

FRISIANS STRENGTHEN TIES

A Frisian deputation has just completed a further visit to Overstrand and other destinations in the Breede-Overberg Water Management Area with a view to compiling action plans for closer cooperation.

This follows on a visit in December last year when a declaration of intent on international cooperation with the Frisian Water Board and the Dutch municipality was signed by these institutions' executives and Overstrand Mayor, Cllr Theo Beyleveldt.

This time it was the specialists' turn to visit with Mr Antoon Kuipers, strategic planner with the Frisian Water Board, heading the delegation. He was accompanied by Ben ten Brummelaar, the Water Board's coordinator international projects, Archan Zijlstra, Sneek municipality's implementation coordinator, Andrea Suilen, a planner in the Water Board's policy and planning department, and Sybren Gerbens, a sewerage expert.

During their visit, they were taken to sewerage plants in Hermanus, Gansbaai, Stanford and Kleinmond and held talks with personnel on the operation and maintenance of sewerage systems.

The purpose of the visit was to determine whether and

where opportunities for cooperation with regard to planning and training exist.

A similar visit was paid to the facilities of the Breede Valley Municipality and the Breede-Overberg Catchment Management Agency.

All these observations and other inputs will be used to compile the terms of reference that will guide the execution of the agreement. Amongst others, an exchange visit to the Netherlands during the European fall is envisaged. At the time, South African officials will undergo training in planning, cooperative governance and the operation and maintenance of sewerage purification works. All expenses will be covered by VNG International.

Bidding the visitors farewell during an event in Hermanus, Cllr Pieter Scholtz thanked the delegation for their contribution towards environmental sustainability and conservation.

As a keepsake, Cllr Scholtz, Werner Zybrands, Municipal Manager, Stephen Muller, Director: Infrastructure and Planning, and Hanré Blignaut, Deputy Director: Water and Transport Services, were each handed a stemless goblet which is very popular amongst Frisian farmers.



Here Antoon Kuipers, leader of the Frisian delegation, Cllr Pieter Scholtz, Mayoral Committee member for Infrastructure and Planning, and Archan Zijlstra of the Sneek Municipality inspect a stemless glass used by Frisian farmers whilst cultivating their fields.

MORAL STANDARDS INITIATIVE: N° 4

SIGNS OF AWARENESS

With the launch of the character-transformation programme by seven of our public schools and two additional private schools, the Moral Standards Initiative is now in full swing.

There are promising signs of increased awareness of and support for this initiative and the six moral values and standards it has at heart. Continued implementation of the initiative and the example our leaders emulate at family and other levels as well as within all sectors will ensure eventual success.

As a partner in this initiative, we have been using this column over the past three months to address the first three of the six values the initiative will be focusing on. In this, the July column, we thought it prudent to pause and reflect upon what has been written about the three values in question:

Trustworthiness, the first value we put under the spotlight, implies absolute honesty; honouring promises and commitments unconditionally; integrity and a total absence of lies, fraud, corruption and deceit. In essence, trustworthiness is a personal matter but also finds expression in the quality of work and the quality of service rendered by everyone.

Respect towards others has its origin in self-respect. It should be earned. We would like to foster a culture of respect in our community amongst all walks of life. It should be reflected in our attitude towards one another: being polite and courteous and simply displaying good manners when passing one another on the road or on a sidewalk or when rendering a service across a counter. Naturally, our environment and our rich flora and fauna are deserving of the same.



Responsibility concerns our willingness to become involved and to fulfil those duties we either assign ourselves or are assigned by others. Rather than be a mere spectator, you become a player on the team of a champion community! This also includes acting responsibly in accordance with clear-cut goals, underpinned by good planning and control. In the end, being responsible also necessitates a willingness to be held accountable and not to hide behind excuses or other people.

In the August, September and October editions, the spotlight will be on:

Fairness, which implies being impartial, having an open mind and affording all known facts reasonable consideration, to mention a few;

Caring, or rather being compassionate, sympathetic, empathetic and charitable, et cetera;

Good Citizenship, which encompasses all five of the preceding values and finds expression in obeying laws and regulations, exercising good neighbourliness and protecting the environment.

Please feel free to direct any comments or questions on the Moral Standards Initiative by email to emstes@vodamail.co.za or by SMS to 082 412 4538 / 082 470 3975.

NATIONAL FRAUD HOTLINE
0800 701 701

WANTED: WOMAN OF THE YEAR

All over the Overstrand, there are ladies that shine in their communities, make a difference in the lives of others, excel on the sports fields or leave their mark in the business sector. In order to celebrate and to give them the honour they deserve, a Woman of the Year Award is presented every year at the Mayoress Women's Day Celebration.

The Mayoress, Marianné Beyleveldt, invites you to submit nominations for the Woman of the Year 2009 award.

These well-motivated written nominations, with inclusion of the nominee's contact details, should reach Elize Verrij in the Mayor's Office, P O Box 20, Hermanus 7200 on or before 17 July. Nominations can also be sent by fax to 028 313 8067 or by email to everrij@overstrand.gov.za

WORLD ENVIRONMENTAL CALENDAR: N° 4

WORLD ENVIRONMENT DAY

5 JUNE 2009

**“Your planet needs you:
Unite to combat climate change”**

World Environment Day dates back to 1972 when the United Nations' General Assembly established the day to mark the opening of the Stockholm Conference on the Human Environment. It was the UN's first major conference on international environmental issues and marked a turning point in the development of international environmental politics.

This day is commemorated world-wide annually on the 5th of June. The aim of the day is to establish world environmental awareness and action. The day strives to give a human face to environmental issues, to empower people to become active agents for sustainable development and to promote an understanding that communities are critical in changing attitudes towards the environment.

The theme for 2009 is depicted above. It

urges nations to agree on new deals at the crucial climate convention that will take place in Copenhagen later this year and its linkage with eradicating poverty and improving the management of forests.

Overstrand Municipality awards its annual Mayoral Environmental Trophy in June to coincide with World Environmental Day. Through this award we acknowledge the hard work and effort of dynamic, environmentally aware individuals to make the Overstrand region a better and safer environment for all living in this wonderful area. Through working together and being aware of global and local environmental issues, we can all make this planet a better place to live in. For more information, contact the Environmental Officer, Hermanus (Willemien Swanepoel) on 028 313 8100.

**Verkies u dié
nuusbrief in 'n ander
amptelike taal?**

SMS u rekeningnommer
met A vir Afrikaans
na
082 338 1631

**Ungathanda lencwadi
yesaziso-ndaba ibhalwe
ngolunye ulwimi?**

Thumela i-SMS enenombolo
ye-akhawunti yakho kunye no X
omele isi Xhosa kule nombolo
082 338 1631

Munisipaliteit • U-Masipala • Municipality

OVERSTRAND

July 2009

Bulletin

Official newsletter of the Overstrand Municipality

PO Box 20
Hermanus 7200

	Telephone	Fax
Hermanus	028 313 8000	028 313 1894
Gansbaai	028 384 8300	028 384 0241
Kleinmond	028 271 8400	028 271 4100
Stanford	028 341 8500	028 341 0445

24 Hour Emergency
Fire Brigade

028 313 8000/8111
028 312 2400

FOCUS OF 2009/10 BUDGET ON SERVICE DELIVERY, INFRASTRUCTURE PULL TOGETHER TO ESTABLISH AN EXCELLENT ORGANISATION

In his Budget Speech on 27 May 2009, Executive Mayor Theo Beyleveldt called upon the community, organisations and his fellow councillors to make a concerted effort during the next year to establish Overstrand as a corruption-free service organisation everyone can proudly call a Centre of Excellence for the Community.

“We have a very active community that, by fulfilling many supporting functions in the community, is doing invaluable work by way of projects. Here education, nature conservation and poverty relief come to mind in particular. My sincere thanks, too, to those organisations who offer their services voluntarily and I will do my utmost to acknowledge and support them in an appropriate manner,” he said.

