

Onrus & Vermont: Special Rating Area

**A proposal to improve & create a safer and healthier
Community for all residents and visitors**

What is a Special Rating Area?

Special Rating Areas is municipal facilitation of an additional rate levied on property value, payable by owners in a defined area, to raise funds for the improvement or upgrading of such an area.

***SRAs thus provide a formal structure through
which to finance supplementary services.***

The Special Rating Areas Policy is aimed at further investment into areas where, through co-operation between municipalities and private business, municipal supplementary services could serve to uplift areas to address or prevent degeneration in order to address public safety, and to support and encourage property investment.

What is a Special Rating Area?

The supplementary municipal services typically include:

- ***the provision of supplementary public safety,***
 - ***public area cleaning services,***
- ***maintenance and/or upgrading of the urban public environment and/or infrastructure***
in a Special Rating Area (SRA).

What is a Special Rating Area?

The supplementary services provided by SRAs enhance and supplement municipal services already provided by the municipality.

Services offered within an SRA do not replace the services of the Municipality, but rather complement and supplement those services.

What is a Special Rating Area?

Individual SRAs are unique in nature due to geographical settings, population density, zonings and property values.

The cost of the supplementary municipal services allows individual property owners to benefit from a well-managed neighbourhood, including a shared sense of communal pride, safety and social responsibility.

Onrus-Vermont SRA

The special rating area model is based on international best practice and a SRA functions with the aid of the local municipality which adds an additional calculated rate to the rates of members within the selected area, who will then proceed to pay the non-profit company (NPC) in charge of the upkeep of that SRA.

The basic idea is that a group of property owners in a selected area can come together to discuss the lack of security and services; and agree to find a way to address these problems. They can then apply to the local municipality to incur special rates payable by the owners within that area to fund the needs of the area.

SRA: Relevant legislation

1. The Constitution of South Africa
2. Municipal Property Rates Act
3. Overstrand Municipality by-law & policy for special ratings areas
4. Overstrand Municipality Integrated Development Plan (IDP)

The SRA Process



The SRA Process

1. Create a steering committee:

Created 11 February 2017 after various consultations & other meetings. Steering committee with representatives from most community organisations in Onrus & Vermont

SRA: Steering Committee

Chair: Abner Francois-André Inghels

Organisation: OnVerWag, Hermanus CPF

Anne Marie Droomer

Organisation: OnVerWag

Other affiliations: Overberg SRF

Caroline Anne Gabb

Organisation: Onrus Estuary Forum

Other affiliations: Hermanus CPF, OnVerWag, Ward Committee

Hendrik Johannes Greeff

Organisation: Onrus Ratepayers Assoc.

Other affiliations: Ward Committee

Henry Edward Holloway

Organisation: OnVerWag

Henry William Heard

Organisation: Vermont Ratepayers & Environmental Association

Other affiliations: Vermont Conservation Trust, Vermont Coastal Path Committee, Ward Committee

Michiel de Kock

Organisation: NG Church Onrus

Other affiliations: Hermanus CPF, OnVerWag

Theo Agenbag

Organisation: Onrus Trading Post

Other affiliations: Ward Committee

The SRA Process

2. Meet with CFO & other role-players:

Various meetings held between Steering committee & municipality to prepare perception survey, confidentiality agreements & other project documents.

(February – July 2017)

The SRA Process

3. Do perception survey:

Perception survey conducted in Onrus & Vermont

(July – October 2017)

THE PERCEPTION SURVEY:

Onrus Vermont Special Ratings Area Project

E-Mail: onrus.vermont.sra@gmail.com

PERCEPTION SURVEY - SPECIAL RATING AREA IN ONRUS & VERMONT
(WARD 13, OVERSTRAND MUNICIPALITY)

Name and Surname:	
Physical address:	
Telephone:	
Email:	

Do you consent to us giving your updated contact details above to the Overstrand Municipality to update their database of property owners? ☐ Yes ☐ No

Are you a:

☐ Owner of private property☐ Business owner (owning the business property)

☐ Lessee of private property☐ Business owner (renting the business property)

☐ Other

(1)

