

ITEM 20/05/27/6.2 VAN DIE NOTULE VAN DIE SPESIALE VERGADERING VAN DIE WESKUS DISTRIKSMUNISIPALITEIT WAT GEHOU IS OP 27 MEI 2020

ITEM 20/05/27/6.2 OF THE MINUTES OF THE SPECIAL COUNCIL MEETING OF THE WEST COAST DISTRICT MUNICIPALITY HELD ON 27 MAY 2020

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REPORT TO THE EXECUTIVE MAYORAL COMMITTEE/COUNCIL

SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) AND BUDGET 2020/2021, 2021/2022 & 2022/2023

Die item het gedien tydens die Uitvoerende Burgemeesterskomitee gedateer 18 Mei 2020:

The item served at the Executive Mayoral Committee dated 18 May 2020:

PURPOSE OF THE REPORT

The purpose of the report is to submit the Final Budget and the Medium-Term Revenue and Expenditure Framework (MTREF) 2020/2021 – 2022/2023 of the West Coast District Municipality to Council for approval.

BACKGROUND

A copy of the West Coast District Municipality's Final Budget and MTREF 2020/2021 – 2022/2023 is attached.

The legal framework for the integrated Development Planning and Budget is contained in Chapter 5 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Chapter 4 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). In terms of the legislative, the IDP and budget must be tabled to Council by no later than 31 May 2020 for ratification.

The MTREF and Budget 2020/2021, 2021/2022 & 2022/2023 was tabled to the Finance Portfolio Committee on 3 March 2020 for discussion.

MFMA Circular number 99 dated 9 March 2020 & Annexure provided guidelines regarding the compilation of the budget.

LEGISLATIVE CONTEXT

Section 16 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) dealing with the tabling of annual budgets, inter alia, reads as follows:

- “(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1) 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.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.”

Council must in terms of Section 21(1) (2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) annually review the Integrated Development Plan and Budget.

In terms of Section 21 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

- “(1) The mayor of a municipality must:
 - (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to SO ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- (2) When preparing the annual budget, the mayor of a municipality must:
 - (a) Take into account the municipality's integrated development plan; and
 - (b) Take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 33 of the Municipal Systems Act. taking into account realistic revenue and expenditure projections for future years.”

Section 22 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) highlights:

- “(a) In accordance with Chapter 4 of the Municipal Systems Act:
 - (i) Make public the annual budget and the documents referred to in section 17(3); and
 - (ii) Invite the local community to submit representations in connection with the budget.
- (b) submit the annual budget-
 - (i) In both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
 - (ii) In either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.”

Section 23 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates as follows:

- “(1) When the annual budget has been tabled, the municipal council must consider any views of:
- (a) The local community; and
 - (b) The National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity-
- (a) To respond to the submissions; and
 - (b) If necessary, to revise the budget and table amendments for consideration by the council.”

Section 24 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) dealing with the approval of annual budgets and, inter alia reads as follows:

- “(1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- (2) An annual budget:
- (a) Must be approved before the start of the budget year;
 - (b) Is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i);
 - (c) Must be approved together with the adoption of resolutions as may be necessary:
 - (i) imposing any municipal tax for the budget year;
 - (ii) setting any municipal tariffs for the budget year;
 - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
 - (iv) approving any changes to the municipality's integrated development plan; and
 - (v) approving any changes to the municipality's budget-related policies.
- (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.”

ATTACHEMENT

- Final Budget and MTREF 2020/2021 – 2022/2023; and
- Supporting Documentation

FINANCIAL IMPLICATION

Information as contained in the Budget and MTREF 2020/2021 – 2022/2023.

The Executive Mayor proposed that the Final Budget and MTREF 2020/2021 – 2022/2023 be approved, seconded by Ald Schippers.

Council voted by the show of hands:

For the proposal: 14

Cllr RW Strydom
Ald JH Cleophas
Cllr RE Swarts
Cllr G Stephan
Cllr JA Engelbrecht
Cllr J Alexander
Cllr JJ Hoop
Cllr M Carosini
Cllr R Pretorius
Cllr JC Botha
Cllr M Schrader
Cllr G Kordom
Ald BJ Stanley
Cllr VD McQuire

The following Councillors who is not in favour for the approval of the Final Budget and MTREF 2020/2021 – 2022/2023 voted by the show of hands:

Against the approval: 8

Cllr SA Gxabalashe
Ald E Plaatjies
Cllr BF Zass
Cllr J de Jongh
Ald SIJ Smit
Cllr EB Mankay
Ald E Nackerdien
Cllr BJ Penxa

Ald F Schippers was not part of the voting process due to technical problems.

Council resolved the following:

RESOLVED:

1. **THAT THE FINAL BUDGET AND MTREF FOR THE 2020/2021 – 2022/2023 FINANCIAL YEARS BE APPROVED (ROUNDED R000).**

EXPENDITURE	432 565
REVENUE	427 526
DEFICIT	5 039
CAPITAL BULK WATER	2 970
CAPITAL WCDM	6 548

2. **THAT THE MUNICIPAL TARIFFS BE APPROVED;**
3. **THAT COGNIZANCE BE TAKEN THAT THE FINAL BUDGET AND MTREF FOR THE 2020/2021 – 2022/2023 FINANCIAL YEARS OF THE WEST COAST DISTRICT MUNICIPALITY WAS COMPILED/IMPLEMENTED ACCORDING TO THE MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (MSCOA) CLASSIFICATION AND IS MSCOA COMPLIANT.**

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SPEAKER
CLLR R SWARTS

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MUNICIPAL MANAGER
MR D JOUBERT