

## **EXTRACT COUNCIL MINUTES: 25 FEBRUARY 2021.**

### **RESOLVED**

**Item A33/25/02/2021**

1. that the Adjustments Budget of Swellendam Municipality for the financial year 2020/2021, as set-out in the schedules contained in Section 4, circulated with the agenda, a copy of which is attached to the signed copy of the minutes, 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 2020/2021 and adjusted section 57 performance agreements.
3. that R 80 000.00 for the upgrading of the floor at Smitsville Hall, Barrydale and R40,000.00 for the upgrading of changing rooms from the same hall be transferred to the Installation of reinforced pipelines in Sewende Laan and Rondomskrik, Railton, Swellendam.

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**Item number A33.** 25.02.2021

### **ADJUSTMENTS BUDGET – 2020/2021 AND REVISED SDBIP**

Report of the Director: Financial Services: Mr H Schlebusch

**Department** Financial Services

**Section** Financial Services

**File number** 5/1/1

#### **PURPOSE OF REPORT**

The purpose of the report is to present the Adjustments Budget for 2020/2021 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 2020 as tabled per Item A15 on 28 January 2021, to Council for approval.

#### **FACTS AND BACKGROUND**

Council resolved per item A15 on 28 January 2021:

**RESOLVED:**

1. that the Midyear Budget and Performance Assessment report for 2020/2021 as tabled at the Council meeting of 28 January 2021 in accordance with Section 72 of the Municipal Finance Management Act, be noted; and
2. that it be noted that an Adjustments Budget and a report on Revised Expenditure and Revenue will be tabled at the Council meeting scheduled for February 2021 together with the revised Service Delivery and Budget Implementation Plan (SDBIP).

The Adjustments Budget was discussed at informal meetings with end-user departments.

**Capital Budget:**

The following priority changes within departments had to be made:

## Additions

Project	Reason	Adjustment Budget Aug 2020	Adjustment Budget Feb 2021
New Library - Swellendam	Provincial Treasury Adjustment DORA	R 10,434,783	R 10,806,957
Construction of 2 Netball Courts	Provincial Treasury Adjustment DORA	Nil	R 521,739
Swellendam Pressure Management Project	National Treasury Adjustment DORA	Nil	R 9,310,435
PPE i.r.o. Covid	Saving on various projects that were completed	Nil	R 35,000
Canopy and Rubberizing New LDV	Saving on various projects that were completed	Nil	R 43,480
Replacement of Water Pipes - Barrydale	Saving on various projects that were completed	Nil	R 50,000
HR Building Repairs	Saving on various projects that were completed	R 100,000	R 230,000

Re-allocation of funds from existing projects to new projects:

From	To	Amount
Swellendam WWTW - Screening Section / Grid	Acquisition and Installation of reinforced pipelines - Swellendam	R 170,000
PRV Pressure Management	Flow Meter Swellendam WTW	R 81,370

Decrease in budgeted amounts on existing projects

Project	Reason	Adjustment Council Approval	Adjustment Budget Feb 2021
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Suurbraak Upgrading of Bulk Water Infrastructure Phase 2	National Treasury Adjustment DORA	R 4,602,305	R 4,480,043
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It should also be noted that savings on projects already finalised were re-allocated to emergency capital.

Savings on projects finalised were also re-allocated to projects with an expected increase in expenditure to be incurred.

### **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 for additional expenditure that had to be made within departments are listed below:

Line Item	Department	Amount
Additional Expenditure:		
Bulk Electricity	Elec Network and Streetlights	R 2,000,000
Overtime	Water Network	R 100,000
Agency Fees	Electricity	R 173,290
Municipal Website	Municipal Manager	R 284,065
Maintenance: Ignite	Corporate Services	R 106,000
Maintenance: Colaborator	Corporate Services	R 110,510
Streets: Repairs and Maintenance - Swellendam	Streets	R 400,000
Repairs and Maintenance: Land and Buildings	Water Network	R 179,000
Repairs and Maintenance: Land and Buildings	Sewerage Purification	R 181,708
Repairs and Maintenance: Land and Buildings	Water Purification	R 151,500
Repairs and Maintenance: Computer	Information Technology	R 256,128
Pest Control	Office Buildings	R 100,000

Additional to the above-mentioned the decrease in the line items below will also have a negative impact on the operational budget;

Decrease in Income:		
Traffic Fines	Traffic	R 5,000,000
Interest on Investments	Finance	R 979,754
Rentals	Halls	R 108,000

The additional operational expenditure as well as the decrease in operational income will be funded from line items indicated below:

Additional Income:		
Interest on Outstanding Debtors	Financial Services	R 132,900
Advertising Cost	Town Planning	R 100,000
Industrial Effluent	Sanitation	R 1,213,267
Security Services	Caravan Park	R 100,000

Decrease In Expenditure:		
Employee Related Cost	Various	R 2,016,208
Accounting Services	Finance	R 384,000
Repairs and Maintenance: Vehicle Cost	Various	R 533,231
Legal Fees	Council	R 100,000
Repairs and Maintenance: Land and Buildings	Sport and Recreation	R 100,000
Security	Refuse	R 120,000
Pauper Burial	Cemeteries	R 500,000
Agency Fees	Traffic	R 700,000
Operation of landfill sites (Swellendam and Infanta)	Refuse	R 600,000
Wet Fuel	Various	R 250,600

**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

**RECOMMENDED**

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