EXTRACT FROM MINUTES OF SPECIAL COUNCIL MEETING HELD ON 29 MAY 2015

SPC 03/05/15 BUDGET 2015/16 TO 2017/2018

The Speaker announced that items SPC 03/05/15 to SPC 06/05/15 would be debated simultaneously, but voted on separately.

The Executive Deputy Mayor, Ald. I Neilson, seconded by Cllr S Diamond, proposed the following amendment to the recommendation:

"Replace clause 11(4) of the Credit Control Policy with the following:

(4) When purchasing electricity units the City Manager may allocate a percentage of the monetary value, to a maximum of 50%, to the settlement of arrears. In the first instance this allocation will be electricity arrears, and thereafter to any other arrears. This action will be by prior arrangement with the debtor or by prior notification to such debtor and shall remain unchanged unless by default."

The amendment as proposed by Ald. I Neilson was put to the vote, with results as follows:

In favour	120
Against	53
Abstentions	7

The amendment was carried.

The ANC requested that its vote be recorded against the above amendment.

The amended recommendation was put to the vote, with results as follows:

In favour	120
Against	54
Abstentions	2

The amended recommendation was carried.

Cllr G Haskin requested that it be noted that the ACDP voted in favour of the proposed budget but had its reservations.

The ANC advised that they could not support this anti-poor budget and requested that their vote be recorded against it.

It is **RESOLVED** that:

(a) the City's annual budget for the financial year 2015/16; and indicative allocations for the two projected outer years 2016/17 and 2017/18 and related policies, as tabled, be approved and adopted as set out in the following schedules and annexures:

(i) Operating expenditure by standard classification reflected in Table 2.1;

(ii) Operating expenditure by vote reflected in Table 22;

(iii) Operating revenue by source reflected in Table 24;

(iv) Multi-year capital appropriations by vote reflected in Annexure 1 and Table 87;

(v) Capital expenditure by standard classification reflected in Table 25;

(vi) Capital funding by source reflected in Table 25;

(vii) Budgeted Cash Flow statement as reflected in Table 27;

(viii) Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 51 and Table 52;

(ix) Performance Indicators and benchmarks for 2015/16 as set out in Table 34;

(x) Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 95 to Table 98;

(xi) Property (Tax) Rates as set out in Annexure 2 to the report on the agenda, subject to the proposed rates charge increase be reduced from 10.83% to 10%;

(xii) Special Rating Areas (SRA) Policy, SRA Additional Rate (Including City Improvement Districts) And SRA By-Law as set out in Annexure 3;

(xiii) Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 4 to the report on the agenda;

(xiv) Rates Policy as set out in Annexure 5 to the report on the agenda;

(xv) Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for

2015/16 and Special Rating Areas Additional Rates as set out in Annexure 6 to the report on the agenda, subject to the following tariff amendments as set out on page 899 of the Budget Book:

<u>Public Transport Interchanges:</u>

Annual Token for 0 - 20 seater: the 2015/16 tariff be amended to R550;
Annual Token for 21- 30 seater: the 2015/16 tariff be amended to R825; and

<u>Office Accommodation at PTI's:</u>

Deleting a tariff for "Electronic vehicle access token (at Public Transport Interchanges)".

(xvi) Tariff Policies as set out in Annexure 7 to the report on the agenda;

(xvii) Credit Control and Debt Collection Policy as set out in Annexure 8 to the report on the agenda, subject to clause 11(4) of the Credit Control Policy being replaced with the following:

(4) When purchasing electricity units the City Manager may allocate a percentage of the monetary value, to a maximum of 50%, to the settlement of arrears. In the first instance this allocation will be electricity arrears, and thereafter to any other arrears. This action will be by prior arrangement with the debtor or by prior notification to such debtor and shall remain unchanged unless by default.

(xviii) Grants-in-Aid Policy as set out in Annexure 9 to the report on the agenda;

(xix) Amendments to the five year 2012/13 - 2016/17 Integrated Development Plan (IDP) (2015/16 Review) as set out in Annexure 10 to the report on the agenda;

(xx) Grants, Subsidies and Contributions to external organisations as set out in Annexure 11 to the report on the agenda;

(xxi) Operating and Capital ward allocation projects supported by sub councils as set out in Annexure 12 to the report on the agenda;

(xxii) Municipal entity - Schedule 0 (annual budgets and supporting documents) as set out in Annexure 13 to the report on the agenda;

(xxiii) Municipal entity - Business plan as set out in Annexure 14 to the report on the agenda;

(xxiv) Overview of Budget Assumptions applied to the 2015/16 MTREF required to be included in Annexure 10 (lDP) as set out in Annexure 15 to the report on the agenda;

(xxv) Iconic and Other Events to be hosted by the City in the 2015/16 financial year as set out in Annexure 16 to the report on the agenda;

(xxvi) Fares Policy for Contracted. Road-based Public Transport set out in Annexure 17 to the report on the agenda;

(xxvii) Individual projects with a total project cost in excess of R50 million (to give effect to section 19(1) (b) of the MFMA) as reflected in table 82 and Annexure 18 to the report on the agenda;

(xxviii) Virement Policy as set out in Annexure 19 to the report on the agenda;

(xxix) Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 20 to the report on the agenda.

(b) National Treasury Circulars 74 and 75 ("Municipal Budget Circulars for the 2015/16 MTREF") as set out in Annexure 21 to the report on the agenda, be noted

(c) unspent conditional grant allocations (national), as at the end of the 2014/15 financial year, and appropriated or voted to 2015/16 and future years, not be committed to expenditure until approval thereof is obtained from the National Treasury, in accordance with the directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012), Circular 67 (2013), Circular 72 (2014) and Circular 75 (2015)

(d) the Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2015/16 financial year to fund the ward allocation projects in the amount of R46 142420 for the 2015/16 financial year

(e) budgetary input received during the public participation process during March 2015, reported under cover of a separate report, be noted

(f) the high level summary of changes between the tabled 2015/16-2017/18 budget (March 2015) and the 2015/16-2017/18 budget (May 2015), as reported in Annexure B, be noted

(g) the built environment performance plans (BEPP), reported under cover of a separate report, be noted

(h) an amount of R242 458 000 from accumulated surpluses be set aside at the end of the current financial year, to establish a 'Capital Replacement Reserve: Emergency', which will be used to fund the proposed acquisitions in the 2015/16 financial year

(i) an amount of R3 653 268 from accumulated surpluses be set aside at the end of the current financial year, to establish a 'Capital Replacement Reserve: Nature Reserves', which will be used to fund the design and construction of an environmental educational facility at the Helderberg Nature Reserve in the 2016/17 and 2017/18 financial years.