The Executive Mayor tabled the Budget 2017/18 – 2019/20 with the following proposed changes / amendments supported by Mayco:

(a) *having regard to the input received from the public participation process on the draft 2017/18 - 2019/20 budget the following changes be recommended to Council for consideration:*

(i) a further Rates Rebate to an amount of R50 per month to all ratepayers with property valuation between R400 001 and R750 000;

(ii) to increase the qualifying property value eligible for the 25% of Solid Waste/Domestic Waste Bin Charge Removal from R400 000 to R500 000;

(iii) the implementation of the Home User Tariff to be delayed until 01 July 2018;

(iv) the relief measures (rates rebate, solid waste charges) including home user tariff are estimated at a combined value of R134.9 million within Rates and that it be absorbed from the revenue envelope included in the tabled budget. In addition, the impact of the user tariff will result in a reduction of R139 million on both revenue and expenditure within the Energy directorate;

(v) all relevant policies be updated with the above changes.

(b) Annexure B (High Level Summary of Changes between the Tabled draft 2017/18 - 2019/20 Budget: March 2017) and the 2017/18 - 2019/20 Budget: May 2017) the report on the agenda:

(i) Amendments to the operating grants & donations:

- *Page 1902 of the budget document: the 4th bullet point under paragraph 2, the designation of the position for Director: Chief Resilience Officer be changed to Director: Resilience.*

(ii) External Financing Fund:

- *Page 1906 of the budget document: the table and 2nd bullet point under paragraph 3.1, the sundry additional EFF funding request for an amount of R5.3 million to be allocated for the detailed design of suites which is imperative to determine a business case to attract additional income streams to the City of Cape Town Stadium,* ***not be approved****.*

(c) Annexure 1 (Multi Year Capital Appropriation By Vote) to the 2017/18 -2019/20 Budget (May 2017):

(1) Approval Object CPX/0002699 (Planning and Detail Design: Housing Projects) be increased by R46 000 000 over the following years:

(a) 2017/18 R16 494 503;
(b) 2018/19 R14 752 747;
(c) 2019/20 R14 752 750.

(2) the increase be funded from the Housing Development Fund (CRR: 3 Housing Dev Cpt Fnd);

(3) the approved programme cost be increased by R46 000 000.

(d) the Municipal Financial Management Act (MFMA) Municipal Budget Reporting templates be amended prior to it being submitted to National Treasury."

Cllr J van der Merwe, seconded by Cllr B Herron, proposed the following amendment to the recommendation:

"(a)(i) In terms of Section 5.1.3 of the Rates Policy a R50 rebate per month be granted to the owners of residential property valued from R400 001 to R750 000, provided that the owner/s do not receive any other indigent relief.

Cllr J van der Merwe, seconded by Cllr E Andrews, proposed the following amendment to the recommendation:

Additional Recommendation: An amount of up to R2 million be made available in support of the Council approved Mayor's Special Fund objective, as contemplated in Section 12 of the MFMA and that this allocation be funded from within the Rates account."

Cllr B Herron, seconded by Cllr J van der Merwe proposed the following amendments to the recommendation:

"that further amendments be proposed by New Markets Development Department within the Transport and Urban Development Authority Directorate on projects funded by USDG and the following amendments be incorporated into the 2017/2018 Capital Budget to be funded ex USDG:

WBS Element	WBS Element Description	Increase/ Decrease 2017/18	Increase/ /Decrease 2018/19	Increase/ Decrease 2019/20	Proposed Total Project Cost
C06.42371-F3	10 Ha Somerset West Housing Project	4,100,000	--------	--------	4,100,000
New Project	Scottsdene Housing Project Upgrading	4,500,000	--------	--------	4,500,000
New Project	Pook se Bos	2,000,000	6,500,000	6,500,000	18,000,000
CPX.0008073-F1	Maroela BNG Housing Project	9,000,000	20,000,000	--------	40,603,326
CPX.0005674-F1	Macassar BNG Housing Project	--------	(9,000,000)	(6,500,000)	118,783,700
CPX.0006102-F1	Kanonkop (Atlantis) Phase 2 Extention 12	(11,600,000)	(17,500,000)	--------	43,000,000
CPX.0003134-F1	Fisantekraal Garden Cities Phase 2	(8,000,000)	--------	--------	91,240,000

