

FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

(Incorporating Fish Hoek, Clovelly and Sun Valley)

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SUBJECT: COMMENTS ON DRAFT 2019/20 BUDGET

DUE: 24 APRIL 2019

1. DISCUSSION

It is incorrect for the City to say there was a 22% reduction in the property rate. It is true that 0.555 is a 22% lower “rate in rand” multiplier than the previous 0.7154, but this new multiplier will be used to calculate the property rates on the City average 33 - 34% increase in property valuation. Please don't spin this. We are not naïve. There will be an increase for anyone that has seen their property value increased above 30%. For example, a survey of Fish Hoek properties on Berg Road on the mountainside shows an average increase of 47.5%! This implies a wealth tax for owners who are already charged special fixed levies on electricity and water supply and yet the service provided by the City has not increased. Home owners are being taxed out of their major long-term asset.

While on naivety, we're currently on Level 3 water tariff, but this tariff table is now being moved into the new Level 1. Therefore, the current Level 3 water tariff represents an increase of 16% and not 8.88% as the City has declared.

We understand the reasons for aiding the plight of the poor (indigent residents and senior citizens), but giving away free services or utilities, such as electricity, as free items are never appreciated or conserved. All residential properties should pay rates. The base of zero can start with a lower “rate in rand” multiplier, but having to pay will actually encourage pride of ownership and community spirit. Only this will break the cycle of destroying public assets provided by the City and replaced every time the disrespected assets are vandalised. The community will then rise up and defend its shared assets against their own members.

While we applaud the City for absorbing some of the Nersa approved Eskom tariff increase of 15.63%, the City's electricity tariff still increased by above inflation 8.88%. This is 28% to 35% (depending on how this calculated) higher than would be charged by Eskom for a direct connection. Also, Steenbras was unable to assist residents in the latest load shedding making the City's fight for sourcing from the now cheaper Independent Power Producers, all that more important.

Refuse removals should be based on a bin proximity chip to identify the owner and each bin weighed per collection for itemised billing. This technology has been available for more than 30 years in Holland and is the only way to really promote recycling.

As the fixed water and electricity costs are not consumption based in terms of the Local Government: Municipal Systems Act #32 of 2000's Section 74 (2) A tariff policy must ... (b) ... be in proportional to the use of that service, they should be scrapped.

Our main complaint is the ever-increasing, already bloated staff numbers with concomitant decrease in efficiency. Staffing costs increased by above inflation 8%, but mainly, the base is too large. There is not a strong work ethic in the City. The main problem is that managers and supervisors do not know how to manage staff by measurable objectives which would result in a flatter organisation reporting structure cutting out massive sections of mid-level managers. Also, managers would rather build new than maintain existing; that is, to sweat the assets. The City

needs to urgently cull its non-tariff linked staff, including human resources, finance / treasury, information technology, legal services, health (clinics overlap with Western Cape Province's making accurate HIV record keeping very difficult) and all administrative staff not actually doing billing. All City employee meetings should be conducted in meeting rooms that do not have chairs and tables. No refreshments should be served in these meetings.

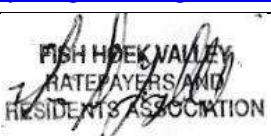
An example of operating more efficiently would be for the City to use an Enterprise Project Management software system. The use thereof would not require a new tender as the City already has two enterprise software systems: Microsoft and SAP. As leave and pay are already recorded in SAP, SAP is probably the logical choice. A central multi-discipline office could provide project management (this skill, the City sorely lacks) assistance and enforce planning of all wayleaves to avoid retrenching a freshly laid pavement / street from another department's project. Training of project managers should include contract management and how to prepare and monitor a service level agreement (SLA).

As our sewage system in Fish Hoek is over 100 years old, it frequently breaks. When it backs up, it overflows into our storm-water system, which goes straight to our tourist beach. If the City is serious about tourism and the health of its citizens, please consider replacing or at least relining the sewer system in Fish Hoek.

2. RECOMMENDATIONS

It is recommended, for the reasons set out in this report, that:

- All budget increases should be linked to the official headline consumer price index (annual inflation rate) by Stats SA (currently at 4.5%);
- Every property should have to pay rates;
- All services (and utilities) must be billed per usage;
- More effort should be exerted by the City in obtaining electricity from Independent Power Producers;
- Install waste bin proximity chips and weigh each bin per tip for itemised rubbish collection billing;
- Scrap non-consumption based charges (fixed water and electricity costs);
- Reduce headcount drastically;
- Operate more efficiently (ex. Central Enterprise Project Management Office); and
- Upgrade the sewer system in Fish Hoek with provision of dedicated power to the pumping stations to mitigate the effects of load shedding causing backups into the storm-water system.

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