

DATE : **6 MAY 2019**
TO : **CHIEF FINANCIAL OFFICER**
FROM : **DIRECTOR: CORPORATE SERVICES**
cc : **MUNICIPAL MANAGER**
DIRECTORS
MANAGER: LEGAL SERVICES
MANAGER: PERFORMANCE MANAGEMENT SYSTEMS
MANAGER: REVENUE
MANAGER: HUMAN RESOURCES
ACTING MANAGER: CORPORATE SERVICES
PORTFOLIO CLR B WILLIAMS

ORDINARY COUNCIL MEETING HELD ON 30 APRIL 2019: RESOLUTIONS

19/05/F1 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) – BUDGET FOR THE 2019/20 TO 2021/22 FINANCIAL YEARS

Resolved (30 May 2019)

2.1 The Executive Mayor recommends that the Council, by **resolution taken by the majority of its full number** and in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act No. 117 of 1998 (as amended), read in conjunction with Section 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the Annual Budget for the 2019/20 financial year and the indicative allocations for the projected outer years 2020/21 and 2021/22; and the multi-year and single year capital appropriations, as set out in the following tables, including the associated recommendations.

1. Budget Summary; [Table A1]
2. Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2]
3. Budgeted Financial Performance (revenue and expenditure by Municipal vote); [Table A3]
4. Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4]
5. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5]

2.2 That the budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

6. Budgeted Financial Position; [Table A6]
7. Budgeted Cash Flows; [Table A7]
8. Cash backed reserves and accumulated surplus reconciliation [Table A8]
9. Asset management; [Table A9]
10. Basic service delivery measurement. [Table A10]

2.3 That the tariffs be increased as follows with effect from 1 July 2019:

Property rates	-	6.5%
Water	-	7.5 %
Sanitation	-	7%
Refuse	-	7%
Electricity (average increase in electricity income)	- 13.07%	
Environmental Management Fee	- 0%	

2.4 That the indicative tariffs for 2020/21 and 2021/22 be increased as follows:

	<u>2020/21</u>	<u>2021/2022</u>
Property rates	7.5%	7.5%
Water	7.5%	7.5%
Sanitation	8 %	8%
Refuse	8%	8%
Electricity (average increase in electricity income)	13.07%	13.07%
Environmental Management Fee	0%	0%

2.5 The Executive Mayor recommends that the Council, in terms of Section 30 (2) and 93 (4) of the Local Government: Municipal Structures Act, Act No: 117 of 1998 (as amended), read with 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, approves the tariffs, fees and charges as reflected elsewhere in the Agenda for implementation, with effect from 1 July 2019.

19/05/F2

ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government:

Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, levies the following rates in the Rand for the period 1 July 2019 to 30 June 2020, in respect of the various categories of properties as set out below:

<u>CATEGORY</u>	<u>Proposed Tariffs for 2019/20-Cent/Rand</u>
Residential	0.8307
Industrial / Mining	0.8639
Business / Commercial	0.8639
Farms-Agricultural	0.2077
Farms-Other Business/Wind Farms and Other Industrial Purposes	0.8639
Farms-Residential	0.8307
Farms-Private Towns	0.8307
Smallholding-Agricultural	0.2077
State Owned	0.8307
Private Towns	0.8307
Informal and Formal Settlements	0.8307
Multiple Purposes	0.8307

Municipal Property / Land	0.8307
Special Rating Area	0.2077
Private Towns (Exempt)	0.8307
Communal Land	0.8307
State Trust Land	0.8307
Restitution and Redistribution Properties	0.8307
Protected Areas	0.8307
National Monuments/ Heritage Sites	0.8307
Public Benefit Organisation	0.8307

- 3.2 That the Council, in terms of Section 30(2) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended) and the Local Government: Municipal Property Rates Act, Act 6 of 2004, read in conjunction with the Local Government: Municipal Systems Act, Act 32 of 2000, the Municipality's Rating Policy and with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and **by resolution taken by majority of its full number**, grants the following rebates for the period 1 July 2019 to 30 June 2020, in respect of the following categories and owners of properties as set out below:

<u>Exemptions</u>	Rebates for 2019/20
R15 000 on Residential Properties	R15 000
National Monuments/Heritage Sites	-100%
Provisions of Land Act	- 100%
Communal Property Association	-100%
Protected Areas	-100%
Welfare/Churches/Public Benefit Organisations	-100%
Municipal Properties	-100%
<u>Rebates:</u>	
<u>Private Towns:</u>	-20%
- Kromme River (Suburb 70010)	
- Air Park (Suburb 10001)	
- Gamtoos Mouth (Suburb 90003)	
- Edenglen (Suburb 40004)	
- St Francis Bay Links (Suburb 70009)	
- Marina Martinique (Suburb 40013)	
- Lifestyle Estate (Suburb 40054)	
- Sea View Resort (Suburb 40011)	
R 85 000 on Informal and Formal Settlements	R85 000
R 85 000 for Owners who qualify for Equitable Share	R85 000

19/05/F3 REVISION OF FEES AND CHARGES FOR THE 2019/20 FINANCIAL YEAR: SPORTS AND RECREATION

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Sports and Recreation, as reflected in **Annexure 'A'**, with effect from 1 July 2019.

