

PUBLIC NOTICE



Garden Route, the leading, enabling and inclusive district, characterised by equitable and sustainable development, high quality of life and equal opportunities for all.

PUBLICATION OF INFORMATION STATEMENT REGARDING THE RAISING OF EXTERNAL LOAN FOR THE CONSTRUCTION OF GRDM REGIONAL WASTE MANAGEMENT FACILITY OVER THE 2022/23 – 2024/25 MTREF PERIOD

PURPOSE

To make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt; the purposes for which the debt is to be incurred and the particulars of any security to be provided for the financing of the construction of the GRDM Regional Waste Management Facility capital project as per Council's approved 2022/23 – 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) Capital Budget.

To invite the public to submit written comments or representations to council in respect of the proposed debt.

LEGISLATION

In terms of the Municipal Finance Management Act No 56 of 2003 Section 46(3):

"A municipality may incur long-term debt only if the accounting officer of the municipality-

- (a) (ii) invited the public, the national treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
- (b) has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council at which the approval of the debt will be considered, together with particulars of:
 - (i) the essential repayment terms, including the anticipated debt repayment schedule; and
 - (ii) the anticipated total cost in connection with such debt over the repayment period."

PROPOSED DEBT

The GRDM Council intends to enter into a borrowing agreement to finance the GRDM Regional Waste Management Facility Capital Project as reflected on the approved 2022/23 – 2024/25 MTREF capital budget through a floating interest rate. The table below reflects the borrowing period, amounts, floating interest rate and cost.

INDICATIVE FLOATING INTEREST RATE

Period in years	Proposed debt amount	Annual Interest Rate (floating rate quoted May 2022)	Interest Cost over term	Total cost	Bi-annual instalment amount
10	R261,000,000	6,89%	R125,661,093	R386,661,093	R19,337,235

PURPOSE OF CAPITAL EXPENDITURE

The purpose of this expenditure is to enable GRDM to construct a Regional Waste Management Facility for the region under the mandated function as stipulated in Section 84 of the Local Government: Municipal Structures Act 117 of 1998.

COUNCIL MEETING DATE

Council plans to consider and approve the borrowing during a Council meeting to be held in January 2023.

SECURITY

In the event that Council's ratio of total debt to total revenue exceeds 50%, GRDM will be required to place a cash investment with the Bank equal to two repayments (being one year's interest and capital repayments) in an interest-bearing investment account ceded to the Bank for the duration of the breach of this ratio.

CLOSING DATE FOR COMMENTS

Written comments or representations on the proposed debt can be submitted to the GRDM Municipal Manager, at 54 York Street, George, 6530 or e-mailed to pa.mm@gardenroute.gov.za to reach the municipality by no later than 23 December 2022.

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