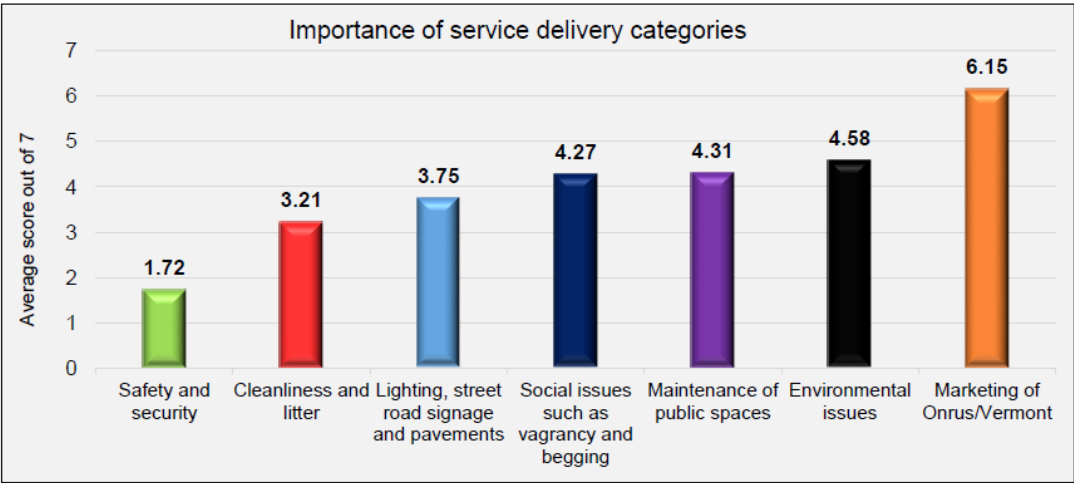
THE PERCEPTION SURVEY

Category	Number	% of total (4332)
Owner of private property	945	21.8%
Lessee of private property	60	1.4%
Business owner (owning property)	6	0.1%
Business owner (renting property)	12	0.3%
Other	65	1.5%
TOTAL	1088	25.1%

THE PERCEPTION SURVEY: Results

SUMMARY OF MAIN FINDINGS

Overall perceptions of the area: Based on the ranking the lower the score, the more important the category and the higher the score, the less important the category:



The SRA Process

4. Consult with municipality:

Result of perception survey & other documents:

Various meetings held between steering committee and municipality regarding the results of survey and which services are therefore needed.

(November 2017 – March 2018)

The SRA Process

5. Process initiated, setting up documents:

Various meetings held between steering committee and municipality regarding various aspects of proposed SRA – Business & operational plan, memorandum of intent etc.

(March 2018 – September 2019)

All documents available on our website @
<http://www.onsdorp.com/onrusvermontsra/>

The SRA Process

6. Public meeting:

First Public Meeting held at Dutch Reformed Church in Onrus at 18:00, Voting opened.

2019/10/11: Public meeting at Onrus Manor

2019/11/13: Public meeting and information session at NG Church in Onrus

The SRA Process

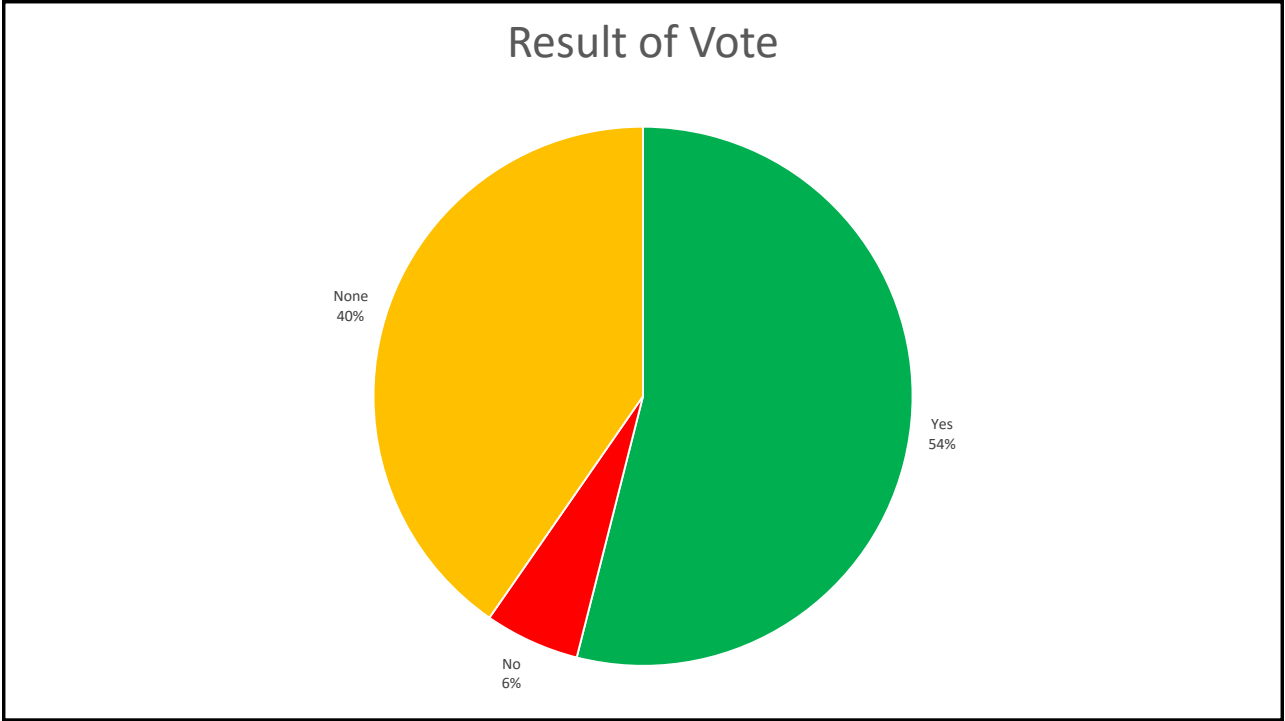
7. Public vote:

Voting from 26 September 2019 – 9 January 2020
Voting electronically & paper votes at various voting stations.

The SRA Process

Public vote result:

Number of erven in Onrus & Vermont	4144
Number of “yes” votes required (50% + 1)	2073
Number of “yes” votes received	2236 (54%)
Number of “no” votes received	236 (5.7 %)



The SRA Process

8. Application submitted:

Application submitted 10 January 2020
Notice in Village News & Hermanus Times
Objections close 14 February 2020

The SRA Process

Objections close 14 February 2020:

Any objections to the establishment of the Onrus-Vermont SRA ***must be submitted in writing*** to the Municipal Manager, PO Box 20, Hermanus 7200, or e-mailed to cgroenewald@overstrand.gov.za or delivered by hand to the Municipal Manager, Municipal Offices, 1 Magnolia Street, Hermanus.

The SRA Process

What happens now?

1. Objections need to be discussed between steering committee & property owners.
2. Council needs to vote on SRA.
3. After Council approval NPC must be created with directors elected from community.

The SRA Process

9. Additional rate added to Municipal Taxes:

If council approves additional rate is added to rate as of
1 July 2020.

The SRA Process

10. NPC starts delivering services:

Services to be awarded by NPC to people/service providers
to start providing the planned additional services ASAP.

The SRA Process

11. Annual reporting and re-evaluation of project:

NPC needs to report regularly to community on services that are delivered etc.

AGM needs to be held & audited books need to be available.

The SRA Process

12. Application can be submitted to extend project submitted:

In the final year (5) of project the project needs to be re-evaluated and assessed whether it needs to continue.

Onrus-Vermont SRA

The main purpose of this supplementary service by the community for the community will be to create a more sustainable healthy, safe and clean environment for its residents and visitors supplementary to the services already delivered by the Overstrand Municipality on a daily basis.

onrus.vermont.sra@gmail.com or 079 680 7232 or <https://www.facebook.com/OVSRA/>
or <http://www.onsdorp.com/onrusvermontsra/>

Onrus-Vermont SRA

Vision

To be a safe and healthy community where everyone can prosper.

Mission

To create a safe and healthy community for all residents and visitors, by working with the municipality and other service providers to improve the quality of service delivery and public safety in the area.

Goal

- Improving community public safety by through the effective use of technology
- The effective provision of supplementary municipal services to the community.
- Improving community participation with all role-players to improve service delivery.
- The creation and maintenance of a safe and healthy environment.

Onrus-Vermont SRA

This additional supplementary service will meet and be in line with the provisions and requirements of the Overstrand Municipality's Integrated Development Plan (IDP). The objective of the OVSRA is to ensure greater public safety by providing monitoring of all access and major routes throughout the ward.

This will cover our ward from the Onrus Main road intersection to Lynx Road in Vermont as well as entrances for foot traffic at the beach in Onrus and Breakfast Bay. The expansion of the project as budget becomes available will allow coverage of incrementally more and more areas to increase public safety in our community. It is emphasized that the Special Rating Area as well as any future expansion thereof will be operated and given effect to strictly within the parameters of the Business Plan which will be monitored by the municipality.

This will assist in the on-going promotion of community involvement in the initiatives of the Overstrand Municipality to execute the goals of the IDP; as well as the monitoring of problem areas in order to prevent social decay & crime & reporting them to the relevant authorities.

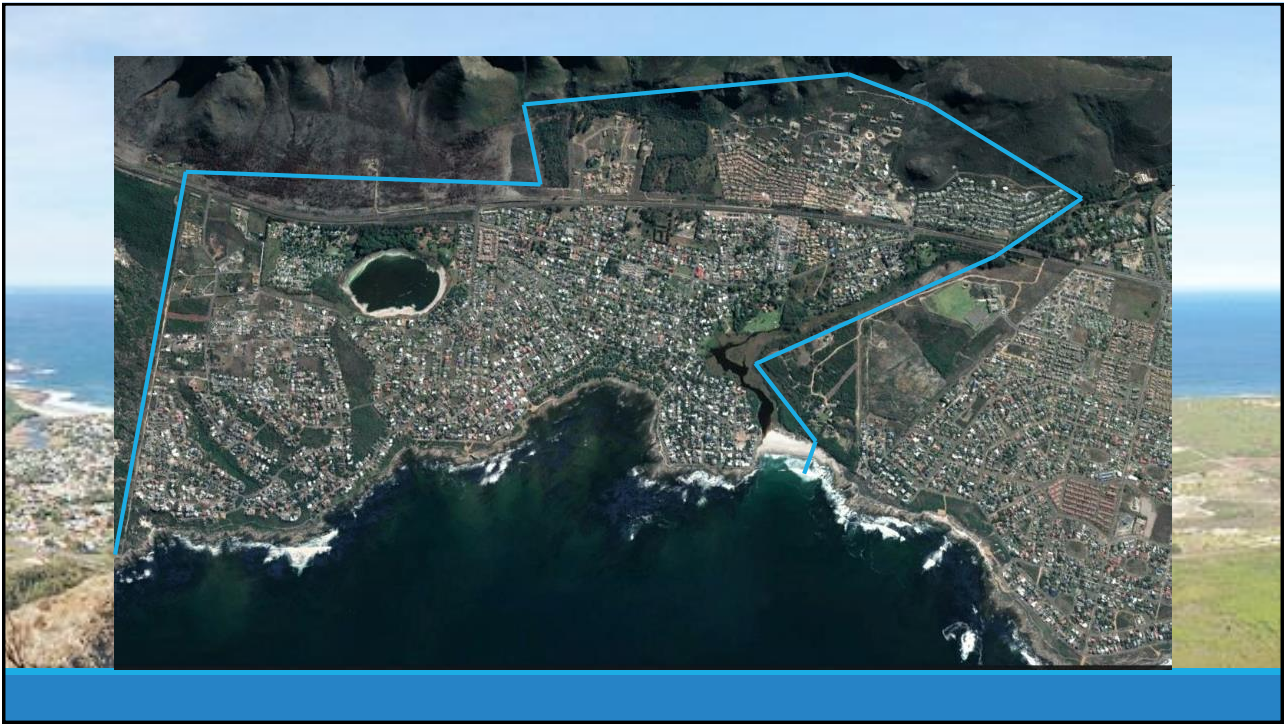
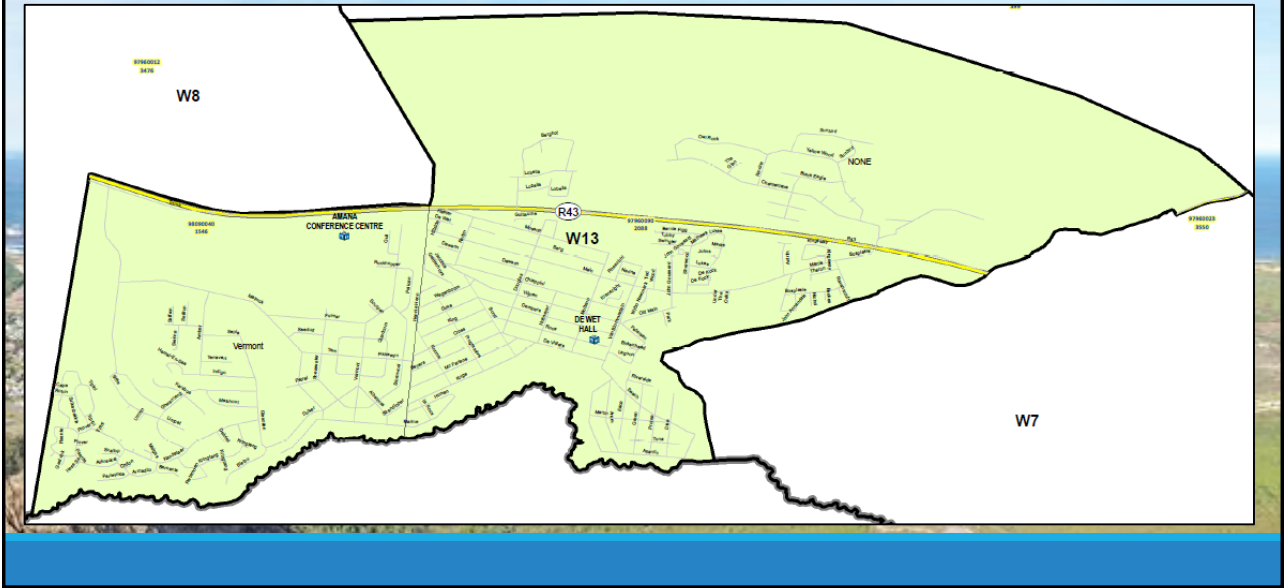
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Onrus-Vermont SRA

Benefits include, but are not limited to the following:

- ***Support of the Municipal Traffic and Law Enforcement agencies***, especially after hours and in the light of the challenge to staff 24 hours a day in all the residential areas in the vast area of the Overstrand Municipality.
- Quick and efficient addressing any public safety lapse in open spaces.
- ***The whole community to share in the benefit*** of a safe, healthy and clean environment to live in.
- That ***everyone will share in a fair way to allocate the additional cost*** - to be calculated according to the relative municipal property valuation of properties.
- That all ***visitors will feel more secure and therefore will be more willing to invest*** in the future of the town and the environment - it will promote tourism to the town to the benefit of all (one of the key economic activities of the region, as pointed out in the IDP).
- A safe, healthy and clean environment indirectly contribute to the appreciation of properties.

Onrus-Vermont SRA



Herewith a breakup of valuations with the monthly additional rates that will be applicable.

Municipal valuation Munisipale waardasie	Estimated Monthly Special Rate / Beraamde Maandelikse Spesiale Aanslag					
	Residential / Residensiëel		Business / Sake		Vacant / Leë erwe	
	From	To	From	To	From	To
Less than R50 000	Less than R0		R -	R 1.46	R -	R 1.46
Between R50 001 and R100 000	R -	R 1.00	R 1.46	R 2.92	R 1.46	R 2.92
Between R100 001 and R300 000	R 1.00	R 5.67	R 2.92	R 8.75	R 2.92	R 8.75
Between R300 001 and R600 000	R 5.67	R 12.67	R 8.75	R 17.50	R 8.75	R 17.50
Between R600 001 and R1000000	R 12.67	R 22.00	R 17.50	R 29.17	R 17.50	R 29.17
Between R1 000 001 and R1 500 000	R 22.00	R 33.67	R 29.17	R 43.75	R 29.17	R 43.75
Between R1 500 001 and R3 000 000	R 33.67	R 68.67	R 43.75	R 87.50	R 43.75	R 87.50
Between R3 000 001 and R6 000 000	R 68.67	R 138.67	R 87.50	R 175.00	R 87.50	R 175.00

