

Municipality of Swakopmund

2018/2019 Capital and Operating Budget

FINAL REPORT

Presented by: Councillor Erkkie Shitana
Chairperson of Management Committee

Dated: 31 May 2018



Municipality of Swakopmund
Corner of Daniel Kamho Avenue & Rakatoka Street
Swakopmund
Namibia
www.swkmun.com.na

Honourable Chairperson of Council, Her Worship the Mayor, Paulina Daphne Nashilundo,

Deputy Chairperson of Council Honourable, Maria Elago.

Swakopmund Constituency Councillor, Honourable Juuso Kambueshe.

Fellow Councillors,

Acting Chief Executive Officer,

General Managers,

Managers and all Officials present,

Members of the public

The Media

Ladies & Gentlemen

On behalf of Council, I am tabling the 2018/2019 Budget for Council approval. Through the 2018/2019 Budget process, members of Council, management and staff members have worked to find a balanced position between the need to support important municipal services and developments, while having restraining increases.

Council started with their strategic planning budget process beginning of 2016 to have continued development for the town. The strategic planning process during 2016 gave Council, management and the public the opportunity to provide input on the proposed 2018/2019 Operating and Capital Budget in order to continue with the main objective of the Municipality of Swakopmund to maintain the rendering of quality services to the entire community of Swakopmund.

Your Worship, I must admit that the efficient service delivery to the residents of Swakopmund has become a challenging task to manage effectively as it has to be supported by sufficient financial resources. First and foremost it is required from our Council to provide quality services and then to maintain it at an acceptable standard.

The main objective of our annual budgetary process is to improve on service delivery and to maintain, and upgrade the infrastructure in which Council has invested millions of dollars over the years for the continuity of service delivery to the inhabitants of our town.

Housing Delivery Programme

Council provided assistance towards the servicing of land under the Mass Housing Development Programme initiative of Central Government for construction of infrastructure, such as water, sewer, roads and electrical services to each and every house built and Council's current status on these services for the Mass Housing Programme and the remainder of Matutura are as follows:

- Extension 6 – fully serviced with water, sewer, road and electrical infrastructure.
- Extensions, 7, 8, 9 & 38 fully serviced with water, sewer and road infrastructure with electrical infrastructure at 80% completion.
- Extensions 10, 11, 12 & 28 – fully serviced with water, sewer, road and electrical infrastructure
- Extensions 27, 29 & 30 – fully serviced with water, sewer, and road infrastructure with electrical infrastructure at 70% completion.
- Extension 31 – No services installed due to dense populated by residents and hard rock soil conditions.

Her Worship, from the above summary of progress it can be noted that Extension 10 – 12 and Extension 28, contains the majority of the houses with services completed provided with the support of Government funds. Extension 38, which have at least 15 houses constructed on is at an advance stage of completion with full working infrastructure. Concerning Extension 7 (Delta Group) and Extension 8 – 9 (Ferusa Group) the services installation been have continued with and have been completed.

Under the Build Together Programme, Council allocated 120 erven during 2016. Council is currently obtaining approval from the Office of the Minister to utilize the Build Together Revolving Fund to construct houses to assist more beneficiaries. Council is still waiting for approval from the Minister in order to proceed.

Her Worship, since 2012 Council have engaged with the Ministry regarding incomplete houses and, constantly forwarded reports on incomplete houses. The report underlined the main causes of the incomplete houses which is unemployment or underemployed. As a result, Council stated the difficulty in issuing second loans to unemployment beneficiaries thus requested the guidance from the Ministry on how to address this concern.

Your Worship and Honourable Councillors allow me to further present to you a summarised version of both our capital and operational budgets for 2018/2019, for approval.

2018/2019 Capital Budget

The 2018/2019 Budget included numerous and significant on-going initiatives that prepare for the long term viability and sustainability of Swakopmund.

Numerous projects are planned with an overall project cost estimate of N\$138 million, this includes N\$38.7 million in multiple carry over projects from 2017/2018 and N\$99.4 million for new capital projects planned for 2018/2019 financial year.

