

ITEM

2018/2019 Medium Term Revenue and Expenditure Framework (MTREF) Report

(Directorate: Financial Services)

(5/4/2 -2018/2019)

1 EXECUTIVE SUMMARY

1.1 Purpose of report

The purpose of the report is to table the 2018/2019 Medium Term Revenue and Expenditure Framework at Council.

1.2 Background

1.2.1 The 2018/2019 Medium Term Revenue and Expenditure Framework were discussed at the informal Council meeting of 23 March 2018.

1.2.2 All the decisions of the informal Council reflect as resolutions and be incorporated into the table that is submitted to National Treasury.

1.3 Discussion

13.1 The “Executive Summary” summarises the challenges, guidelines and consolidated overview.

1.3.2 The proposed tariffs are included in the paragraph on operating revenue framework.

1.3.3 The Integrated Development Plan will be table together with 2018/2019 MTREF.

1.4 Basis of report

Schedule A for 2018/2019 Medium Term Revenue and Expenditure Framework

2 BUSINESS PLAN

n/a

3 COMPLIANCE WITH STRATEGIC OBJECTIVE

Submission of compliance reports to Provincial Treasury and National Treasury.

4 DELEGATED AUTHORITY

n/a

5 ANNEXURES

Annexure - Schedule report 2018/2019 MTREF
Annexure A - Detailed Capital Budget per project

6 POLICY/LEGAL REQUIREMENTS

Chapter 4 (section 15 to 25), section 53, 68 and 69 of the Municipal Financial Management Act, 2003 (Act 59 Of 2003)
Regulation No 32141, Government Gazette of 17 April 2009
National Treasury: Section 72 Reporting Guideline of July 2013

7 LEGAL IMPLICATIONS

See Point 6 above

8 IMPLEMENTATION PLAN

The tabling of the Draft Budget will be followed by public participation and the Final Budget will be tabled to Council for approval by not later than 31 May 2017.

9 FINANCIAL IMPLICATION

A budget is a financial plan of expected income and expenditure and capital programs. Tariffs must be affordable, projected collection of income realistic and the budget must be balanced. The Draft Budget complies with these requirements.

10 STAFF IMPLICATIONS

Increase in personal costs have been budgeted for in terms of the Bargaining Council Agreements and staff vacancies will have to be prioritized.

11 **CONCLUSION**

The Draft Budget was discussed at the Informal Council meeting on 18 March 2018 and all inputs made reflect as Council resolutions to be implemented before the 2018/2019 is tabled for approval in May 2018..

	<u>RECOMMENDED</u>	FOR ATTENTION
	The Council takes cognisance of the draft annual budget of the municipality for the financial year 2018/19. The public must be invited to comment and thereafter it be resubmitted to Council for approval.	
	The Council takes cognisance of the following resolutions:	
1	The annual budget of the municipality for the 2018/19 financial year and the multi-year and single-year capital appropriations as set out in the following tables:	Council
1.1	Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 89	
1.2	Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 91;	
1.3	Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 94; and	
1.4	Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 97	
2	The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:	Council
2.1	Budgeted Financial Position as contained in Table 23 on page 99;	
2.2	Budgeted Cash Flows as contained in Table 24 on page 101	
2.3	Reserves and accumulated surplus reconciliation as contained in Table 25 on page 102	
2.4	Asset management as contained in Table 26 on page 104; and	
2.5	Basic service delivery measurement as contained in Table 27 on page 109	
3.	The Council, in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect (billing) from 1 July 2018	Council
3.1	The tariffs for property rates – as set out on page 14	
3.2	The tariffs for electricity – as set out on page 19-20	
3.3	The tariffs for the supply of water – as set out on page 17-18	
3.4	The tariffs for sanitation services – as set out on page 21-23	
3.5	The tariffs for solid waste services (cleansing) - as set out on page 24	

4.	The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect (billing) from 1 July 2018 the tariffs for other services, as set out on page 28 to 75 respectively.	Council
5	The capital projects to be financed from own funds (accumulated surplus) be implemented subject to the improvement of the cash flow position of the Municipality and subject to affordability	Council MM Directors
6.	The proposed amendments to the Budget Related Policies as indicated on Pages 134 and 135 were reviewed and will be work shopped April 2018	Council MM Directors
7.	The option be investigate to take up a financial lease of R7million to finance the purchase of compactor truck and grader to improve service delivery	MM CFO
	The Council made the following inputs at the informal Council meeting that must be incorporated into the 2018/2019MTREF before it is tabled for approval in May 2018:	
8	A report on all the resorts be submitted	MM Directors
9.	The monthly sewer levy for residents that make use of suction tank services or French drains, be re-considered. An economic tariff for suction tank services be calculate and take for public input.	MMC Finance CFO DTIS
10.	Confirmation be obtained from Human Settlements before projects be include in the Capital Budget.	DLED
11.	The upgrading of community hall at Metsimaholo be changed to fencing.	CFO DSS
12.	The upgrading of community hall, Refengotso changed to renovations of hall	CFO DSS