Cllr S Diamond, seconded by Ald I Neilson, proposed the following amendment to the recommendation:

(a) The Rates Policy 2016/17 be amended with the insertion of:

5.21 Owners of properties in the Diep River Housing Rental Estate who have taken ownership in terms of agreement with the former South Peninsula Municipality and the Steurhof Restitution of Tenancy Rights Committee, and who were evited lessees in terms of the Group Areas Act are exempted from rates for the first ten years of ownership, calculated from the date of registration in their name. The exemption applies to the owners, heirs, dependants or spouse and lapses upon alienation of the property by the owner, heirs, dependants or spouse. After the ten years the compulsory phasing in of rates are applicable in terms of 5.21 of the MPRA.

(b) that the Steurhof Lease Claimants be exempted from rates as per Section 5.21 of the Rates Policy 2016/17."

At this stage, the Cllrs X Sotashe (ANC), M Xego (EFF), G Haskin (ACDP), G Hendricks (AJ), E Botha-Rossouw (FF+), M Bafo (PAC), N Hlangisa (UDM), M Cassim (COPE) were afforded the opportunity to address Council on the budget.

Cllrs J van der Merwe (DA), B Herron (DA) S Diamond (DA) B Majingo (ANC) X Limberg (DA), R Arendse (DA), S Yozi (ANC), N Makamba-Botya (ANC), S Little (DA), A Ntsodo (DA), T Sakathi (ANC), E Andrews (DA), B Hadebe (ANC) and Ald I Neilson to further elaborate on the budget. The comments made by the respective political parties on the budget are attached to the official minutes as **Annexure A**.

The amendments proposed by Cllrs J van der Merwe, B Herron and S Diamond were put to the vote, with results as follows

In favour : 147
Against : 45
Abstentions : 0

The amendments were therefore carried.

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

In favour : 144
Against : 46
Abstentions : 3

The amended recommendation was therefore carried.

RESOLVED that, based on the 2017/18 MTREF budget resolutions, that:

(a) the City's annual budget for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20 and related policies, as set out in the following schedules and annexures, including the changes/amendments supported by Mayco as set out in the preamble above, be approved and adopted:

(i) Operating expenditure by standard classification reflected in Table 21;

(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 Annexure 23,

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

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

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

(vii) Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as reflected in Table 52 and Table 53;

(viii) Performance Indicators and benchmarks for 2017/18 as set out in Table 34;

(ix) Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in Table 93 to Table 101

(x) Property (Tax) Rates as set out in Annexure 2*;*

(xi) Special Rating Areas (SRA) policy, SRA additional rates as set out in Annexure 3;

(xii) Revised consumptive tariffs, rates and basic charges for electricity services, water services and waste management services as set out in Annexure 4;

(xiii) Rates policy as set out in Annexure 5, subject to the insertion of the following:

(a) *5*.21 Owners of properties in the Diep River Housing Rental Estate who have taken ownership in terms of agreement with the former South Peninsula Municipality and the Steurhof Restitution of Tenancy Rights Committee, and who were evited lessees in terms of the Group Areas Act are exempted from rates for the first ten years of ownership, calculated from the date of registration in their name. The exemption applies to the owners, heirs, dependants or spouse and lapses upon alienation of the property by the owner, heirs, dependants or spouse. After the ten years the compulsory phasing in of rates are applicable in terms of 5.21 of the MPRA.

(b) that the Steurhof Lease Claimants be exempted from rates as per Section 5.21 of the Rates Policy 2016/17."