**19/05/F4 REVISION OF FEES AND CHARGES FOR 2018/19 FINANCIAL YEAR:
NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES**

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves the fees and charges as reflected in **Annexure 'B'**, with effect from 1 July 2019.

**19/05/F5 REVISION OF FEES AND CHARGES FOR THE 2018/19 FINANCIAL YEAR: FIRE
FIGHTING SERVICES**

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government : Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges for Fire Fighting Services as reflected in **Annexure 'C'**, with effect from 1 July 2019.

**19/05/F6 REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL
FACILITIES: 2019/20 FINANCIAL YEAR**

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number and in terms of Section 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 approves the fees and charges for the hiring of Municipal Facilities, as reflected in Annexure 'D', with effect from 1 July 2019

**19/05/F7 COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND
CHARGES FOR THE 2019/20 FINANCIAL YEAR**

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal

Finance Management Act, Act 56 of 2003, adopts the proposed tariffs, fees and charges for the Community Services Directorate, reflected as reflected in **Annexure 'E'**, with effect from 1 July 2019.

19/05/F8 PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 approves

The tariffs, fees and charges in respect of Water and Sanitation Services under the control of the Municipality's Infrastructure & Engineering Directorate as reflected in **Annexure 'F'**, with effect from 1 July 2019.

19/05/F9 ELECTRICITY TARIFF INCREASES: 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the electricity tariffs as reflected in **Annexure 'G'** with effect from 1 July 2019.

19/05/F10 FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of electrical services, as reflected in **Annexure 'H'**, with effect from 1 July 2019.

19/05/F11 FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, adopts the proposed fees and charges for the Finance Directorate as reflected in **Annexure 'I'**, with effect from 1 July 2019.

19/05/F12 REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2019/20 FINANCIAL YEAR

Resolved (30 May 2019)

1. That the Council, **by resolution taken by majority of its full number**, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the fees and charges in respect of Planning and Development, as reflected in **Annexure 'J'**, with effect from 1 July 2019.

19/05/F13 ASSESSMENT OF THE 2019/20 DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET

Resolved (30 May 2019)

1. That Provincial Treasury's Assessment of the Municipality's 2019/20 Draft MTREF Budget, be noted.

19/05/F14 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2018 TO APRIL 2019 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2019 (2018/19 FINANCIAL YEAR)

Resolved (30 May 2019)

1. The Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.
2. The monthly budget statements be accordingly submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

19/05/F15 SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS, MONTHLY TENDERS AND 7 DAY NOTICES FOR THE MONTH OF MARCH 2019

Resolved (30 May 2019)

1. That the report on the Section 36 Deviations, monthly tenders and 7 Day Notices for the month of March 2019, be noted.
2. That the report be submitted to Council for approval as per the reporting requirements.

19/05/F16 SUPPLY CHAIN MANAGEMENT: S36 DEVIATIONS, MONTHLY TENDERS AND 7 DAY NOTICES FOR THE MONTH OF APRIL 2019

Resolved (30 May 2019)

1. That the report on the Section 36 Deviations, monthly tenders and 7 Day Notices for the month of April 2019, be noted.
2. That the report be submitted to Council for approval as per reporting requirements.

19/05/F17 LEASING OF ERVEN 437 AND ERF 440, VOORTREKKER STREET, HUMANSDORP

Resolved (30 May 2019)

1. That the report on the leasing of erven 437 and 440, Voortrekker Street, Humansdorp be noted.
2. That new leases of all Council owned property be reported to the Finance Portfolio Committee, as a separate item.

19/05/F18 WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE

Resolved (30 May 2019)

1. That the Equitable Share write-offs for the period January 2019 to March 2019, amounting R3 957 884.64, be approved.

19/05/F19 DISPOSAL OF CAPITAL ASSETS IN ACCORDANCE WITH SECTION 14 OF MFMA

Resolved (30 May 2019)

1. That lists of redundant / obsolete capital assets that must be removed from the Asset Register as reflected in Annexures 'A 'and 'B' be approved.
2. That the disposal of capital assets via public auction/ donation be approved.
3. That an Auctioneer be appointed via the normal supply chain management processes, to deal with the disposal of the redundant/obsolete capital assets, be approved.
4. That certain items be considered for donation to deserving institutions and that the Directorate check if the Policy makes provision for such instances.