

EXTRACT FROM THE MINUTES OF THE SPECIAL COUNCIL MEETING OF THE EKURHULENI METROPOLITAN MUNICIPALITY HELD ON THE 28 APRIL 2016

A-F (32-2016) REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF): 2016/2017 TO 2018/2019

RESOLVED

1. **That** the Council of the EMM, acting in terms of section 24 of the Municipal Finance Management Act (Act 56 of 2003) **APPROVES** and **ADOPTS**:
 - 1.1 The annual budget of the municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 22 on page 51;
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 23 on page 54;
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 25 on page 57; and
 - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 26 on page 60.
 - 1.2 The financial position, cash flow budget, cash backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1 Budgeted Financial Position as contained in Table 27 on page 66;
 - 1.2.2 Budgeted Cash Flows as contained in Table 28 on page 69;
 - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table 29 on page 70;
 - 1.2.4 Asset management as contained in Table 30 on page 73, and
 - 1.2.5 Basic service delivery measurement as contained in Table 31 on page 76.
2. **That** the Council of the EMM, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2016:
 - 2.1 Schedule 1 - Tariffs for property rates.
 - 2.2 Schedule 2 – Tariffs for electricity.
 - 2.3 Schedule 3 - Tariffs for the supply of water.
 - 2.4 Schedule 4 - Tariffs for the supply of sewer.
 - 2.5 Schedule 5 – Tariffs for waste management services.

– as set out in **Annexure C**.

3. That the Council of the EMM, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2016 the tariffs for other services, as set out in the various tariff schedules as contained in **Annexure C**.
4. That to give proper effect to the municipality's annual budget, the Council of the EMM **APPROVES**:
 - 4.1 That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and user charges for services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2 That the municipality **BE PERMITTED** to enter into long-term borrowings for the funding of the capital programmes in respect of the 2016/17 financial year limited to an amount of R1.791 billion, 2017/18 financial year limited to an amount of R2.067 billion and 2018/19 financial year limited to an amount of R2.302 billion, in terms of Section 46 of the Municipal Finance Management Act.
 - 4.3 That the Municipal Manager **BE AUTHORISED** to sign all necessary agreements and documents to give effect to the above lending programme.
 - 4.4 That the taking up of an external loan of R1.791 billion to fund the 2016/2017 Capital Budget **BE APPROVED** for a term of 10 to 15 years and that a further report be submitted to Council to give feedback on the public comments received in this regard before the transaction is finalised.
5. That to guide the implementation of the municipality's annual budget, the Council of the EMM **APPROVES** the policies as set out in the following Annexures of this document.

Annexure D1	Medium-term Budget Policy Statement (reviewed)
Annexure D2	Pricing Policy Statement (reviewed)
Annexure D3	Property Rates Policy (remains unchanged)
Annexure D4	Provision of Free Basic Electricity Policy (remains unchanged)
Annexure D5	Waste Management Services Tariff Policy (reviewed)
Annexure D6	Consumer Deposit Policy (reviewed)
Annexure D7	Indigent Policy (remains unchanged)
Annexure D8	Credit Control & Debt Collection Policy (reviewed)
Annexure D9	Provision for Doubtful Debtors and Debtors Write Off (reviewed)
Annexure D10	Budget Implementation and Monitoring Policy (remains unchanged)
Annexure D11	Municipal Entity Financial Support Policy (reviewed)
Annexure D12	Accounting Policy (reviewed)
Annexure D13	Funding and Reserves Policy (remains unchanged)
Annexure D14	Borrowing Policy (remains unchanged)
Annexure D15	Cash Management Policy (remains unchanged)

Annexure D16	Policy on Electricity Metering for Residential and Small Business Customers in the EMM (reviewed)
Annexure D17	Policy for the Vending of Pre-paid Electricity (reviewed)
Annexure D18	Policy for Correction of Meter Reading and Billing Data (remains unchanged)
Annexure D19	Electricity Tariff policy (reviewed)
Annexure D20	Virement Policy (remains unchanged)
Annexure D21	Consumer Agreement Policy (reviewed)
Annexure D22	Renewable Energy Revenue Loss Mitigation Policy (new)

6. **That** to ensure oversight of the municipal entities as required by Section 89 of the Municipal Finance Management Act, Council **APPROVES** the salaries and benefits of the Municipal Entities to be in line with the proposed increases as set out in the budget of EMM.
7. **That** the Chief Financial Officer, in consultation with the City Manager, **BE DELEGATED** the authority to adjust the 2016/17 Operating and Capital Budgets (income and expenditure) with:
 - 7.1 all operating and capital grants received in addition to the currently gazetted DORA grants
 - 7.2 income received for recoverable jobs
 - 7.3 insurance claims received
 - 7.4 developers' contributions received
 - 7.5 transactions on the internal cost management structure
 - 7.6 disbursement of centralised budgets
8. **That** the Chief Financial Officer **BE AUTHORISED** to amend the structure on the financial system, in collaboration with the Heads of Departments, to align the financial system to the outcome of the Institutional Review and the new Standard Chart Of Accounts (SCOA) structure proposed by National Treasury.
9. **That**, in order to facilitate multi-year budgeting, departments **BE AUTHORISED** to commit projects on the 2017/18 and 2018/19 budgets, on both internal and confirmed external funding sources.
10. **That** authority **BE GRANTED**, to a maximum amount of R200m, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2017 in order to finance temporarily –
 - Expenditure on the Capital Budget; or
 - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.
11. **That** the EMM IDP and Service Delivery Budget Implementation Plan (SDBIP) for 2016/17 as contained in **Annexures A** and **E** respectively, **BE ADOPTED**.
12. **That** a copy of the IDP **BE SUBMITTED** to the MEC for Local Government for comments.

13. That the MEC for Local Government **BE REQUESTED** to approve the EMM IDP for 2016/17 as its Land Development Objectives as envisaged in Section 72a of the Development Facilitation Act.
 14. That projects in the 2016/17 Capital Budget which is funded from either External Borrowing or Capital Replacement Reserve for the purposes of Virement **BE REGARDED** as similar sources of funding.
 15. That the Built Environment Performance Plan (BEPP) for the 2016/2017 to 2018/2019 financial period attached to the report as **Annexure G BE ADOPTED**.
 16. That the Ekurhuleni Metropolitan Municipality Water Services Development Plan for 16/17 Financial Year as contained in **Annexure A(2)** in the Ekurhuleni Metropolitan Municipality's Integrated Development Plan **BE APPROVED** and **SUBMITTED** to the Department of Water Affairs.
 17. That Circular No 82 regarding Cost Containment Measures as issued by National Treasury **BE NOTED** (The GCFO will consider the implementation after reviewing of the current policies).
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**CERTIFIED A TRUE EXTRACT
SIGNED AT GERMISTON ON THIS DAY 03 MAY 2016**



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SECRETARY OF COUNCIL: EKURHULENI METROPOLITAN MUNICIPALITY