



CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

EXTRACT OUT OF MINUTES AN ORINARY COUNCIL MEETING HELD ON 29 MAY 2019

**C774. CHDM 2019 – 2020 FINAL IDP REVIEW AND FINAL BUDGET
2019 – 2022 MTREF**

Purpose:

To present to the Council for consideration and recommendation for adoption to Council the 2019-2020 CHDM's reviewed Integrated Development Plan (IDP) and 2019 -2021 Budget MTREF

Authority:

Council of the Chris Hani District Municipality

Legislative Framework:

Constitution of the Republic of South Africa

Local Government: Municipal Structures Act

Local Government: Municipal Systems Act

Local Government: Municipal Finance Management Act and Regulations

Municipal Planning and Performance Management Regulations

Background:

On 29th August 2018, Chris Hani District Municipality adopted the IDP Framework and IDP/Budget/PMS Process Plan. The purpose of the adoption was to outline a process by which the 2019-2020 IDP would be reviewed. This was to be a first review of the "fourth" 2017-2022 Integrated Development Plan (IDP) for the Municipality for the period 2019 - 2020.



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The IDP is developed in accordance with the requirements set out in the Municipal Systems Act (32 of 2000) and the Municipal Planning and Performance Management Regulations (2001).

The Municipal Systems Act 32 of 2000 reflects that the IDP must be developed and reviewed annually together with the Municipality's Performance Measurement System. This means that the development and review of the IDP has to go hand-in-hand with the implementation of a Performance Management System and the Budget Cycle.

Section 23 (1) of the Local Government: Municipal Systems Act requires that Municipal Planning be developmentally oriented, which means that it must strive to achieve objects of local government as set out in section 152 of the Constitution. This, further, gives effect to the Municipality's developmental duties as required by section 153 of the Constitution.

Chapter 5 (five) of the Municipal Systems Act (Act 32 of 2000) describes the IDP as a single, inclusive and strategic plan for the development of a municipality that will be the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality.

Municipal Finance Management Act 56 of 2003 Section 16 prescribes that the Council of a Municipality must for each financial year approve an Annual Budget for the municipality before the start of the financial year.

The final budget brought to the attention of the Mayoral Committee, recognises the funding streams of Council that have remained the same as in the previous budget years being mainly service charges for water and sanitation services and grant funding from both National Treasury and Provincial State Departments. Other revenue in addition to above is interest on investments and outstanding debtors, and sundry revenue.



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The expenditure of the municipality is as a result of employee related costs, councillors allowances, expenditure on operating and capital grants, transfers and grants to the municipal entity, funding for SMME's, Contracted Services, Debt Impairment, Depreciation on Property Plant and Equipment and other expenditure that includes general expenses, IDP programmes and repairs and maintenance.

Exposition of Facts:

The IDP is developed and later reviewed annually in order to:

- a) Ensure its relevance as the Municipality's Strategic Plan;
- b) Inform other components of the Municipal business processes including institutional and financial planning/ budgeting; and
- c) Inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant, the Municipality must assess its past performance and achievement of its targets [strategic objectives]. In the light of this assessment, the IDP is reviewed to reflect the impact of its success as well as corrective measures to address challenges. The IDP will also be reviewed in the light of changing internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of IDP.

Simultaneous to the IDP development and review process, the Municipal Finance Management Act requires the Executive Mayor, duly assisted by the Accounting Officer, to lead the budget drafting processes for a particular financial year.

It provides that at least 10 (ten) months before the start of the budget year, a schedule of key deadlines must be tabled in the municipal council. Section 16 of the Local Government Municipal Finance Management Act (MFMA) prescribes that the council of a municipality must for each financial year



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approve an annual budget for the municipality before the start of the financial year.

Chris Hani District Municipality as earlier mentioned prepared an IDP/Budget/PMS process plan which was adopted by Council by 29th August 2018, and this Process Plan action programme for the 2019/2020 to 2020/2021 Medium Term Revenue and Expenditure Framework (MTREF). The process culminates into the budget for the financial year 2019-2020 which is addressing the matters as lifted and reflected on IDP Review of 2019-2020 financial years. Chapter 6 of this 2019-2020 CHDM IDP Review covers a detailed financial plan for the municipality unto which the programmes and challenges will be addressed.

The final budget for 2019/2020 MTREF period, started with a process of considering the issues that were raised in the strategic sessions for previous years that influenced the current IDP, taking into account allowable increases (parameters) of 5,2 %, 5,4 % and 5,4 % for the two outer years as determined by National Treasury in MFMA Circular 94 dated 08 March 2019.

The salaries budget recognises current salary levels and potential increases for cost of living and general annual increase that will be effected in July 2019.

All Directorates were requested to provide further input to the operational budget based on their needs and also taking into account the constraints presented by the limited revenue sources.

Provincial allocations (including agency functions) made/expected to the district were confirmed for current and outer budget years.

No budget provision has been made in instances where current/outer year allocations were not confirmed by the provincial government departments.



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The budget of the Chris Hani Development Agency for the current financial year has been presented to Council for approval and as such the previous financial year's allocation has been revised.

The final budget, proposes a tariff increase by 5.2 % in all revenue streams. The tariff study is currently underway and its outcomes will be communicated to Council before implementation. The proposed tariff increases are attached as an annexure to the executive summary.

The outcome of the final budget process was a non cash deficit of R 338.8 million, when taking into account both capital and operating expenditure, a decrease compared to the current year deficit. The non-cash deficit is influenced by depreciation on assets and debt impairment. When compared to the third adjustment budget the deficit has decreased by R 20.4 million or 5,6%.

The capital programmes funded from capital grants were budgeted to the extent of funds allocated by National government and R 95 million from municipal reserves.

The deficit budget should be closely monitored by the municipality to ensure a decrease and ultimately a fully funded budget, as a deficit budget might have a negative impact on infrastructure improvements, as depreciation that is not supported by funded reserves might negatively affect infrastructure replacements.



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TABLE 1: PROPOSED FINAL BUDGET SUMMARY 2019/20 TO 2021/2022

MTREF:

Chris Hani District Municipality Consolidated Budget summary: 2019/20 Final Budget						
Description	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
R thousand						
Total Operating Revenue	937,496	953,542	-	948,222	969,758	1,028,712
Capital Revenue	478,606	580,217		424,611	687,006	588,460
Total Revenue	1,416,102	1,533,760	-	1,372,833	1,656,763	1,617,172
Total Operating Expenditure	1,225,266	1,279,605	-	1,252,209	1,294,194	1,333,252
Capital Expenditure	558,606	649,217	-	519,611	765,067	576,827
Total Expenditure	1,783,872	1,928,822	-	1,771,820	2,059,261	1,910,079
Total Surplus/(Deficit)	(367,769)	(395,062)	-	(398,987)	(402,498)	(292,907)
Total Surplus/(Deficit) after internal Transfers	(320,249)	(359,216)		(338,799)	(339,050)	(316,287)

The table above reflects a budgeted deficit of R 336.6 million, a decrease of R 20,4 million or 5,7 % when compared to the third adjustment budget and a decrease of R 18,6 million or 5.8 % when compared to the final approved budget for 2018/19 financial year. The deficit is however increasing in 2020/21 to R 339 million and decreasing in 2021/2022 to R 316.3 million.

The municipality is relying on the outcome of the tariff study for the review of tariffs to address the deficit and the completeness of billing upon finalisation of the data cleansing programmes.

PROPOSED FINAL BUDGET 2019/2020 MTREF:-

The following tables (table 2 to 7) illustrate the anticipated proposed revenue and expenditure streams for the MTREF:-



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Grants and Subsidies represent the combination of all grants and subsidies utilised to fund the operating budget including provincial agency grants.

This also includes the Equitable Share, Finance Management Grant (FMG), and allowable portion of the MIG to fund the Project Management Unit (PMU), etc.

Investment revenue comprises anticipated interest on surplus funds invested that are not immediately required for service delivery. Service charges is estimated water and sanitation revenue from the WSAWSP function undertaken by the District municipality.

Other revenue comprises the anticipated sundry income such as administration fees on salary deductions, sale of tender documents etc.

Table 2: Operating Revenue 2019/20 MTREF: Table A4: R 948,222 million.

Chris Hani District Municipality Operating Revenue by Source: Final Budget 2019/20 MTREF							
Description	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
Revenue By Source							
Service charges - water revenue	174,470	221,966	178,574	178,574	187,503	196,878	206,722
Service charges - sanitation revenue	49,454	53,070	54,246	54,246	56,959	59,806	62,797
Rental of facilities and equipment	-	-	-	-	-	-	-
Interest earned - external investments	34,139	27,268	32,480	33,154	34,812	36,552	38,380
Interest earned - outstanding debtors	-	11,355	6,730	32,467	34,090	35,795	37,584
Transfers recognised - operational	561,748	565,322	600,325	653,859	633,215	639,378	681,823
Other revenue	2,573	3,296	64,942	1,042	1,444	1,149	1,206
Gains on disposal of PPE	6,989	-	200	200	200	200	200
Total Revenue (excluding capital transfers and contributions)	829,372	882,277	937,496	953,542	948,222	969,758	1,028,712

The above table reflects an overall decrease of R 5,3 million or 0,6 % in operating revenue when compared with the third adjustment budget or an increase of R 10.7 million or 1.1 % when compared with the approved budget for 2018/19 financial year.



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The decrease mainly resulted from the decrease in Transfers recognised-operational that was influenced by a decrease in operational grants.

The following revenue sources had increased when compared to the third adjustment budget:-

Service Charges Water – (R 8.9 million) or 5 %;

Service Charges Sanitation – (R 2.7 million) or 5 %;

Interest on investments – (R 1.6 million) or 5 %;

Interest on outstanding debtors – (R 1.6 million) or 5 %; and

The following revenue sources had decreased when compared to the third adjustment budget:

Transfers and Subsidies – (R 20.6 million) or 3 %.

The increases above are in line with CPI as suggested in MFMA Circular 94 of increases between 5.2 and 5.4 percent and the decrease in transfers and grants emanates from the reduced operating grants allocations.



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Chris Hani District Municipality Perc Growth in Operating Revenue by Source Final Budget 2019/20 MTREF							
Description			2019/20 Medium Term Revenue & Expenditure Framework				
			Adjusted Budget	%	Budget Year 2019/20	%	Budget Year + 2020/21
R thousand							
Revenue By Source							
Service charges - water revenue	178,574	5	187,503	5	196,878	5	206,722
Service charges - sanitation revenue	54,246	5	56,959	5	59,806	5	62,797
Rental of facilities and equipment	-	0	-	-	-	-	-
Interest earned - external investments	33,154	5	34,812	5	36,552	5	38,380
Interest earned - outstanding debtors	32,467	5	34,090	5	35,795	5	37,584
Transfers recognised - operational	653,859	(3)	633,215	1	639,378	7	681,823
Other revenue	1,042	39	1,444	(20)	1,149	5	1,206
Gains on disposal of PPE	200	-	200	-	200	-	200
Total Revenue (excluding capital transfers and contributions)	953,542	(1)	948,222	2	969,758	6	1,028,712

The above table presents revenue growth over the 2019/20 MTREF period compared to the current budget year. The percentage growth is not looking very good to enable the municipality to address the budget deficit.



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Table 3: Operating Expenditure 2019/20 MTREF: Table A4: R 1,252,209 billion.

Chris Hani District Municipality Operating Expenditure by Standard classification Final Budget 2019/20 MTREF							
Description	2016/17	2017/18	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year + 2020/21	Budget Year + 2021/22
Expenditure By Type							
Employee related costs	249,004	293,468	308,843	308,843	337,874	351,554	384,600
Remuneration of councillors	9,577	11,162	11,071	12,845	13,902	14,597	15,327
Debt impairment	177,156	267,392	200,000	200,000	200,000	200,000	200,000
Depreciation & asset impairment	121,363	140,521	140,000	140,000	140,000	140,000	140,000
Finance charges	271	117	1,260	1,260	1,260	1,336	1,416
Bulk purchases	21,589	16,178	26,139	26,139	26,139	26,139	26,139
Contracted services	78,783	96,771	112,153	141,598	143,466	151,074	156,962
Transfers and grants	246,619	192,209	206,950	97,785	75,531	69,073	68,387
Other expenditure	224,652	184,018	218,850	351,135	314,036	340,421	340,421
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	1,129,015	1,201,835	1,225,266	1,279,605	1,252,209	1,294,194	1,333,252

The table above reflects an overall decrease of R 27.4 million or 2 % when comparing the proposed budget with the third adjustment budget and an increase of R 27 million or 2.2 % when comparing the proposed budget with the approved budget for 2018/19 financial year. The decrease was mainly influenced by the decrease in transfers and grants and general expenses.

The following expenditure types had increased when compared to the third adjustment budget:-

Employee related costs – (R 29.0 million) or 9 %;

Councillors Allowances - (R 1.1 million) or 8 %; and

Contracted Services – (R 1.9 million) or 1 %.



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The following expenditure types had decreased when compared to the third adjustment budget:-

Transfers and Grants – (R 22,3 million) or 23 %; and

Other Expenditure – (R 37,1 million) or 11 %.

All the increases made in expenditure were within the CPI of 5.2 to 5.4 percent and also the 9.4% of the Local Government Bargaining Council and the decreases were mainly influenced by current year and previous years performance which was also affected by available funds and cost containment measures that have been put in place.

Table 4: EPWP Grant Funding 2019/20: R 4.642 million :-

Chris Hani District Municipality EPWP Funding draft Budget 2019/20 MTREF							
Description	Adjusted Budget 2017/18	Adjusted Budget 2018/19	Budget Year 2019/20 Grant	Budget Year 2019/20 EQS Funds	Budget Year 2019/20 EPWP Prog	Decrease	% Increase
	R	R	R	R	R	R	%
Municipal manager	–	500	500	–	500	–	0%
Corporate Services	3,280	1,900	1,900	–	1,900	–	0%
Integrated Planning & Development	3,620	2,500	984	–	984	1,516	154%
Health and Community Services	3,137	1,258	1,258	5,000	6,258	–	0%
Total	10,037	6,158	4,642	5,000	9,642	1,516	25%

The table above reflects 25 % decrease in EPWP grant funding for 2019/20 budget year when compared with 2018/19 budget year. The decrease was influenced by the national decrease in all grants as a result of a decrease in the National fiscus. There is no reflection of allocations in the two outer years as this grants is not guaranteed in the outer years. A contribution of R 5 million has been made to EPWP programmes from Council internal funds.



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Table 5: Equitable Share Funded Programmes 2019/20: R 103.1 million:-

Chris Hani District Municipality Equitable share Funding Final Budget 2019/20 MTREF					
Description	Adjusted Budget 2017/18	Adjusted Budget 2018/19	Budget Year 2019/20	Increase/ (Decrease)	% Change
	R	R	R	R	%
Municipal manager	10,313	9,513	8,253	(1,260)	-13%
Corporate Services	13,870	13,320	15,000	1,680	13%
Integrated Planning & Development	46,867	46,422	58,100	11,678	25%
Health and Community Services	14,261	13,602	17,453	3,851	28%
Budget and Treasury Office	2,100	2,100	2,100	-	0%
Technical Services	2,200	2,200	2,200	-	0%
Total	89,611	87,157	103,106	15,949	18%

The above table reflects an increase in equitable share funded programmes by 18 %, when comparing the proposed budget with the third adjustment budget. The increase was influenced by the need to improve on service delivery and also justified by the annual increase in the grant funding.

Table 6: Final Budget – Capital Revenue 2019/20 MTREF: Table - R 424.6 million:-



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Chris Hani District Municipality Capital Revenue 2019/20 MTREF Final Budget					
Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Capital Transfers and Grants					
National Government:	478,606	580,217	424,611	665,067	561,827
Municipal Infrastructure Grant (MIG)	261,606	239,272	234,821	229,115	261,668
Regional Bulk Infrastructure (RBIG)	172,000	191,440	105,329	322,012	195,900
Water Services Infrastructure Grant (WSIG)	45,000	149,506	84,461	113,940	104,259
Municipal Water Infrastructure Grant (MWIG)	-	-			
Provincial Government:	-	-	-	-	-
Provincial Treasury			-		-
DHS Unblocking	-		-		-
Total Capital Transfers and Grants	478,606	580,217	424,611	665,067	561,827

MIG, RBIG, WSIG are conditional grants allocated per the DORA to specified approved projects.

The 26.8 % overall decrease in capital grant funding is a result of decreases in the following grants:

RBIG (R 86.1 million) or 44.9 %; and

WSIG (R 65 million) or 43.5 %.

The MIG has however increased by R 4.4 million or 1.8 % and the decreases in infrastructure grants will have a negative impact on running project.



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Table 7: Final Budget – Capital Expenditure 2019/20 MTREF: Table - R 519,6 million :-

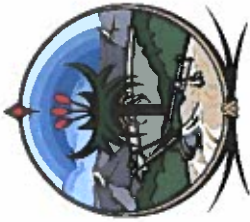
Chris Hani District Municipality Capital Expenditure by vote Final Budget 2019/20 MTREF					
Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Capital expenditure -vote					
Multi-year expenditure to be appropriated					
Vote 7 - Technical Services	478,606	580,217	424,611	665,067	561,827
Capital multi-year expenditure sub-total	478,606	580,217	424,611	665,067	561,827
Single-year expenditure to be appropriated					
Vote 1 - Council					
Vote 2 - Municipal manager					
Vote 3 - Budget & Treasury	25,000	44,000	22,500	15,000	15,000
Vote 4 - Community Services					
Vote 5 - Corporate Services	55,000	25,000	72,500	85,000	-
Vote 6 - Planning & Development					
Capital single-year expenditure sub-total	80,000	69,000	95,000	100,000	15,000
Total Capital expenditure-vote	558,606	649,217	519,611	765,067	576,827

The table above reflects the total capital expenditure for 2019/20 MTREF, which represent a decline in capital expenditure influenced by the decline in conditional grants for infrastructure projects. The internal reserves are however reflecting an increase in 2019/20 budget year and 2020/21, though there is a decline in the last outer year as it is anticipated that the municipality would have completed the two first phases of CHDM Village.

Proposed tariffs for 2019/20 Budget Year:

Water Related Tariffs:

Domestic/Household Consumptive Tarrifs:



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CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019

PROPOSED INCREASE FOR JULY 2019 - JUNE 2020

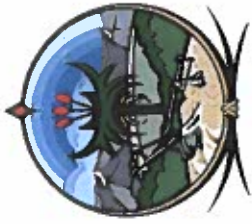
PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020

TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
WATER					
<i>Water Consumption (Domestic use)</i>					
0-6	8.55	0.44	8.99	1.35	10.34
7-15	9.89	0.51	10.40	1.56	11.96
16-30	12.11	0.63	12.74	1.91	14.65
31-45	15.08	0.78	15.86	2.38	18.24
46-60	16.48	0.86	17.34	2.60	19.94
61 or more	18.60	0.97	19.57	2.94	22.50
<i>Water Consumption (Institutional, etc)</i>					
0-200kls per month	10.10	0.52	10.62	1.59	12.21
201-2500 kl per month	11.17	0.58	11.75	1.76	13.51
2501 or more kl per month	12.23	0.64	12.86	1.93	14.79
<i>Water Consumption (Business & other use)</i>					
0 - 5 000 kl / month	12.97	0.67	13.64	2.05	15.69
5001 - 25000 kl / month	13.17	0.69	13.86	2.08	15.94
25 001- 50000 kl/month	13.39	0.70	14.09	2.11	16.20
50 001- or more kl / month	13.39	0.70	14.09	2.11	16.20
<i>Water Consumption (no meter/unread meter). Flat Rate Per Month</i>					
Domestic/Household	89.77	4.67	94.44	14.17	108.61
Institutional	116.71	6.07	122.78	18.42	141.20
Business & other	125.69	6.54	132.22	19.83	152.06
<i>Water Basic (Availability). Flat Rate Per Month</i>					
Domestic	89.77	4.67	94.44	14.17	108.61
Institutional	116.71	6.07	122.78	18.42	141.20
Business	125.69	6.54	132.22	19.83	152.06
Water Delivery					



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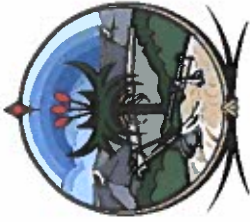
<i>Water Combination Meters</i>					
50mm	32,547.07	1,692.45	34,239.52	5,135.93	39,375.44
80mm	35,493.88	1,845.68	37,339.56	5,600.93	42,940.49
100mm	43,626.94	2,268.60	45,895.54	6,884.33	52,779.87
150mm	69,243.54	3,600.66	72,844.20	10,926.63	83,770.83
<i>Main Meter Connection (find road crossing)</i>					
15mm	2,240.44	116.50	2,356.95	353.54	2,710.49
15mm WCM	3,225.01	167.70	3,392.71	508.91	3,901.62
25mm	4,180.97	217.41	4,398.38	659.76	5,058.14
<i>Main Meter Connection (find road crossing)</i>					
15mm	1,705.74	88.70	1,794.44	269.17	2,063.60
15mm WCM	2,729.77	141.95	2,871.72	430.76	3,302.48
<i>ILLEGAL CONNECTIONS PENALTIES</i>					
DOMESTIC	4,938.64	256.81	5,195.45	779.32	5,974.77
BUSINESS	10,063.73	523.31	10,587.04	1,588.06	12,175.10
READING METERS	232.83	12.11	244.93	36.74	281.67
<i>DISCONNECTION AND RESTRICTION FEES</i>					
DELIVERY OF NOTICES	76.96	4.00	80.96	12.14	93.10
Installation of Water Mgt Meter (15mm) Domestic	2,654.79	138.05	2,792.84	418.93	3,211.77
Disconnect the service	824.76	42.89	867.64	130.15	997.79
Adjust the Water Mgt Meter (15mm) Domestic	433.10	22.52	455.62	68.34	523.96
Installation of Water Mgt Meter (15mm) Business & other	2,654.79	138.05	2,792.84	418.93	3,211.77
Terminate - Business & other	824.76	42.89	867.64	130.15	997.79
Re-instate - Business & other	824.76	42.89	867.64	130.15	997.79
Adjust the Water Mgt Meter (15mm) Business & other	433.10	22.52	455.62	68.34	523.96
<i>DAMAGED TO THE MUNICIPAL WATER PIPE SYSTEM</i>					
Pipes with diameter 50mm or less	6,028.77	313.50	6,342.26	951.34	7,293.60
Pipes with diameter between 50mm and 100mm	12,058.52	627.04	12,685.56	1,902.83	14,588.40
Pipes with diameter between 100mm and 250mm	18,087.30	940.54	19,027.84	2,854.18	21,882.01
Pipes with diameter between 250mm and 400mm	24,117.05	1,254.09	25,371.14	3,805.67	29,176.81
Pipes with diameter between 400mm and 700mm	48,234.10	2,508.17	50,742.28	7,611.34	58,353.62
Pipes with diameter greater than 700mm	66,321.40	3,448.71	69,770.11	10,465.52	80,235.63



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TARIFFS	CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019		PROPOSED INCREASE FOR JULY 2019 - JUNE 2020		PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020	
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WATER QUALITY - LAB ANALYSIS COSTS						
<i>Bacteriological analysis</i>						
E-coli (count / 100 ml)	90.77	4.72	95.49	14.32	109.81	
Coliform Count (count / 100 ml)	74.00	3.85	77.85	11.68	89.53	
<i>Physical & Organoleptic analysis</i>						
Ph	20.43	1.06	21.50	3.22	24.72	
Turbidity	12.09	0.63	12.72	1.91	14.62	
Electrical conductivity	16.64	0.87	17.51	2.63	20.14	
Chlorine	6.36	0.33	6.69	1.00	7.69	
Total dissolved solids (TDS)	41.09	2.14	43.22	6.48	49.71	
Suspended solids	30.93	1.61	32.54	4.88	37.42	
<i>Chemical analysis</i>						
Fluoride	69.27	3.60	72.87	10.93	83.80	
Nitrate	87.07	4.53	91.60	13.74	105.34	
Ammonia	66.30	3.45	69.75	10.46	80.22	
Chemical Oxygen Demand (COD)	138.11	7.18	145.29	21.79	167.09	
Phosphate	73.92	3.84	77.77	11.66	89.43	
Sulphate	69.27	3.60	72.87	10.93	83.80	



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CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019

PROPOSED INCREASE FOR JULY 2019 - JUNE 2020

PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020

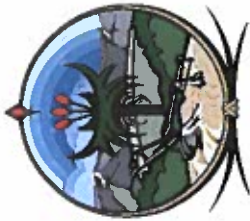
TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
SANITATION					
<i>Basic Charge per Month (Flat Rate)</i>					
Domestic / Households	R 59.16 R	3.08 R	62.23 R	9.33 R	71.57 R
Business	R 97.51 R	5.07 R	102.58 R	15.39 R	117.97 R
Government	R 98.43 R	5.12 R	103.55 R	15.53 R	119.09 R
Churches, Hotels, Schools & Hospitals	R 92.86 R	4.83 R	97.69 R	14.65 R	112.34 R

CURRENT TARIFFS CHARGED FOR JULY 2018 - JUNE 2019

PROPOSED TARIFFS FOR JULY 2019 - JUNE 2020

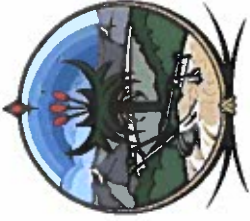
PROPOSED INCREASE FOR JULY 2019 - JUNE 2020

TARIFFS	CURRENT TARIFF FOR 2018/2019 VAT EXCLUSIVE	PROPOSED INCREASE OF 5.2 %	PROPOSED TARIFF FOR 2019/2020 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2019/2020 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2019/2020 VAT INCLUSIVE AT 15 %
SANITATION					
<i>Honey Sucker / Sewerage Removal</i>					
Labour - Charged per person	R 44.30 R	2.30 R	46.60 R	6.99 R	53.59 R
Travel Expenses - Charged per kilometer	R 7.90 R	0.41 R	8.31 R	1.25 R	9.55 R
Charge per Load	R 424.00 R	22.05 R	446.05 R	66.91 R	512.96 R
<i>Night-Soil Removals Per Load</i>					
Night-Soil Removals (Buckets)	R 64.77 R	3.37 R	68.14 R	10.22 R	78.36 R
<i>Unblocking of Drains on Customer Properties</i>					
Domestic	R 107.86 R	5.61 R	113.47 R	17.02 R	130.49 R
Business	R 193.33 R	10.05 R	203.38 R	30.51 R	233.89 R
Government	R 212.67 R	11.06 R	223.73 R	33.56 R	257.29 R
<i>New Sewer Connection</i>					
100mm Sewer Connection	R 1,233.18 R	64.13 R	1,297.31 R	194.60 R	1,491.90 R
150mm Sewer Connection	R 1,519.28 R	79.00 R	1,598.28 R	239.74 R	1,838.02 R



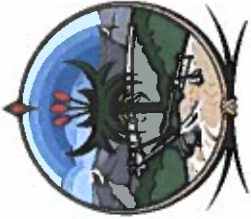
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MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES					
VECTOR CONTROL					
Vector control per occurrence	R 295.97	15.39 R	311.36 R	46.70 R	358.06 R
Waste water spillages	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R
Noise control					
Residential	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R
Business	R 591.92	30.78 R	622.70 R	93.41 R	716.11 R
ATMOSPHERIC EMISSIONS LICENCES					
1 unit of listed activities					
New Application	R 1,479.82	76.95 R	1,556.77 R	233.52 R	1,790.28 R
Review	R 986.55	51.30 R	1,037.85 R	155.68 R	1,193.53 R
Renewal	R 986.55	51.30 R	1,037.85 R	155.68 R	1,193.53 R
Transfer	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R
2 to 5 units of listed activities					
New Application	R 2,466.37	128.25 R	2,594.62 R	389.19 R	2,983.81 R
Review	R 1,479.82	76.95 R	1,556.77 R	233.52 R	1,790.28 R
Renewal	R 986.55	51.30 R	1,037.85 R	155.68 R	1,193.53 R
Transfer	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R
6 to 10 units of listed activities					
New Application	R 3,452.90	179.55 R	3,632.45 R	544.87 R	4,177.31 R
Review	R 2,466.37	128.25 R	2,594.62 R	389.19 R	2,983.81 R
Renewal	R 986.55	51.30 R	1,037.85 R	155.68 R	1,193.53 R
Transfer	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R
11 and more units of listed activities					
New Application	R 4,439.44	230.85 R	4,670.29 R	700.54 R	5,370.84 R
Review	R 3,452.90	179.55 R	3,632.45 R	544.87 R	4,177.31 R
Renewal	R 986.55	51.30 R	1,037.85 R	155.68 R	1,193.53 R
Transfer	R 493.27	25.65 R	518.92 R	77.84 R	596.76 R



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Certificate of Acceptability (CoA) (FCD Act)										
New Application	R	246.63	R	12.83	R	259.46	R	38.92	R	298.38
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Certificate of unsound foodstuffs (Condemns Certificate)										
	R	197.31		10.26		207.57		31.14		R238.70 / Hour
Health Certificate (HA) (H. Act)										
New Application	R	147.98	R	7.70	R	155.68	R	23.35	R	179.03
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Certificate of Competence (CoC) (H. Act)										
New Application	R	246.63	R	12.83	R	259.46	R	38.92	R	298.38
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Review	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Application for exhumations and re-burials										
	R	246.63	R	12.83	R	259.46	R	38.92	R	298.38
RE-issue of Certificates										
	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Request for re-inspection or special inspections										
	R	197.30	R	10.26	R	207.56	R	31.13	R	238.70
Illegal Transport of foodstuffs (FCD Act)										
	R	197.30	R	10.26	R	207.56	R	31.13	R	238.70
Application for selling of foodstuffs during public events										
	R	98.65	R	5.13	R	103.78	R	15.57	R	119.35
Meat Safety Inspections (MS Act)										
	R	246.63	R	12.82	R	259.45	R	38.92	R	R298.37 / Hour