SRA: Rate

The calculation of the rate:

1. Steering committee create a budget based on what we estimate will be needed to achieve our goals.
2. Draft documents for the Budget, Memorandum of Intent and result of Perception Survey is submitted to municipality (CFO).
3. Municipality pulls financial profile for proposed area (including municipal erven, indigent residents & rebates)
4. Municipality calculates what rate would be:
 - a. Affordable to the community; and
 - b. Necessary to achieve the targeted amount in step 1

SRA: Rate

The calculation of the rate:

5. Municipality approves a rate at “cents to the rand” on property value for all residents to add to their property tax.

Municipal property rates act: Amount due for rates:

31. (1) A rate levied by a municipality on property must be an amount in the Rand-
(a) on the market value of the property;

5. After a positive vote of 50%+1 an application is made to the municipal council. If approved this rate is then applied to all municipal taxes.
6. This rate is collected and paid over to a NPC created to manage the SRA on a monthly basis.

Onrus-Vermont SRA

Monthly income can be calculated as follows:

- There are currently 4144 Erven in the OVSRA area.
- We will therefore need the property owners of at least 2073 properties to vote in favour of the SRA.
- The proposed SRA rate (cent in the Rand) is 0.00035 to the valuation of the property.
- The proposed monthly SRA budget amount is R 164 823.68.

Payments to the SRA will be a monthly amount equivalent to one-twelfth of its approved budget, less 5% as a provision for bad debts. All beneficiaries who qualify for rates relief/indigent status as per the municipality's rates policy in terms of municipal rebates & indigent subsidies are exempt.

SRA: Rate

Example of the rate (A Inghels Property):

REKENING NOMMER	MAANDELIKSE REKENING	BELASTINGFAKTUUR:	KWITANSIES GEPOS TOT:	WAARDASIE:
	Julie 2019	6959803	26/7/2019	1422700

This notification was in your July account and shows how your monthly municipal rate is calculated:

Account Number:			RATES NOTIFICATION FOR 2018/2019			
DESCRIPTION			VALUATION	TARIFF	MONTHLY	AMOUNT
RATES	MONTHLY	RES	1422700	0.005703	/12	676.14
RES REBATE			-15000	0.005703	/12	-7.12
RES IMPR REBATE			-35000	0.005703	/12	-16.63
RES IMPR REBATE			-20%			-130.47
DISCOUNT						
TOTAL						521.92

SRA: Rate

Following this example the additional rate for your property can be calculated as follows:

REKENING NOMMER	MAANDELIKSE REKENING	BELASTINGFAKTUUR:	KWITANSIES GEPOS TOT:	WAARDASIE:
	Julie 2019	6959803	26/7/2019	1422700

DESCRIPTION	VALUATION	MONTHLY	TARIFF	AMOUNT
RATES MONTHLY RES	R 1,422,700	12	0.00035	R 41.50
RES REBATE	-R 15,000	12	0.00035	-R 0.44
RES IMPR REBATE	-R 35,000	12	0.00035	-R 1.02
RES IMPR REBATE	-20%	12	0.00035	-R 8.01
DISCOUNT				
TOTAL				R 32.03

Onrus-Vermont SRA: 5 year Budget

EXPENDITURE	Year 1	Year 2	Year 3	Year 4	Year 5
1. Employee Related	R 144,000.00	R 152,640.00	R 161,798.40	R 171,506.30	R 181,796.68
Salary (Operational Manager) ¹	R 144,000.00	R 152,640.00	R 161,798.40	R 171,506.30	R 181,796.68
2. Core Business	R 1,137,600.00	R 1,425,912.00	R 1,555,961.28	R 1,696,483.19	R 1,848,266.27
Camera Monitoring ³	R 39,600.00	R 83,952.00	R 133,483.68	R 188,656.93	R 249,970.44
Security Services (Patrollers/Rangers) ⁴	R 888,000.00	R 1,119,360.00	R 1,186,521.60	R 1,257,712.90	R 1,333,175.67
Environmental Upgrading, Cleansing & Other Services ⁶	R 210,000.00	R 222,600.00	R 235,956.00	R 250,113.36	R 265,120.16
3. Repairs and Maintenance	R 25,000.00	R 50,000.00	R 100,000.00	R 120,000.00	R 150,000.00
4. General Expenditure	R 152,000.00	R 152,200.00	R 164,832.00	R 177,921.92	R 191,497.24
Accommodation (Rent)	R 60,000.00	R 63,600.00	R 67,416.00	R 71,460.96	R 75,748.62
Accounting fees	R 12,000.00	R 12,720.00	R 13,483.20	R 14,292.19	R 15,149.72
Administration and management fees	R 3,000.00	R 3,180.00	R 3,370.80	R 3,573.05	R 3,787.43
Advertising	R 2,000.00	R 2,120.00	R 2,247.20	R 2,382.03	R 2,524.95
Auditor's remuneration	R 5,000.00	R 5,300.00	R 5,618.00	R 5,955.08	R 6,312.38
Bank charges	R 6,000.00	R 6,360.00	R 6,741.60	R 7,146.10	R 7,574.86
Computer expenses	R 6,000.00	R 6,360.00	R 6,741.60	R 7,146.10	R 7,574.86
Contingencies	R 5,000.00	R 5,300.00	R 5,618.00	R 5,955.08	R 6,312.38
Establishment Cost	R 12,000.00	R 0.00	R 0.00	R 0.00	R 0.00
Insurance	R 20,000.00	R 25,000.00	R 30,000.00	R 35,000.00	R 40,000.00
Marketing and promotions	R 5,000.00	R 5,300.00	R 5,618.00	R 5,955.08	R 6,312.38
Meeting expenses	R 1,000.00	R 1,060.00	R 1,123.60	R 1,191.02	R 1,262.48
Printing and stationery	R 3,000.00	R 3,180.00	R 3,370.80	R 3,573.05	R 3,787.43
Secretarial duties	R 6,000.00	R 6,360.00	R 6,741.60	R 7,146.10	R 7,574.86
Sundry expenses	R 3,000.00	R 3,180.00	R 3,370.80	R 3,573.05	R 3,787.43
Telephone and fax	R 3,000.00	R 3,180.00	R 3,370.80	R 3,573.05	R 3,787.43

Onrus-Vermont SRA: 5 year Budget

EXPENDITURE (Continued)	Year 1	Year 2	Year 3	Year 4	Year 5
5. Capital Expenditure	R 440,000.00	R 150,000.00	R 150,000.00	R 150,000.00	R 150,000.00
Cameras ²	R 400,000.00	R 150,000.00	R 150,000.00	R 150,000.00	R 150,000.00
Office equipment	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00
Computer equipment	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00
TOTAL EXPENDITURE	R 1,898,600.00	R 1,930,752.00	R 2,132,591.68	R 2,315,911.41	R 2,521,560.19
INCOME					
Revenue - SRA Levy ⁵	R 1,977,884.16	R 2,096,557.21	R 2,222,350.64	R 2,355,691.68	R 2,497,033.18
Donations/Grants	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00	R 50,000.00
5% bad debts provision	-R 98,894.21	-R 104,827.86	-R 111,117.53	-R 117,784.58	-R 124,851.66
Surplus	R 0.00	R 30,389.95	R 141,367.30	R 170,008.73	R 142,004.41
TOTAL INCOME	R 1,928,989.95	R 2,072,119.30	R 2,302,600.41	R 2,457,915.83	R 2,564,185.94
(SURPLUS) / SHORTFALL	R 30,389.95	R 141,367.30	R 170,008.73	R 142,004.41	R 42,625.75
BUDGET GROWTH		6.9%	10.0%	6.3%	4.1%

Onrus-Vermont SRA: 5 year Budget

Explanation of line items:						
1	Salary Scale Operational Manager (monthly)	R 12,000.00	R 12,720.00	R 13,483.20	R 14,292.19	R 15,149.72
2	Capital Cost	R 400,000.00	R 150,000.00	R 150,000.00	R 150,000.00	R 150,000.00
	No of cameras	6	12	18	24	30
	Camera specifications	6 @ Main Entr. (3 LPR, 3 PTZ)	Add 6 @ R25000ea	Add 6 @ R25000ea	Add 6 @ R25000ea	Add 6 @ R25000ea
3	Camera monitoring model (per camera per month)	R 550.00	R 583.00	R 617.98	R 655.06	R 694.36
4	Payment Scale Patroller (2 patrollers in vehicle 24h, monthly)	R 60,000.00	R 63,600.00	R 67,416.00	R 71,460.96	R 75,748.62
	Months Patrollers	12	12	12	12	12
	2 Rangers for greenbelts, coastal path etc from 8-5 weekdays (or as needed)	R 28,000.00	R 29,680.00	R 31,460.80	R 33,348.45	R 35,349.35
	Months Rangers	6	12	12	12	12
	No of patrol teams	1	1	1	1	1
5	Monthly Levy Income from July 2019	R 164,823.68	R 174,713.10	R 185,195.89	R 196,307.64	R 208,086.10
6	Cleansing & Other Services; including invasive alien clearing and removing litter/ dumped rubbish.					
	1. Estuary monitoring	R 30,000.00	R 31,800.00	R 33,708.00	R 35,730.48	R 37,874.31
	2. Maintenance of green belts.	R 50,000.00	R 53,000.00	R 56,180.00	R 59,550.80	R 63,123.85
	3. Maintenance of public spaces.	R 50,000.00	R 53,000.00	R 56,180.00	R 59,550.80	R 63,123.85
	4. Pick-up of refuse.	R 40,000.00	R 42,400.00	R 44,944.00	R 47,640.64	R 50,499.08
	5. Extra lifeguards	R 40,000.00	R 42,400.00	R 44,944.00	R 47,640.64	R 50,499.08

CCTV Project

Aims

- Ensure we know who is entering and leaving our area.
- Pick up and respond to flagged movement in area.
- Gather evidence and collect statistical data.

Technical specifications & layout

- LPR at entrances.
- PTZ at beach entry points.
- 24 Hour monitoring.
- Locally situated operations room.

CCTV Project

Camera positions

- Set up according to hot spots.
- Can be moved if not in most effective place.

Integration & Future Expansion

- Possible expansion unlimited.
- Can integrate with current and future systems.

Operational responsibilities

- 24/7 Monitored and linked to operational response.
- Operational response plans with all relevant authorities.
- Data available to members where there is a valid case reported.

Site 1: Corner of Chanteclair drive/Onrus Main road and the R43 – Licence plate recognition for all vehicles going up to Onrus North and down into Onrus.



Site 2: Vermont Avenue – Licence plate recognition for all vehicles turning into Onrus Main road and continuing down Vermont Avenue.



Site 3: Lynx Road – Licence plate recognition for all vehicles turning in to Vermont.



Site 4: Onrus Beach Area – capturing all traffic crossing over the beach in & out of Onrus.



Site 5: Davies pool / Onrus Caravan park – capturing all foot & vehicle traffic between Onrus & Vermont, as well as poaching activities over the bay.



Site 6: Geelvink Close, Vermont – Capturing foot traffic at the Nature Reserve fence, Breakfast Bay and vehicle traffic into & out of Vermont.



Other SRA functions

Operational response as point of departure

- 2 patrollers in vehicle 24/7.
- Expanded with 2 patrollers on coastal path & greenbelts between 08:00 - 17:00 daily (or as needed).

Cleansing

- Clean-up operations for public spaces including invasive alien clearing and removing litter/ dumped rubbish.

Ad hoc lifeguards at Onrus Beach

The way forward:

1. Motivated objections can be made to the municipality in writing by 14 February 2020.
2. Municipal council will need to vote whether they approve the SRA.
3. If approved the SRA is included in Municipal budget and additional rates are levied from 1 July 2020.
4. If Municipal Council approves the SRA a Non-profit company is created with directors elected from the community.

The way forward:

5. All additional rates are paid to the non-profit company by the Municipality
6. All supplementary services are managed and put out to tender by NPC and monitored by Municipality.
7. In the 5th year the SRA is reviewed and if necessary can apply for an additional 5 year period.

Onrus-Vermont SRA

Visit our website at

<http://www.onsdorp.com/onrusvermontsra/>

for the comprehensive business plan & 5
year budget.

Enquiries: onrus.vermont.sra@gmail.com

Onrus-Vermont SRA

THANK YOU / DANKIE