40/2019

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR 2019/2020 TO 2021/2022

URGENT COUNCIL MEETING: 31 MAY 2019

PURPOSE

The purpose of this document is to table the 2019/20 to 2021/2022 Medium Term Budget and budget related policies for approval.

The Budget has been compiled within the framework of the MFMA, Circulars No 93 and 94 of the National Treasury and the New Municipal Budget Regulations.

Circulars No 93 and 94 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.

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. 93 and 94 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 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 2019/20 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 2019/20 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.
- 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. <u>Due to the current financial position of council no cash reserves will be created.</u>
- 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 2018/19 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 2019/20 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;
- Council conducted a new valuation roll for the next five financial years. The roll will be implemented from 1 July 2019.

The South African economy and inflation targets

The economic and revenue outlook has deteriorated since the October 2018 Medium Term Budget Policy Statement (MTBPS). Funding pressures from state-owned companies have increased and require government financial support. Given these developments, the 2019 Budget proposes large-scale expenditure reprioritisation and tax measures that narrow the deficit from 4.5 per cent of GDP in 2019/20 to 4 per cent by 2021/22.

The 2018 MTBPS noted that weak economic performance and revenue shortfalls had contributed to some slippage in fiscal projections. Since then, economic growth has remained subdued and the domestic GDP outlook has been revised down. In the current year, tax revenue will be R15.4 billion below the 2018 MTBPS estimate. Funding pressures from Eskom and other financially distressed state-owned companies have increased, with several requesting state support to continue operating. In this context, the 2019 Budget proposes a series of tax and expenditure measures aimed at narrowing the deficit and stabilising the debt-to-GDP ratio. Additions to spending amount to R75.3 billion over the medium term, consisting mainly of transfers to support the reconfiguration of Eskom. These additions are partially offset by reductions to expenditure baselines and proposed savings from compensation adjustments totalling R50.3 billion. Tax measures raise an additional R15 billion in 2019/20 and R10 billion in 2020/21.

In combination, these measures are expected to narrow the consolidated budget deficit from a projected 4.5 per cent of GDP in 2019/20 to 4 per cent of GDP in 2021/22. Gross national debt is projected to stabilize at 60.2 per cent of GDP in 2023/24. Net loan debt (gross loan debt excluding government's cash balances) stabilises at 57.3 per cent of GDP in 2024/25.

The GDP growth rate is forecasted at 1.5 per cent in 2019, 1.7 per cent in 2020 and 2.1 per cent in 2021. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer inflation has also been revised down due to lower oil prices and food inflation than previously assumed.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, 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 2019/20 MTREF municipal budgets.

Fiscal year	2018/19 Estimates	2019/20	2020/21	2021/22
	Estimate	Forecast		
CPI Inflation	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/2019 MTREF

R thousand	**Adjustment Budget 2018/19**	**Budget Year 2019/20**	**Budget Year 2020/21**	**Budget Year 2021/22**
Total Operating Revenue	1,266,174	1,674,748	1,776,603	1,888,613
Total Operating Expenditure	1,551,056	1,635,900	1,736,839	1,828,340
Surplus / (Deficit) for the Year	-284,882	38,848	39,764	60,273
Total Capital Expenditure	304,103	163,290	164,604	176,020

Total operating revenue has increased by 32.0 per cent or R405,983 million for the 2019/20 financial year when compared to the 2018/19 Adjustments Budget. For the two outer years, operational revenue will increase by R101,855 and R112,009 Million respectively, equating to a total increase in revenue of R601,439 million over the MTREF when compared to the 2018/19 financial year.

Total operating expenditure for the 2019/20 financial year has been appropriated at R1,635.9 billion and translates into a budgeted surplus of R38.848 million. When compared to the 2018/19 Adjustments Budget, operational expenditure has increased by R107,332 Million or 7.6 per cent in the 2019/20 budget and decrease to R100,939 and Million R91,500 Million for each of the respective outer years of the MTREF. The operating surplus for the two outer years will increase for the two outer years.

The capital budget of R163,290 Million for 2019/20 is 47 per cent less when compared to the 2018/19 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.

Council is in a position to table a funded budget. Its projected that council will have a surplus of R38.848 Million for 2019/2020.

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 reason for the municipality’s surplus is as a result of the new valuation roll. The mines are valued at R7,603,761,000 with a revenue of R361,521 Million. The revenue is subjective as the mines have lodged an objections. Therefore the revenue from the mines although the valuation was done on an agreement with the mines, is not certain.

Attached as Annexure A is a detailed discussion on the 2019/2020 MTREF and supporting documentation.

Although council budgeted for a surplus the underlining issues of the previous years are still not addressed.

The municipality experienced serious financial constrains 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. The municipality is not in a position to service its suppliers 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.

By-passed pre-paid meters that are currently in excess of 11900 meters. The average loss for the six months is 44.46% as at December 2018 compared to 33.86% for the 2017/2018 financial year.

