

EXTRACT OF DRAFT MINUTES OF COUNCIL PROCEEDINGS – 28 FEBRUARY 2019

2018/19 ADJUSTMENTS BUDGET (5/1/2)

The Acting Chief Financial Officer informed the Council that an amount of R9 884 259,00 was received from the Department of Public Service and Administration to be utilised for the NMBM Smart Grit Initiative Project and that the amount be incorporated into the Adjustments Budget.

Councillor Riordan requested that the R471 000,00 which was utilised for the purchase of cellular telephones for Ward Committee members be reinstated to its original source, i.e. Ward Councillor Humanitarian Grant Fund.

RESOLVED:

- (a) That 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 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government : Municipal Finance Management Act, Act 56 of 2003, approves the 2018/19 Consolidated Adjustments Budget as set out in the following tables contained in the Report by the Acting Chief Financial Officer as circulated under cover of Circular 17/2019 dated 18 February 2019 for the joint meeting of the Executive Mayor / Budget and Treasury Committee dated 27 February 2019:
- (i) Table B1 Adjustments Budget Summary: pages 8 & 9;
 - (ii) Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification): pages 10 & 11;
 - (iii) Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote): page 11 & 12;
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source and expenditure by type): pages 12 & 13;
 - (v) Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: pages 16 & 18;
 - (vi) Table B6 Adjustments Budget Financial Position: pages 18 to 19;
 - (vii) Table B7 Adjustments Budgeted Cash Flows: pages 20 & 21;
 - (viii) Table B8 Cash backed reserves / accumulated surplus reconciliation: pages 21;
 - (ix) Table B9 Asset Management: pages 22 to 26;
 - (x) Table B10 Basic Service Delivery: pages 27 & 29.
- (b) That the Council approves that any additional funding (both Capital and Operating) that has been incorporated or availed into the Adjustments Budget for 2018/19 **may not** be viremented to any unrelated activity, and that expenditure be incurred upon following any required legal processes.
- (c) That any commitments made against the additional funding for the additional projects (costs) be within the approved budget including or considering the future outer years due to tariffs implications.

- (d) That Council notes that included in the 2018/19 Adjustments Budget is the absorption of 212 Security Guards appointed w.e.f. 1 January 2019 with the proper financial implication, in terms of drastic reduction of certain costs or impact on Property Rates, to be incorporated in the draft 2019/20 budget.
- (e) That the Acting Chief Financial Officer (ACFO) be authorised to implement any corrections that may be identified after the tabling of the budget documents to Council for approval, upon identification of any areas requiring corrections / amendments etc. if they do not result to the negative impact to the status of the Budget, prior submitting same to other spheres of government or advertising the documents in the newspapers or website.
- (f) That Council approves the amendments of KPI's and targets contained in the 2018/19 SDBIP as reflected in the Report of the Acting Chief Financial Officer re the 2018/19 Consolidated Adjustments Budget contained in the Agenda for the joint meeting of the Executive Mayor / Budget and Treasury Committee dated 27 February 2019.
- (g) That Council notes that included in the Adjustments Budget is the allocation to the municipal entity (i.e. MBDA) for both Capital and Operating contributions that are availed to the entity in terms of agreement between both parties.
- (h) That Council notes that the letter (dated 11 February 2019) together with its contents as received from National Treasury resulting from the Mid Term visit that took place on the 7 to 8 February 2019 and the recommendations made thereof.
- (i) That in effort to beef up the operations of the Budget Performance Monitoring Forum (BPMF) held on a quarterly basis, the Chairperson be mandated by Council to take decisions of amending a budget (Capital or Operating) whenever appropriate, after the third quarter, in instances of underperformance with the aim of targeting areas that require urgent attention, where spending can be implemented regularly prior 30 June of each year, and reporting thereof to Council for ratification.
- (j) That the grant of R9 884 259,00 received from the Department of Public Service and Administration to be utilized for the NMBM Smart Grit Initiative Project be incorporated in the 2018/19 Adjustments Budget.
- (k) That an amount of R471 000,00 that was utilized for the purchase of cellular telephones for Ward Committee members be reinstated to its source, i.e. Ward Councillor Humanitarian Grant Fund.