The community's involvement has made it possible for the municipality to compile a well-balanced budget which not only has a better life for all as its objective but also kept sustainability and affordability firmly in mind. Council unanimously endorsed the budget.

Highlights of the 2009/10 Budget are as follows:

- The Operating Expenditure Budget amounts to R518 243 000, representing an increase of 22 percent on the previous budget.
- The Capital Budget of R162 327 000 is lower than last year but still on a high level in an effort to improve infrastructure.
- The increase in property rates was kept to 4 percent on residential properties and 7 percent on commercial properties but as in the past, there are exemptions and rebates available to ease the burden.
- The water usage block tariff has been restructured to improve the management of this scarce commodity but still deliver up to 30kl of potable water per household at an affordable tariff.
- With reference to sewage, the under recovery for the draining of conservancy and septic tanks has been addressed with a new tariff of R160 per drainage, but consumers can apply for a special monthly tariff of R200 for two

drainages of a tank of less than 6kl or one drainage per month of a tank larger than 6kl. The tariff increase for consumers connected to a network will be 9,55 percent.

- Refuse removal tariffs have been increased with 8,89 percent to combat the costs of fuel and the regional landfill-site fee but is still lower than the inflation figures.
- Provision has been made for an anticipated increase of 34 percent in the cost of electricity, which is beyond the control of the municipality and will be determined by the National Electricity Regulator of South Africa at the end of June.

In view of this, consumers can expect increases of between 15 and 30 percent on their monthly accounts, depending on their levels of consumption.

The Mayor emphasised that the budget for 2009/10 has been compiled with a strong focus on service delivery and infrastructure investment with the aim to achieve our strategic goals, namely:

- provision of sustainable municipal services;
- creation of a safe and healthy environment;
- management and conservation of the natural environment;

- provision of democratic and accountable governance; and
- promotion of local economic development and tourism.

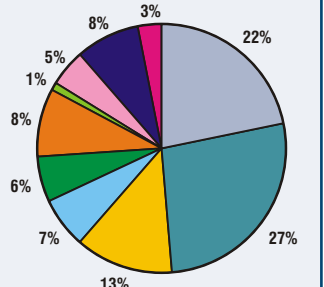
Furthermore he said the 2010 World Cup is an opportunity that should not be ignored. He highlighted the upgrading of the Hermanus Market Square as an important project to establish Overstrand as a world-class tourist destination. The municipality is also looking at increasing its Law Enforcement capabilities as a high priority, the importance of which is underlined by the recent spate of murders and robberies in our area.

Job creation and local economic development will be promoted with this budget, Mr Beyleveldt said.

Overstrand Municipality also took cognisance of the three strategic priorities of the State with regard to local Government over the next three years:

- improving municipal government's performance and accountability;
- addressing the structure and governance arrangements of the State to strengthen, support and monitor local government better; and
- refining and strengthening the policy, regulatory and fiscal environment for local government and paying greater attention to enforcement measures.

REVENUE SUMMARY



JOINT WINNERS

This year, Dyer Island Conservation Trust and Kleinmond Nature Conservation Society were the joint recipients of the Mayor's Floating Trophy for Environmental Conservation. Other finalists included Pearly Beach Conservancy – Herbarium, Stanford Conservation Trust, Farm 215 Nature Retreat and Fynbos Reserve, KOBIO and Vogelgat Nature Reserve. Here, Executive Mayor Theo Beyleveldt hands the trophy to proud recipients Peter Muller (on behalf of the Kleinmond Nature Conservation Society) and Tracy Shaw (on behalf of Dyer Island Conservation Trust) at the time of the Award Ceremony held on Thursday, 11 June 2009.



HOW THE OPERATIONAL BUDGET WORKS

Salaries and Wages
On the 2009/10 Operational Budget, Overstrand Municipality provided an amount of R154 million for salaries, wages and allowances. This figure includes the remuneration of Councillors.

Only R1 million was allowed for the enlargement of the staff complement in the new financial year and this equates to an increase of only 0,65% in personnel numbers. Seasonal workers and other temporary staff will be funded from savings generated by vacant posts.

The estimates include salary increases of 11,5%, based on the average rate of inflation over the past 12 months. However, these increases are negotiated nationally and to date have not been finalised. This process could lead to arbitration, which will delay the outcome still further.

The same estimate was used for the Councillors' remuneration, which will be determined by the National Minister of Provincial and Local Government at a later date.

General Expenses and Repairs & Maintenance

Although the principles of zero-base budgeting are applied, the increase in expenditure under these two headings has been ascribed to the inflation rate, plans for increased service delivery, the proposed tariff adjustments by Eskom, ever-rising cost of chemicals for water purification and fluctuating fuel costs.

Included in this section is the contributions to the Central Improvement District (known as Hermanus Public Protection), an allocation of R2 500 000 for the established Destination Marketing Organisation (Cape Whale Coast) and a grant to the Overstrand Local Economic Development Agency (OLEDA). Cape Whale Coast promotes tourism in terms of a service delivery agreement and encompasses tourism bureaus, marketing and festivals.

OLEDA operates as a municipal entity with a grant of R900 000 from the Development Bank of Southern Africa and facilitates certain sectors of economic development.

No amounts have been budgeted specifically for contingencies. Any savings identified during the financial year will be allocated to a contingency by means of a top

EXEMPTIONS ON PROPERTY RATES

The proposed property rates are set at 4% on residential properties and 7% on business properties.

For residential properties, the following exemptions and rebates are proposed:

- an exemption on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll;
- an exemption on the next R35 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll.

The Council's Rates Policy also allows for other rebates to residents and businesses. These include pensioners, guesthouses and B&Bs and residential, businesses and agricultural properties outside the traditional urban areas, subject to certain conditions.

TABLE 1: Increases in the 2009/10 Operational Budget

	2008/09 Current Budget R'000	2009/10 Estimate R'000	% Increase/ (Decrease)	% Compared to Total Expenditure
- Salaries and Wages	134 687	153 993	14%	30%
- General Expenses	271 524	326 415	20%	63%
- Repairs and Maintenance	51 242	53 117	4%	10%
- Capital Costs	37 216	7 595	55%	11%
- Provisions		7 595		1%
	494 669 (70 002)	598 745 (80 502)	15%	
Less: Recharges				
Total Expenditure Budget	424 667	518 243	22%	100%

management decision.

Equitable Share: Low-income Subsidy

Overstrand's Indigent Policy is fully funded in the new budget with a grant of R14 million for 2009/10. The income ceiling for applicants has been raised from two times a government social pension to three times. However, households with a larger income can still qualify for certain reduced rates if the joint income is less than six times a social pension.

Basic Services Projects: Local Labour Promotion Project (LLPP)

Projects are identified on the capital and operational budgets to continue the LLPP concept. Projects such as storm water, roads, cleaning projects, et cetera will be undertaken all over the Overstrand area. Project managers are also encouraged to look for more opportunities to promote the LLPP concept as their contribution towards Local Economic Development. Through this concept, residents are afforded an opportunity to earn a wage and develop skills, while a portion of earnings goes towards decreasing their municipal account debt.

Contribution to Working Capital

This contribution is made to provide for the write-off of irrecoverable debts but has been reduced from the previous budget levels because the full implementation of the Council's Indigent Policy and the raising of the ceiling for the qualification as indigent will reduce the level of irrecoverable debts. Debt collectors have been contracted and should reduce irrecoverable debts even further.

Capital Costs

This section makes provision for debt servicing payments.

Contributions to Provisions

Overstrand Municipality has certain legal obligations to provide for the rehabilitation of landfill sites and clearing of alien vegetation on municipal land as well as for post-retirement benefits and long-service awards. The value of the obligation is calculated annually and contributions appropriated and adjusted accordingly. Expenses relating to these provisions are expensed directly against the provision.

Contributions to/from Funds and Reserves (Appropriations)

Capital Replacement Reserve (CRR)

The 2009/10 budget does not provide for a direct contribution from generated operating revenue to the CRR and a portion of any cash-backed net operating surplus will be transferred to the CRR. Profits realised on the sale of redundant assets or ad-hoc land sales will be transferred to the CRR.

Self-insurance Reserve (SIR)

A directional change towards insuring smaller risks from the SIR was implemented during the current financial year. The claims history points to favourable conditions for this implementation. Savings on the insurance premiums for 2009/10 would be channelled towards this reserve.

Capitalisation, Government Grants and Public Contributions Reserves constitute a new development in local government accounting standards and the current budget was realigned during the adjustment phase in February 2009. The revised standard has been incorporated in the 2009/10 budget. The 2008/09 budget will have to be realigned. A revision of these estimates will not have a direct impact on cash flows but could have a negative impact on future tariffs with a true reflection on the consumption of assets.

INVESTMENT IN INFRASTRUCTURE TO ADDRESS BACKLOG

Overstrand Municipality invested in new and upgrading of existing bulk infrastructure during the past two financial years and will continue doing it in the 2009/10 and future capital budgets.

The construction industry (housing) is currently experiencing a downturn, though the local population continues to grow (Estimated at 45% over the last 7 years). It is anticipated to grow over the medium term by 5% annually. This puts pressure on both the capital and operational budgets.

Forthflowing from the demand for urgent capital services, the Executive Mayor decided to keep the capital budget spend for 2009/2010 over R120m, to further improve infrastructure.

However, the future capital budgets would have to carefully balance cost and affordability as external borrowing cannot continue indefinitely.

The proposed capital budget for 2009/10 is R162 327 000. This is a decrease of 21% from the 2008/09 adjusted budget of R197 505 000. The following charts represent summaries of the capital votes and financing sources:

FUNDING OF CAPITAL BUDGET

- **Council Funding: (CRR, External Loans, Developm. Contributions)**

The total Council Funded Capital Budget proposed for 2009/10 is R116 million. It is intended to finance the 2009/10 Council-funded capital budget with an external loan of R70 million, R36 million from the Capital Replacement Reserve and R10 million from accumulated Development Contributions.

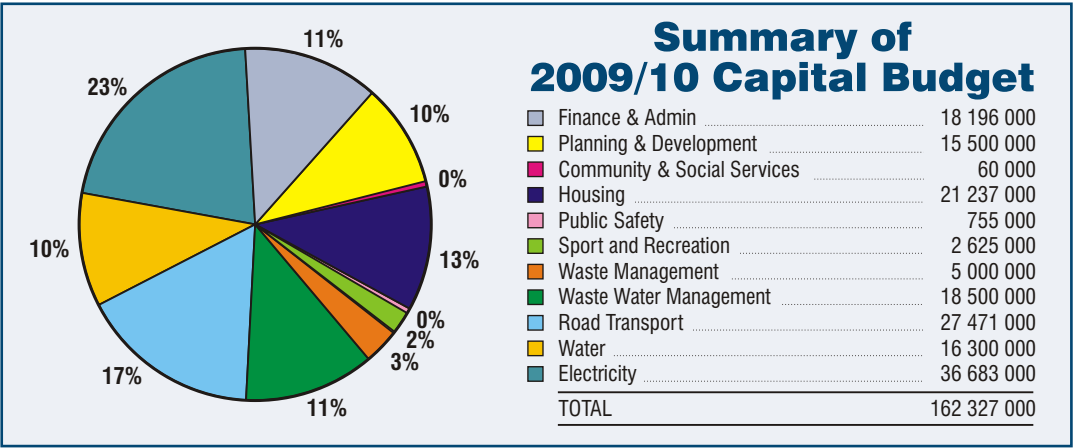
The Executive Mayor has once again awarded an amount of R5 million for further Ward specific projects, which could be of a capital or operational nature to enable wards to prioritise further projects, in line with the IDP. Each of the ten wards thus received an additional amount of R500,000 for their ward specific needs.