The total loss per month can be estimated to approximately R8.8 million based on the assumption of 600 units or R127.9 million for the financial year. Arrear recovery as stipulated in the approved credit control policy cannot be fully effected due to the increased number of tampered prepaid electricity meters.

The average unaccounted for water stands at 46.41% compared to 47.06% for the 2017/2018 financial year.

Council is not in a position to table a funded budget. It is projected that council will have a surplus of R38,848 Million but a negative cash flow of R171.7 Million for 2019/2020. 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

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

		Current	Proposed	Difference
Payment levels townships	Revenue	R69,603,626	R199,876,473	R130,272,846
		Current payment level of 24.38% (Township areas)		
		Calculated at 70% payment level		
By-passed pre-paid electricity meters		0	(R127,880,148)	(R127,880,148)
		Calculated at 11995 meters times 600 KwH		
Water losses		R66,556,849	R28,682,115	(R37,874,734)
		Current % water loss is 46.41%		
		Calculated at 20% water losses- reduction of 26.41%		
Summary				
Increase in revenue				R130,272,846
Reduction in Eskom bulk account				R127,880,148
Reduction in Rand Water bulk account				R37,874,734
Possible benefit to council for 12 months				**R296,027,728**

ORGANISATIONAL AND PERSONNEL IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

COMMUNICATIONS IMPLICATIONS

Publication of budgets on municipal websites

In terms of section 75 of the MFMA, the municipality is required to publish its tabled budgets on the Website.

Section 24(3) of the MFMA, read together with regulation 20(1), requires that the tabled annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has considered 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 draft SDBIP document is included in the IDP item.

OTHER DEPARTMENTS / BODIES CONSULTED

To be published for consultation

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) approves that:

1.1. The annual budget of the municipality for the financial year 2019/20 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 approved 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) approves that with effect from 1 July 2019:

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) approves that with affect from 1 July 2019 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 approves:

4.1 That the annual Operating Revenue budget of R1,674,748 million and Operating Expenditure budget of R1 635,900 Million including Operational Transfers and excluding capital transfers for the 2019/2020 Financial Year be considered, which will result in a surplus of R38.848 Million.

4.2. That the annual Capital Budget of R163,290 Million, Including capital transfers for the 2019/2020 Financial Year be approved.

5. 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 Supplementary Valuation Rolls. All values are as at the date of the roll, being July 2019.

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 2019 / 2020 is proposed to be R 0,038.

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 2019 / 2020 is proposed to be R 0, 0157c

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, 0157c

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, 038c

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, 0039c

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, 0039c.

i) Public Services Purposes

In terms of the Municipal Property Rates Act, Council may not levy rates on the first 20% of the market value of Public Services Purposes. The remainder of the market value is rated at the non-residential cent-in-the-rand of R 0, 038c

j) Mines

All Mine properties, as defined per the Rates Policy, will be levied a rate. The cent in the rand for 2019 / 2020 is proposed to be R 0, 0476c

k) 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 2019 / 2020 financial year as follows:

The proposed incomes and rebates for pensioners for the 2019 / 2020 financial year as follows: Gross Annual Household Income 2019/2020	% 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%

l) Rebates for Certain Categories of Properties / Property Users

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

m) The Budget for 2019 / 2020 has been balanced using the estimated income from levying the rates proposed in this report.

n) Provision has been made in the Budget for 2019/ 2020 for the income forgone arising from the rebates and concessions proposed in this report as detailed in the Rates Policy.

o) 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 2019 is payable before or on 7 August 2019 and thereafter monthly before or on the date due as determined.

6 That the following electricity tariffs be approved. That the tariffs be submitted to NERSA for consideration and approval.

Proposed Tariff Structure - Merafong City Local Municipality					
Tariff Category		**Current**	**Proposed**	**% change**	**Comments**
1. Domestic					
Basic Charge		76.51	83.71	9.41%	
Energy Charge	Block 1 (0 - 50kWh)	0.9143	1.0004	9.41%	
	Block 2 (51 - 350kWh)	1.1756	1.2862	9.41%	
	Block 3 (351 - 600kWh)	1.6545	1.8102	9.41%	
	Block 4 (above 600kWh)	1.9484	2.1318	9.41%	
2. Commercial					
Basic Charge		854.57	934.99	9.41%	
Energy Charge		1.5410	1.6860	9.41%	
*Pre-Paid		1.6659	1.8227	9.41%	
3. Industrial					
Basic Charge		1240.37	1357.09	9.41%	
Energy Charge		0.9482	1.0374	9.41%	
Demand Charge		221.76	242.63	9.41%	
3. Industrial -3%					
Basic Charge		1240.37	1357.09	9.41%	
Energy Charge - 3 %		0.9482	1.0374	9.41%	
Demand Charge -3%		221.76	242.63	9.41%	
Temporary Power		1.7235	1.8857	9.41%	
Streetlights		1.0380	1.1356	9.41%	
Council kWh		1.0380	1.1356	9.41%	
2% Surcharge					

7 that the following Water Tariff be approved.

		2018-2019	2019-2020	Percentage increase
Residential 0 – 15 kiloliters		11.66	12.36	6.00%
Residential 16-35 kiloliters		17.75	19.15	7.90%
Residential 36-50 kiloliters		28.73	30.99	7.90%
Residential 50 kiloliters and above		35.00	38.50	10.00%
Business and Industrial	200 Kiloliters and below	29.03	31.32	7.90%
	Above 200 Kiloliters	35.00	38.50	10.00%
Special Consumers (Schools, Churches and welfare organisations)	200 Kiloliters and below	21.72	23.43	7.90%
	Above 200 Kiloliters	35.00	38.50	10.00%
Departmental		19.19	20.70	7.90%
Mines Domestic		18.90	20.79	10.00%
Mines Operations		18.90	20.79	10.00%
Availability Charge	Vacant Stands - Residential	74.11	80.04	8.00%
Availability Charge	Vacant stands- business	74.11	80.04	8.00%

8 that the following Refuse Removal Tariff be approved.

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

PROPOSED REFUSE TARIFFS						
		Present	Actual 2018/2019	% Increase	**Proposed 2019/2020**	**% Increase**
Residential and Business	1 bin/week	168.95	168.95	7.50%	181.62	7.50%
Business	Bin/3 x week	441.45	441.45	7.50%	474.56	7.50%
Business	Bin/5 x week	741.20	741.20	7.50%	796.79	7.50%
MMH (1.75M^3) 1x per week		2125.50	2125.50	7.50%	2284.91	7.50%
MMH (1.75M^3) 2x per week		3684.20	3684.20	7.50%	3960.52	7.50%
MMH (1.75M^3) 3x per week		5232.00	5232.00	7.50%	5624.40	7.50%
MMH (1.75M^3) 5x per week		9483.00	9483.00	7.50%	10194.23	7.50%
Bulk container (30M^3) 1x per week		29975.00	29975.00	7.50%	32223.13	7.50%
Bulk container (30M^3) 2x per week		45780.00	45780.00	7.50%	49213.50	7.50%
Bulk container (30M^3) 3x per week		82295.00	82295.00	7.50%	88467.13	7.50%
Bulk container (30M^3) 5x per week		135160.00	135160.00	7.50%	145297.00	7.50%
Temporary service	Per Bin	80.00	80.00	7.50%	86.00	7.50%
Bulky waste	Per m^3	370.60	370.60	7.50%	398.40	7.50%
Special Exemption	Per m^3	185.30	185.30	7.50%	199.20	7.50%
Garden services waste	LDV/Trailer	54.50	54.50	7.50%	58.59	7.50%
Small Animal Carcasses		144.00	144.00	7.50%	154.80	7.50%
Bulky garden waste	1m^3 - 3m^3	354.25	354.25	7.50%	380.82	7.50%
Bulky garden waste	3m^3 and above	708.50	708.50	7.50%	761.64	7.50%
Building rubble	per m^3	373.00	373.00	7.50%	400.98	7.50%
240 Litre Bins	Per Month for twelve months	29	29.00	7.50%	Cost plus 10%	

9 And that the following Sewerage Tariff be approved.

SEWERAGE TARIFFS				
		2018-2019	2019-2020	% Increase
Residential 0 – 15 kiloliters		5.30	5.62	6.00%
Residential 16-35 kiloliters		5.55	5.94	7.00%
Residential 36-50 kiloliters		5.70	6.16	8.00%
Max 50KL				
Pre Paid Water Consumers		135	143.10	
Business and Industrial	200 Kiloliters and below	5.70	6.10	7.00%
	Above 200 Kiloliters	6.30	6.80	8.00%
Special Consumers (Schools, Churches Welfare organisations and consumers as approved by council)	200 Kiloliters and below	5.40	5.78	7.00%
	Above 200 Kiloliters	5.70	6.16	8.00%
Basic Charge Pre-Paid Water Consumers		135.00	143.10	6.00%
Basic Charge (Payable by property owner)		54.00	57.78	7.00%
Basic Charge - Vacant Stands (Availability charge		68.00	72.76	7.00%

10 That Council approves the amendments to the Tariff Policy.

11 That Council approves the amendments to the Rating Policy.

12 That Council approves the amendments to the budget related policies.

13 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.

14 That council take cognizance that the draft 2019/2020 MTREF and IDP was tabled before Council on 31 March 2019 for community consultation and was published on the municipality’s website, and hard copies were made available at municipal notice boards and various libraries.

15 That council take cognizance that the consultative meetings with the residents and Stakeholders of Merafong on the budget for the medium term expenditure framework 2019/2020 to 2021/2022 were held. Council approved the following amendments based on community inputs: