



MUNISIPALITEIT THEEWATERSKLOOF MUNICIPALITY

[29 MEI / MAY 2017]

SPEZIALE RAADSVERGADERING /
SPECIAL COUNCIL MEETING

NOTULE / MINUTES

29 MEI / MAY 2017

Die Uitvoerende Burgemeester lewer haar Begrotingstoespraak. (Toespraak word aangeheg tot die notule) / The Executive Mayor presents her Budget Speech (Speech attached to the minutes)

ITEM TITLE

SC06/2017 DIRECTORATE FINANCIAL SERVICES : CONSIDERATION AND APPROVAL OF THE FINAL BUDGET 2017/2018 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2018/2019 AND 2019/2020

[English version of the report is the original]

FILE NUMBER

5/1/1-2017/2018

PURPOSE / AIM OF REPORT

This report serves to submit to Council for consideration the MTREF for 2017/2018, proposed tariffs, and amendments to budget related policies the IDP, Service Delivery and Budget Implementation Plan as well as the Service Standards.

MFMA Circular No 86 "According to international best practices, it is appropriate to reclassify historical information in line with the changes that occur in the Standard Chart of Accounts. However considering our own circumstances and the technical capability of smaller municipalities, it is proposed that municipalities disclose audited and the current years' (2016/17) information using version 2.8 of the A schedule. In relation to the 2017/18 MTREF municipalities must use version 6.1 of the A schedule. By implication two separate schedules must be submitted."

BACKGROUND

In accordance with section 24 of the Municipal Finance Management Act, No 56 of 2003 the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

DISCUSSION

As contained in the detail report

LEGAL RESPONSIBILITIES

Section 24 of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations.

FINANCIAL IMPLICATIONS

As contained in the detail report.

CLIENT CARE IMPLICATION

Not applicable.

RECOMMENDATION BY ITEM AUTHOR TO COUNCIL :

It is recommended :

1. That Council resolves that the Final Annual Operating Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A2, A3 and A4. (pages 7 - 12).
2. That Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A5 and SA36. (pages 7, 14, and 93).
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2017/2018 financial year as set out on Tables A1 and A7. (Pages 7 and 18).
4. That Council resolves to adopt the Final Integrated Development Plan.
5. That Council resolves to adopt the "Spatial Development Framework" as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
6. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2017/2018. (Annexure A).
7. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70kWh Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
8. The first R100,000 on all residential properties are exempt from property rates for persons older than 60 years of age and earning less than R6400 per month. The exemption is also applicable to all households earning less than R4801.
9. That it be noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Housing.
10. That note is taken that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
11. That Council resolves the following Amendments to the Policies as per Annexure B

Annexure B

- 1) Credit Control and Debt Collection Policy**
- 2) Writing –Off of Irrecoverable debt Policy**
- 3) Indigent Policy**
- 4) Rates Policy**
- 5) Short Term Insurance Policy**

RUN-UP TO DECISION-MAKING :

Councillor MM Koegelenberg :

- *The 2017/2018 budget was taken to the people this year to ensure cooperation during the next five years.*
- *The drought and protests occurred between the draft budget period and the approval of the budget.*
- *Pro-indigent and community-friendly budget.*
- *The leasing of halls to churches is not duly addressed in the budget.*

Councillor C November :

- *That the following correction be made to the IDP document:
Page 2 – “Approved IDP and Budget” – the date must be changed from 25 May 2017 to 29 May 2017.*
- *The 2017/2018 budget is not a pro-poor budget –
Pages 494/495 of the Agenda refers – Basic tariffs for water remain at R108.20
Page 182 of the Agenda refers – Tariff increases.*
- *Vision, Mission and statement by Councillor Koegelenberg that the budget is a pro-poor budget are clearly not indicated in the budget, as the budget is not a pro-indigent budget.*

Councillor D Appel :

- *Community halls – rental fees are large amounts.*
- *Cemeteries – funeral costs are high.*
- *Cannot talk about a pro-poor budget, as the Vision and Mission does not address it.*

Councillor MM Koegelenberg :

- *Amendment page 513, point 9.2.2 and page 516, point 5.3 – the “7 days” have been changed to “14 days”.*

Taking the amendments above into account, Councillor Koegelenberg proposed the Recommendation with the following addition to point 2 :

- 2. with the addition of the Isuzu truck for electricity for an amount of R950,441 which will not be delivered before June 2017.**

Proposal was seconded by Councillor R Brinkhuys.

A counterproposal was submitted by Councillor D Appel, namely :

That the ANC cannot agree to the budget as sufficient efforts were not made to compile a pro-poor budget, as already pointed out by Councillor November.

The counterproposal was seconded by Councillor C Wood.

Voting subsequently took place by a show of hands:

Proposal Councillor D Appel and seconded by Councillor C Wood : 9 votes

Proposal Councillor MM Koegelenberg, seconded by Councillor R Brinkhuys : 14 votes

RESOLVED BY COUNCIL : 29 MAY 2017

After the Chairperson had given the Councillors an opportunity, and the item had been thoroughly discussed, on a proposal by Councillor MM Koegelenberg, and seconded by Councillor R Brinkhuys, it was resolved as follows:

1. **Council resolves that the Final Annual Operating Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A2, A3 and A4. (pages 7 - 12).**
2. **Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A5 and SA36. (pages 7, 14, and 93) with the addition of the Isuzu truck for electricity for an amount of R950,441 which will not be delivered before June 2017.**
3. **Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2017/2018 financial year as set out on Tables A1 and A7. (Pages 7 and 18).**
4. **Council resolves to adopt the Final Integrated Development Plan.**
5. **Council resolves to adopt the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.**
6. **Council resolves that the Final Tariff Charges are approved for the Financial Year 2017/2018. (Annexure A).**
7. **Council resolves that the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.**

8. The first R100,000 on all residential properties are exempt from property rates for persons older than 60 years of age and earning less than R6400 per month. The exemption is also applicable to all households earning less than R4801.
9. It is noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Housing.
10. Note is taken that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
11. Council resolves the following Amendments to the Policies as per Annexure B.

Annexure B

- 1) Credit Control and Debt Collection Policy
- 2) Writing -Off of Irrecoverable debt Policy
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For finalization by the Director : Financial Services, Mr. D Louw.

**G. VERDAGING /
ADJOURNMENT**

Die vergadering verdaag om 12:15.
The meeting was adjourned at 12:15.

NOTULE BEKRAGTIG OP DIE DAG VAN
..... AS PRIMA FACIE BEWYS VAN DIE
JUISTHEID DAARVAN.

MINUTES CONFIRMED ON THE DAY OF
..... AS PRIMA FACIE EVIDENCE OF
ITS CORRECTNESS.

.....
SPEAKER

.....
DATUM/DATE

OPGESTEL EN BYGEHOU DEUR :
COMPILED AND RECORDED BY

.....
M FAUL
BESTUURDER : KORPORATIEWE DIENSTE
MANAGER : CORPORATE SERVICES