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TARIFFS FOR SERVICES RENDERED						
Issuing of Water & Sanitation Clearance Certificates	R 139.48 R	7.25 R	146.73 R	22.01 R	168.74 R	
Re-Issuing of Water & Sanitation Clearance Certificates	R 92.98 R	4.84 R	97.82 R	14.67 R	112.49 R	
Re-Connection/Re-Activation of Water Meter (Change in ownership/user)	R 325.43 R	16.92 R	342.36 R	51.35 R	393.71 R	
Sewerage 'Dump'/'Deposit' into CHDM Waste Water Treatment Works (per dump/deposit)	R 371.93 R	19.34 R	391.27 R	58.69 R	449.96 R	
DEPOSITS / SECURITIES						
OPENING OF NEW WATER & SANITATION SERVICES ACCOUNT						
Domestic / Household	R 391.30 R	20.35 R	411.65 R	61.75 R	473.40 R	
Business / Institutions & Other	R 1,043.48 R	54.26 R	1,097.74 R	164.66 R	1,262.40 R	



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FINES ON ACTIVITIES HAVING AN ENVIRONMENTAL IMPACT - LAW ENFORCEMENT OFFICERS (EHP'S)					
Environmental Pollution - (Municipal Boundaries) - Relating to Environmental pollution created during protest Action	R 18,596.50	R 967.02	R 19,563.51	R 2,934.53	R 22,498.04
Air pollution - Residential	R 2,324.57	R 120.88	R 2,445.44	R 366.82	R 2,812.26
Air pollution - Commercial	R 4,649.12	R 241.75	R 4,890.88	R 733.63	R 5,624.51
Trading without COA (Certificate of Acceptability)	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Environmental pollution (Waste Water)	R 9,298.24	R 483.51	R 9,781.75	R 1,467.26	R 11,249.01
Illegal transport of Meat	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Illegal transport of Milk	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22
Illegal keeping of Animals	R 464.91	R 24.18	R 489.09	R 73.36	R 562.45
Illegal trading - Pesticides / Chemicals	R 232.45	R 12.09	R 244.54	R 36.68	R 281.22



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Other parties consulted:

All departments within Chris Hani District Municipality.

CHDM Management

LM's IDP/Strategic Managers

COGTA-EC

Eastern Cape Department of Treasury and National Treasury

Budget steering Committee

Financial implications:

Increase in uncollectable consumer service debtors, thus increasing the provision for debt impairment;

Decrease in grant funding, thus decreasing projects funded from conditional grants and internal programmes;

The budget deficit that is limited to non-cash items and assets that are funded from municipal reserves.

Other Implications:

The funding and balancing of the budget to ensure decrease in the budgeted deficit.



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Resolutions:

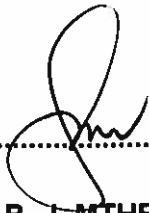
It was resolved that:

- 1) Council **note** and **adopt** the CHDM 2019-2020 Final IDP Review;
- 2) Council **approve** the final budget for 2019/2020 MTREF.
- 3) Council **consider** the final operating and capital budget for 2019/2020 to 2021/2022 MTREF for **approval** as reflected in table A1;
- 4) The operating expenditure of R 1,252 billion and operating revenue of R 948,2 million be **approved** by Council as reflected in Table A4;
- 5) The capital expenditure of R 519.6 million and capital revenue of R 424,1 million be **approved** by Council as reflected in Table A5;
- 6) Council **approve** the municipality's annual budget appropriated by municipal votes for single and multi-year as reflected in Table A2, A3 and A5A;
- 7) Council **approve** the 5.2 % tariff increase for water, sanitation and municipal health tariffs; and
- 8) Council **approve** and **confirm** the debt and credit control policy, tariff policy, cash and bank Policy, Asset Management Policy, Inventory Management Policy and Budget Policy as there are no amendments required.



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This is certified as a true copy of the original.



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Dr B. J. MTHEMBU

ACTING MUNICIPAL MANAGER