

## EXTRACT COUNCIL MINUTES: 28 FEBRUARY 2019

### UNANIMOUSLY RESOLVED

Item A25/28/02/2019

1. that the Adjustments Budget of Swellendam Municipality for the financial year 2018/2019, as set-out in the schedules contained in Section 4, circulated with the agenda, be considered and approved as contained in the following prescribed budget tables;
  - 1.1 Table B1: Adjustments Budget summary
  - 1.2 Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
  - 1.3 Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
  - 1.4 Table B4: Adjustments Budget Financial Performance (revenue by source)
  - 1.5 Table B5 to B10: as well as the supporting tables SB1 to SB19;
2. that Council, in terms of section 54(1)(c) of the Municipal Finance Management Act.2003, approves the revised SDBIP for 2018/2019 and adjusted section 57 performance agreements.

Item number A25. 28.02.2019

### ADJUSTMENTS BUDGET – 2018/2019 AND REVISED SDBIP

Report of the Director: Financial Services: Mr H Schlebusch

<b>Department</b>	Financial Services
<b>Section</b>	Financial Services
<b>Proposed File number</b>	5/1/1

#### PURPOSE OF REPORT

The purpose of the report is to present the Adjustments Budget for 2018/2019 and the approval of the revised SDBIP and adjustment performance agreements of the section 57 employees following the midyear financial results as at 31 December 2018 as tabled per Item A15 on 31 January 2019, to Council for approval.

#### FACTS AND BACKGROUND

Council resolved per item A15 on 31 January 2019:

#### RESOLVED:

1. *that the midyear report for 2018/2019 be noted.*
2. *that it be noted that a Revised Budget and a report on the Revised Expenditure and Revenue will be tabled at the Council meeting scheduled for 28 February 2019 together with the revised Service Delivery and Budget Implementation Plan (SDBIP).*
- 3.

The Adjustments Budget was discussed at a meeting of the Budget Steering Committee held on 21 February 2019.

#### Capital Budget:

The following priority changes within departments had to be made:

Additions

Project	Reason	Original budget	Adjustment budget
Air conditioner - SCM	Saving on tender box project	Nil	R 8 000
Bulk Water Meters	Provincial Treasury Adjustment DORA	Nil	R 652 174

Transfer of savings on existing projects to finalise other existing projects:

From	To	Amount
Final Effluent Standby Pump	Surface Sludge Pump x 2 (Pipe burst)	R 87 700
6 Skips Swellendam	Completion of extension to traffic offices	R 12 000
Refuse Bins	Completion of extension to traffic offices	R 15 000
Aerator Maintenance/Rotating motor(Back-up spare parts)	Replacement of Irrigation Pump - Barrydale Oxidation pond	R 15 790
Replace Mixer (Maintenance replacement) - Back-up spare parts)	Replacement of Irrigation Pump - Barrydale Oxidation pond	R 48 944

The professional fees relating to the Suurbraak Waste Water Treatment Works upgrade is reduced from R1 246 072 to R409 017. The balance of R836 955 will be included in the 2019/20 Budget and will be financed by the CRR.

It should also be noted that savings on projects already finalised were re-allocated to emergency capital.

**Operating Budget:**

The finance department did face great challenges regarding the compilation of the Adjustments Budget, especially to balance the increased expenditure with additional income and to keep the budget cash backed.

The following priority changes within departments had to be made:

Line Item	Department	Amount
Additional Expenditure:		
Overtime	Various	R 180 000
Standby	Various	R 145 000
Vehicle Cost (General vehicle, Running cost, Spes Vehicles)	Various	R 399 672
Ignite / Colaborator	Corporate Services	R 413 550
Security	Municipal Manager	R 250 000
Acting Allowance	Various	R 150 000
Subsistance and Travel	Various	R 176 000
Agency Fees	Licensing	R 300 000
Salaries	Electricity Network	R 245 000
Forensic Investigation	Council	R 460 000
Investigation: Expansion of the Landfill site	Refuse	R 175 000
Brochures, Contracted services	Tourism	R 110 000
Rental of Offices	Council	R 103 700
Investigation: Traffic	Council	R 100 000
Bulk purchases electricity	Electricity Network	R629 264
Computers repair and maintenance	ITC	R100 000
Rentals photocopiers	Various	R201179
Ad Hoc	Various	R400 000
	Total	<b>R4 538 346</b>

Additional Income:		
Fines	Traffic	R 1 591 465
Pre-paid Electricity	Electricity	R 900 000
Assessment Rates	Financial Services	R 1 000 000
Rentals	Thusong Multipurpose Centre	R 220 359
Vehicle Registrations	Traffic and Licensing	R 300 000
Interest on Investment	Financial Services	R 200 000
Building Plans	Building Control	R 200 000
Availability Charges	Electricity	R 100 000
	Total	<b>R4 511 824</b>

**Schedule B to the Adjustments Budget will be circulated as a separate addendum. The performance agreements of the section 57 employees will be circulated as a separate addendum as well as the SDBIP.**

#### **LEGAL IMPLICATIONS**

MFMA Section 28 and National Treasury MFMA Circulars No. 28 and 54 provide directives and guidelines for submitting municipal adjustments budgets to Council for adoption. The report of the Director Financial Services will represent the documentation in compliance thereof. In terms of Section 54 (1) (c), the Mayor must consider and, if necessary, make any revisions to the SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the Council following the approval of the adjustments budget.

#### **FINANCIAL IMPLICATIONS**

As per the report of the Director Financial Services.

#### **PERSONNEL IMPLICATIONS**

None

#### **COMMUNICATION IMPLICATIONS**

None

#### **COMMENTS FROM DEPARTMENTS**

**Director: Corporate Services**

None

**Director: Community Services**

None

**Director: Financial Services**

None

**Director: Infrastructure Services**

None

**Municipal Manager**

None

**This item served on the Mayoral Committee meeting held on 21 February 2019.**

**RECOMMENDED**

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