(xiv) Tariffs, fees and charges book as set out in Annexure 6;

(xv) Tariff policies as set out in Annexure 7;

(xvi) Credit control and debt collection policy as set out in Annexure 8 (with effect from 01 June 2017);

(xvii) Grants-In-Aid policy as set out in Annexure 9;

(xviii) Policy on Accounts Payable as set out in Annexure 10;

(xix) Integrated Development Plan(IDP) - New Term of Office: July 2017- June 2022 in Annexure 11;

(xx) Overview of budget assumptions applied to the 2017/18 MTREF required to be included in Annexure 11 (New Term of Office IDP) as set out in Annexure 12;

(xxi) Transfers and grants to external organisations as set out in Annexure 13;

(xxii) 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 81 and as set out in Annexure 14;

(xxiii) Operating- and capital ward allocation projects supported by Subcouncils as set out in Annexure 15;

(xxiv) Municipal Entity - Schedule D (annual budget and supporting documents) as set out in Annexure 16;

(xxv) Municipal Entity - Business Plan as set out in Annexure 17;

(xxvi) Iconic and other events to be hosted by the City in 2017/18 as set out in Annexure 18.

(b) National Treasury Circular 82 - Cost Containment Measures March 2016 (updated Nov 2016) - as set out in Annexure 19 to the report on the agenda be noted

(c) National Treasury Circulars 85 and 86 - Municipal Budget Circulars for the 2017/18 MTREF - as set out in Annexure 20 to the report on the agenda be noted

(d) the statement of intent to establish a municipal entity to manage and operate the Cape Town Stadium as set out in Annexure 21 to the report on the agenda be noted

(e) the commencement of a process, in compliance with Section 46 of the MFMA, to take up funding up to an amount of R2.5 billion, depending on cash flow requirements, be approved

(f) unspent conditional grant allocations (national), as at the end of the 2016/17 financial year, and appropriated or voted to 2017/18 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), Circular 75 (2015) and Circular 79 (2016)

(g) the Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2016/17 financial year to fund the ward allocation projects in the amount of R64 191 616 for the 2017/18 financial year

(h) budgetary input received during the public participation process during April 2017, reported under cover of a separate report, be noted

(i) the changes to the tabled 2017/18 - 2019/20 budget (March 2017) and the 2017/18 - 2019/20 budget (May 2017) as reported in Annexure B to the report on the agenda, be adopted, subject to the changes / amendments supported by Mayco as set out in the preamble above. It should be noted that these changes were also effected to the tables included within Annexure A to the report on the agenda

(j) the Built Environment Performance Plans (BEPP), reported under cover of a separate report, be noted

(k) the draft updated scorecard as included in the CTICC's business plan and comments regarding the cost containment measures adopted by CTICC is tabled at Mayco subject to any possible amendments by the CTICC Board at its meeting of 12 May 2017, for final approval by Council.

(l) in terms of Section 5.1.3 of the Rates Policy a R50 rebate per month be granted to the owners of residential property valued from R400 001 to R750 000, provided that the owner/s do not receive any other indigent relief.

(m) an amount of up to R2 million be made available in support of the Council approved Mayor's Special Fund objective, as contemplated in Section 12 of the MFMA and that this allocation be funded from within the Rates account.

(n) further amendments as proposed by New Markets Development Department within the Transport and Urban Development Authority Directorate on projects funded by USDG and the following amendments be incorporated into the 2017/2018 Capital Budget to be funded ex USDG:

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CPX.0008073-F1	Maroela BNG Housing Project	9,000,000	20,000,000	--------	40,603,326
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CPX.0003134-F1	Fisantekraal Garden Cities Phase 2	(8,000,000)	--------	--------	91,240,000

(o) the Municipal Financial Management Act (MFMA) Municipal Budget Reporting templates be amended prior to it being submitted to National Treasury.

ACTION : J STEYL, K JACOBY