Maintaining and improving Swakopmund's infrastructure will continue to require significant and planned investment, considering the restrained resources available in Council's investment and current accounts, nevertheless, we are convinced that the anticipated property sale transactions will generate sufficient revenue, together with current existing funds, can place Council in a more favourable position to finance the projects anticipated for 2018 / 2019 financial year.

Projects include:

- Formalisation of DRC informal area → Central Government Funds

Council received funds from Central Government, and the completion of both civil and electrical services and this project is still progressing well.

- Re-location of Sewerage Mid-Block System → N\$11.6 million
Mondesa & Tamariskia

The occurrence of regular sewerage blockages in Mondesa does not reflect healthy living standards and Council intends to improve this for the community in this area. The frequently occurrences are of a concern to Council and therefore Council wish to continue with the re-locating the entire midblock sewerage system.

- Provision of Serviced Land & Future Town Planning → N\$7.2 million

This provision is made towards future planning and development of serviced land for Swakopmund and this provision will only provide for the surveying and planning of affordable erven.

- Parks and Gardens & Mole and Pier → N\$ 11.5 million

This budgetary provision will be utilised to upgrade Public Open spaces, upgrading of sport facilities and further development of our beach areas.

- Streets → N\$ 18.4 million

An amount of N\$ 18.4 million is included in this budget for the resurfacing of streets and roads in Swakopmund. Council has taken up the initiative to provide the required material and local small contractors (SME's) are being appointed to provide the required labour.

This concept has proven itself to be more economical for Council and also established a business partnership between the small contractors in our community, with this Council creates employment and contribute to poverty eradication which is worth applauding especially in light of the difficult economic conditions our community faces.

It should be noted that the streets to be resurfaced will be prioritised by Council. Council has further commit itself for future upgrading of the current storm water systems, by annually availing funds for this re-occurring situation.

MUNICIPALITY OF SWAKOPMUND

- Public Buildings → N\$ 8.6 million

The current phase of the Multi-Purpose centre in Mondesa will be completed with part of this budgetary provision. This provision also includes the establishment of the Satellite Pay point as a result of Council's Strategic Plan, and the remaining provisions are to maintain all other public buildings of Council.

Budgetary provisions amounting to N\$1.2 million has been availed to purchase new gym equipment for centre as well which will be a social contribution to the community of Swakopmund to keep healthy.

- Cleansing Section → N\$ 8.1 million

This provision is made to improve on the current service delivery of refuse removal and also to service upcoming developments in Swakopmund.

- Sewerage Works → \$ 18.8 million

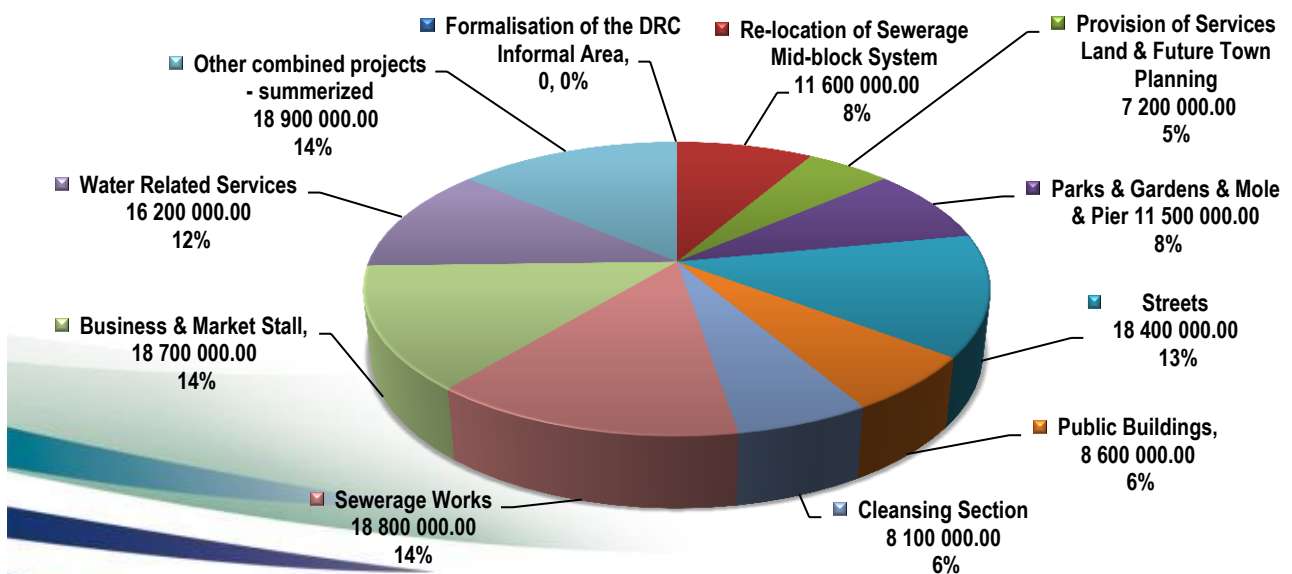
This provision is aimed to maintain and improve sewerage related services, but more specific, the new sewerage plant is fully operational whilst continuous maintenance is on-going at the old plant.

- Business and Market Malls → N\$ 18.7 million

The major portion of this provision will be utilised towards completion of the SME Industrial Park on erf 4864.

- Water Related Services → N\$ 16.2 million

This provision will be used for efficient service delivery, for infrastructure as well as for construction of the new water reservoir for the Smallholdings



2018/2019 Operating Budget

Council's operational budget reflecting a surplus of N\$ 153 210.00 and it is anticipated that with noticeable growth of Swakopmund that Council will be in a better position to generate sufficient revenue to satisfy its operational costs.

Tariff increases

Council has full understanding for the current prevailing economic circumstances and after careful consideration thereof, the following tariff increases are introduced to be levied:

Assessment Rates	→	8 %
Water (Staggered)		
9m ³ -30 m ³	→	5.5%
30m ³ -60m ³	→	6.5%
60 m ³ and above	→	7.5%
Special Water tariffs Smallholdings (Agricultural)		
9m ³ -30 m ³	→	5.5%
30m ³ -60m ³	→	6.5%
60 m ³ and above	→	7.5%
Sewerage	→	8%

Our final budget addresses operational and infrastructure needs to maintain appropriate municipal services levels required by our community, while managing the provincial revenue cutbacks in funding.

Your Worship, we tabling both the Operational and Capital Budgets, and the following is recommended for approval by Council:

- (a) That the Capital Budget with a total amount of N\$138 190 000.00 be approved.**
- (b) That the Operational Budget be approved, reflecting a surplus of N\$153 210.00.**

- (c) That the following service related tariffs be approved, including all other tariffs contained in the proposed budget:

Assessment Rates → 8 %

Water (Staggered)

9m³-30 m³ → 5.5%

30m³-60m³ → 6.5%

60 m³ and above → 7.5%

Special Water tariffs Smallholdings (Agricultural)

9m³-30 m³ → 5.5%

30m³-60m³ → 6.5%

60 m³ and above → 7.5%

Sewerage → 8%

- (d) That the basic tariffs for Swakopmund's Senior Citizens not be increased.
- (e) That Council's General Managers and Managers verify availability of funds prior to commencing upon approved major planned projects.

Council will be closely monitoring the 2018/2019 financial transactions to ensure that the Municipality is sustaining the desired levels of services, while moving forward with current developments to ensure growth and prosperity during the 2018/2019 financial year.

In conclusion, allow me to express my heartfelt appreciation on behalf of the entire Council, the Acting Chief Executive Officer, General Managers, Managers and the entire staff of Swakopmund Municipality who have contributed towards the compiling of Council's budget.

Our residents of our town and all investors thank you for your continued support in the further development of our beautiful town, Swakopmund.

I thank you and God Bless.

Councillor Erkkie Shitana
CHAIRPERSON OF THE MANAGEMENT COMMITTEE

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