- **Ad-hoc Capital Budget**

The ad-hoc capital budget refers to those capital projects which will be funded from external sources, primarily grants from other spheres of government. It should be noted that some portions of the funding is of an operational nature only. An example of this relates to the Provincial Housing Grant. Although the total housing grant amounts to R26,338m, only R13,037m is reflected in the capital budget. The remaining portion is a direct operational expense.

Other projects for which funding has been secured include the grants of R15m for the Neighbourhood Development Programme and R8,2m of the R16,4m from the CSIR for housing.

Any further funding secured during the course of 2009/10 from Government spheres may be appropriated in an adjustments budget.



Major Capital Projects

R21 MILLION
Kleinmond Housing Project

R17 MILLION
Hermanus CBD Relief Road

R15 MILLION
Developing economic spaces all over Overstrand

R6 MILLION
Upgrading of Market Square in Hermanus

R6 MILLION
Moving of Kleinmond Works Yard

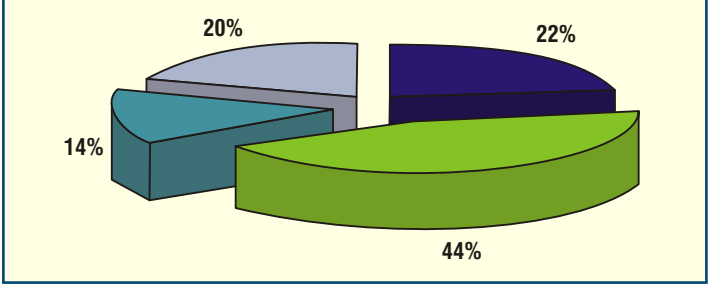
R4 MILLION
Extension of Hermanus Industrial substation

R3,5 MILLION
Upgrading Kleinmond Electricity Network

R3 MILLION
Upgrading Hermanus Electricity Network and new substation

Financing of the 2009/10 Capital Budget

Capital Replacement Reserve	35 975 000
External Loan	70 000 000
Government Grants (DORA)	23 152 000
Other Grants & Pub. Contributions	33 200 000
TOTAL	162 327 000



WHAT INCREASES TO EXPECT ON YOUR MUNICIPAL ACCOUNT

BASKET OF TARIFFS - SINGLE RESIDENTIAL 2009/10							
HIGH CONSUMPTION		AMOUNT	%	MEDIUM CONSUMPTION		AMOUNT	%
Rates	Total mun valuation: R2,5m	R18.25	4.00	Rates	Total mun valuation: R1,3m	R8.95	4.00
Sewer	Connected to the network	R14.91	9.55	Sewer	Connected to the network	R14.91	9.55
Refuse	(twice weekly)	R7.02	8.25	Refuse	(twice weekly)	R7.02	8.95
Electricity	1500kWh	R244.16	35.08	Electricity	800kWh	R136.36	31.97
Water	50kl	R186.52	56.17	Water	25kl	R56.52	42.81
VAT		R63.37	35.66	VAT		R30.07	26.86
ACCOUNT WILL INCREASE WITH		R534.23	28.07	ACCOUNT WILL INCREASE WITH		R253.84	22.35
LOW CONSUMPTION		AMOUNT	%	SUB-ECONOMIC CONSUMPTION		AMOUNT	%
Rates	Total mun valuation: R400 000	R2.57	4.00	Rates	Total mun valuation: R40 000	R0.00	0.00
Sewer	Connected to the network	R14.91	9.55	Sewer	Connected to the network	R2.63	6.38
Refuse	(once weekly)	R7.02	8.25	Refuse	(once weekly)	R7.02	8.25
Electricity	600kWh	R105.56	30.20	Electricity	350kWh	R67.06	26.48
Water	15kl	R46.52	56.70	Water	10kl	R26.52	36.81
VAT		R24.36	25.87	VAT		R14.45	22.86
ACCOUNT WILL INCREASE WITH		R200.94	24.18	ACCOUNT WILL INCREASE WITH		R117.68	22.86
Not included: HPP levy, which amounts to 10% of property tax in the relevant area							