



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

**NOTULE VAN 'N SPESIALE RAADSVERGADERING GEHOU OM 09:00 OP MAANDAG
30 MAART 2015 IN DIE MUNISIPALE RAADSAAL TE BREDASDORP**

**MINUTES OF A SPECIAL COUNCIL MEETING HELD ON MONDAY, 30 MARCH 2015 AT
09:00 IN THE MUNICIPAL COUNCIL CHAMBERS, BREDASDORP**

RAADSLEDE

Me E Marthinus	Speaker
Mnr R G Mitchell	Uitvoerende Burgemeester
Mnr D Jantjies	Uitvoerende Onder-Burgemeester
Mnr R Mokotwana	Lid van die Uitvoerende Burgemeesterskomitee
Me P Atyhosi	Raadslid
Mnr D Burger	Raadslid
Mnr A Coetzee	Raadsheer
Mnr W October	Raadslid
Mnr J Nieuwoudt	Raadsheer

AMPTENARE

Mnr D O'Neill	Munisipale Bestuurder
Mnr H Van Biljon	Direkteur: Finansiële Dienste
Mnr N Kotze	Direkteur: Siviele Ingenieursdienste
Mnr K Mrali	Direkteur: Gemeenskapsdienste
Mnr P Everson	Asst. Direkteur: Elektries
Mnr B Swart	Interne Ouditeur
Mnr G M Moelich	Bestuurder: Admin Ondersteuning
Me N Mhlali-Musewe	Wvd Direkteur: Korporatiewe Dienste

Mnr S O Jantjies	Provinsiale Tesourie
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1. **OPENING**

Die Speaker heet die teenwoordiges welkom en Raadslid Mokotwana open die vergadering met gebed.

2. **AANSOEKE OM VERLOF TOT AFWESIGHEID**

Geen.

3. **VERKLARINGS OF MEDEDELINGS DEUR DIE SPEAKER**

- 3.1 'n Volledige Raadsitem aangaande "The upper limit of salaries, allowances and benefits of different members of municipal councils" word tydens die volgende Raadsvergadering bespreek (agenda item word onder Raadslede versprei).
- 3.2 Die Speaker herinner Raadslede aan die Raadsvergadering van 31 Maart 2015 om 14:00.

4. DRAFT BUDGET FOR THE 2015/2016 FINANCIAL YEAR (DFS)

The Director: Finance reports as follows:

"The purpose of this report is to submit the draft annual budget for the 2015/16 financial year for consideration and discussion by Council as prescribed in the Municipal Finance Management Act (MFMA).

BACKGROUND

In terms of section 21(2) of the Municipal Finance Management Act, the Mayor must consider the following issues when preparing the annual budget:

- Take into account the municipality's integrated development plan;
- Take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;
- Take into account the national budget, the relevant provincial budget, the national government's fiscal and economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum.
- Consult -
 - (i) All other local municipalities in the area, if the municipality is a district municipality
 - (ii) The relevant provincial treasury, and when requested, the National Treasury; and
 - (iii) Any national or provincial organ of state, as may be prescribed.

BUDGET PREPARATION PROCESS

The budget preparation process consists of the following six distinct steps:

1. **Planning:** Schedule key dates, establish consultation forums, review previous processes.
2. **Strategizing:** Review IDP, set service delivery goals and objectives for next three years, consult on tariffs, indigent, credit control, free basic service, etc. policies and consider local, provincial and national issues, previous year's performance and current economic trends, etc.
3. **Preparing:** Prepare budget, revenue and expenditure projections, draft budget policies, consult and consider local, provincial and national priorities.
4. **Tabling:** Table draft budget, IDP and budget related policies before Council, consult and consider formal local, provincial and national inputs or responses.
5. **Approving:** Council approves budget and related policies.
6. **Finalizing:** Publish and approve Service Delivery and Budget Implementation Plan (SDBIP) and annual performance agreements and indicators.

The above steps must be incorporated into one process with reference to the IDP and Budget. These processes could be finalized before submission of the draft budget to Council.

In terms of section 16 of the MFMA, the council of a municipality must for each year approve an annual budget for the municipality and as a consequence of this legislative requirement, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

After the draft annual budget has been tabled, the community must be invited to make written submission to the Council on the budget and to make representation at the council hearings. Key stakeholders like national and provincial departments (eg. Treasuries, Local Government, Water, Environment, Health) should also be invited to submit written comments to the hearing.

The Council may wish to host special sessions with the community organizations, business organizations, and public sector institutions prior to convening the hearings on the budget process.

Council is required to have hearings on the budget before it considers the budget for adoption. Council must consider all submissions received during its hearing process. The Mayor must be given an opportunity to respond to the recommendations, make revisions and amend the tabled budget if so required. After the Mayor has responded to the recommendations and made amendments to the draft budget, the full council must meet to consider the budget for approval not later than 31 May 2015.

BUDGET CONTENT AND FORMAT

National Treasury, through the Municipal Budget and Reporting Regulations provided guidelines on the content and format standards of the budget as well as supporting documentation to which all municipalities must comply. The regulations became effective as from July 2009.

The reason why National Treasury provided guidelines on the budget and supporting documentation is to ensure:

- Compliance with legal requirements for an approved budget;
- Strengthened oversight by council and improved performance by officials;
- Readability of and linkages within the budget documentation;
- Satisfaction of stakeholders' information needs (councillors, community etc.); and
- Facilitation of comparability between municipalities.

Municipal Circulars 74 & 75 further provides guidance (inclusive of all previous budget related circulars issued by National Treasury) to municipalities and municipal entities for the preparation of their 2015/16 budgets, medium term revenue and expenditure framework (MTREF) as informed by the *Budget Review 2015* and the *2015 Division of Revenue Act*. According to the mentioned circular, municipalities must prepare their budgets in the context of understanding the implications of the current global economic crisis and the slow-down in the domestic economy.

The draft annual budget is attached as annexure (**Bound separately**) for Council's consideration."

The Municipal Manager, in consultation with the Director: Finance, recommends as follows:

RECOMMENDATIONS

1. Council resolves that the draft budget of the municipality for the financial year 2015/16 as per Budget Related Resolutions of the budget document and indicative for the projected outer years 2016/17 and 2017/18 be adopted as set out in 1.8 Annual Budget Tables in respect of the following schedules:
 - 1.1 Executive summary of revenue & expenditure - Table A1;
 - 1.2 Budgeted Financial Performance (Revenue and Expenditure by standard Classification) -Table A2;
 - 1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) A - Table A3;
 - 1.4 Budgeted Financial Performance (revenue and expenditure) - Table A4;
 - 1.5 Budgeted Capital Expenditure by vote, standard classification and funding - Table A5;
 - 1.6 Budgeted Financial Position - Table A6;
 - 1.7 Budgeted Cash Flows Table A7;
 - 1.8 Cash backed reserves/accumulated surplus reconciliation - Table A8;
 - 1.9 Asset Management - Table A9;
 - 1.10 Basic service delivery measurement - Table A10;
 - 1.11 Council notes Part 2 - Other related Supporting Documentation completed where applicable from Table SA1 to SA37.

2. Council table and adopts the draft tariffs listing for services as per Appendix A with effect 1 July 2015.
3. Council takes note of the Mayor's Time Table per Appendix B.
4. Council approves and adopt the Draft SDBIP in respect of the 2015/16 budget year per Appendix C.
5. Council adopts the further refinement of the draft budget with regard to the prescribed supporting documentation, Draft SDBIP, IDP-Budget linkages and the outer year figures before final adoption by Council in May 2015 and / or consultation with stakeholders.
6. Council notes that the Executive Mayor will have an oversight role over the budget process before it is again submitted for final approval.

Na 'n volledige voorlegging deur die Direkteur: Finansies asook 'n volledige vroeë sessie aan die Raadslede word die volgende besluit geneem:

RESOLUTION 37/2015

- (i) That the recommendations be accepted.
- (ii) That council notes that the revision process of the budget related policies runs concurrently with the budgeting process.

5. **ADOPTION OF DRAFT INTEGRATED DEVELOPMENT PLAN FOR 2015/2016 (MM)**

PURPOSE OF REPORT

To present the Draft 2015/16 Integrated Development Plan (IDP) to Council for approval.

BACKGROUND

In terms of section 34 of the Municipal Systems Act, 2000 (Act 32 of 2000) it is required that Council conducts an annual review of its IDP.

"A municipal council -

- (a) *must review its integrated development plan -*
 - (i) *annually in accordance with an assessment of its performance measures in terms of section 41; and*
 - (ii) *to the extent that changing circumstances so demand; and*

May amend its integrated development plan in accordance with a prescribed process."

A draft IDP together with the annual budget must be tabled to the Council on or before 31 March 2015 in terms of the IDP & Budget Time Schedule approved by the Council on 26 August 2014 for the IDP review process. Subsequent to the tabling of the draft IDP Review, it will be advertised for public comment and further input will be invited from all relevant stakeholders.

This is the third review of the 5 year IDP (2012-2017) of Cape Agulhas municipality and was compiled through an extensive process of public participation and active involvement from all relevant stakeholders. This IDP review aims to evaluate the performance in terms of the strategic objectives which Council have adopted for its term of office and also reflect the updated priorities of the various communities in the Cape Agulhas Municipal Area. The review must be read in conjunction with the 5 year plan as the review does not constitute a new IDP.

MANAGEMENT RECOMMENDATION

- (i) That Council takes note of the tabling and adopt the draft Integrated Development Plan (IDP) Review for 2015/2016.
- (ii) That the draft IDP Review for 2015/2016 be made available for public perusal and comment after it has been tabled to Council.

RESOLUTION 38/2015

That Management Recommendation be accepted.

6. RESIDENSIËLE ONTWIKKELING: PARKSTRAAT, BREDASDORP

Die aangeleentheid sal "in komitee" bespreek word tydens die volgende Raadsvergadering op 31 Maart 2015.

Hierna verdaag die vergadering om 11h50

BEKRAGTIG op hierdie

dag van

2015

SPEAKER

DATUM: