial statements is the fact that the municipality is no longer able to generate the required cash surpluses and only manages close to break-even.</p> <p>The information shared in Circular 115 regarding the funding of the depreciation refers. <i>"It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115"</i>. – refer to Section 5.2 Funding Depreciation</p>

	<p>2. Infrastructure and Municipal Assets</p> <p>2.1 Main Beach Promenade</p> <ul style="list-style-type: none"> (i) Boom for emergency vehicle access to be repaired (ii) Number of refuse bins inadequate (i) Infrastructure at Caravan Park requires urgent maintenance (barbeque fireplaces, ablution facilities) (ii) Budget for above be allocated under the direct control of the Town Manager 	<ul style="list-style-type: none"> (i) That the responsible department attend thereto. (ii) That the responsible department attend thereto.. (iii) That the responsible department attend thereto. Maintenance in Yzerfontein Caravan park at the fire places and ablution facilities is done on a daily basis and the municipality responds regularly to all queries from campers. iv) The budget is available and the Town Manager do have access via the relevant division’s manager.
	<p>2.2 Recreational Facilities</p> <p>Budget in 2023/24 for proper repair of x2 tennis courts</p> <p>[vs allocation of R12.7 million for swimming pool for Wesbank]</p>	<p>An application for the upgrading for the facilities to the amount of R550 000 has been submitted to the Provincial Department of Sport.</p>
	<p>2.3 Sidewalk Lutie Katz Street</p> <p>SM undertook to budget yearly for paving of the seaside sidewalk along a portion of Lutie Katz Street – little progress</p>	<p>No funds are available for the upgrading of side walks. This project must either be accommodated under the ward’s allocation or must be considered as a separate project with the drafting of the new multi year capital budget.</p>
	<p>3. Law Enforcement and Town Management</p> <ul style="list-style-type: none"> (i) Appreciate appointment of Town Manager fulfilling a “daunting dual responsibility in an admirable manner” (ii) Request for acceptable level of law enforcement service/equal to other SM towns (iii) Request to provide for an allowance to the Town Manager (comparable to allowance to Mr Carstens but adjusted for inflation). “We stand corrected if our recollection is erroneous”. 	<ul style="list-style-type: none"> (i) Cognisance taken of the value adding function of Area Coordinator: Law Enforcement (<i>*Town Manager Yzerfontein</i>). (ii) The request for an extra Law Enforcement officer in Yzerfontein is noted. The extra post will compete with other critical posts. The Residents’ Association must also take note that the Municipality will employ a Law Enforcement Reaction Unit (20 Officers) from 1 May 2022 to be deployed throughout the Swartland (including Yzerfontein). (iii) The post of the Area Coordinator: Law Enforcement (Town Manager) was evaluated by the job evaluation system based on all the duties of the incumbent (inclusive of town management).
	<p>4. By-laws and Policies</p>	

	<p>Section 13 of Property Rates Policy needs attention:</p> <ul style="list-style-type: none">(i) What is meant by “prevent fruitless and wasteful expenditure”;(ii) Different rates on different portions of a multipurpose property is not equitable and may be in contravention with Section 9 of the Property Rates Act, read with Section 1.1.6 of the SM Land Use Planning By-law <p>[see explanation in the attached letter]</p>	<ul style="list-style-type: none">(i) The question/comments does not relate to any draft amendments to the policy and must therefore be dealt with administratively by the Finance Department.(ii) The matter to be investigated by administration (Planning Division).
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