

SPC104/05/2011

RESOLVED

1. THAT the report submitted by the Chief Financial Officer dated 3 May 2011, regarding the Draft Final Budget 2011/2012, be hereby received and noted;
2. THAT the Budget attached to the agenda in respect of the 2011/2012 financial year, be and is hereby **approved** as follows:

2.1. OPERATING INCOME

Income from Rates increased by 6% to	R272 490 150.00
Net Income of	R233 172 406.00
Equitable share as per the annual Division of Revenue Act	R 76 844 000.00
Grants and other income	R177 544 410.26
TOTAL INCOME	R526 878 559.99

2.2 CAPITAL

Housing projects	R115 634 430.00
Municipal Infrastructure Grants	R 25 379 000.00
Energy	R 15 889 916.00
External loan funded projects	R 5 500 000.00
internally funded projects including Departmental budget	R 35 100 000.00
COGTA	R 5 950 000.00
Department of Transport	R 1 500 000.00
Total capital	R204 953 430.00

2.3 OPERATIONAL EXPENDITURE

Total operational expenditure	R526 878 599.199
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3. THAT the following resolutions approving the 2011/2012 budget has been submitted to Council for consideration and adjustment where necessary; and that note be taken of the content of the budget documentation circulated in accordance with the Municipal Finance Management Act 2003 Act, no 56 of 2003 (MFMA).

- (i) In terms of section 24 of the MFMA, the annual budget of the municipality for the financial year 2011/2012 and the Capital appropriations are approved as set-out in the following tables of the budget documents:

Budgeted Financial Performance (Revenue and Expenditure by Standard Classification - (Table A2).

Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) - (Table A3).

Budgeted Financial Performance (Revenue by Source and Expenditure by Type) - (Table A4).

Capital Project appropriations by Municipal vote and standard classification and associated funding source (Table A5).

- (ii) The financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:

Budgeted Financial Position (Table A6).

Budgeted Cash Flows (Table A7).

Cash backed reserves and accumulated surplus reconciliation (Table A8).

Asset Management (Table A9).

Basic Service Delivery Measurement (Table A10).

4. DETERMINATION OF RATES

THAT the rate randage for the said financial year for the HCM, be and is hereby **assessed and levied** effective from 1 July 2011 for the following categories:

- Residential at 0.768 cents in the Rand
- Business and Commercial at 1.535 cents in the Rand
- Industrial at 1,535 cents in a Rand
- Mining at 1,535 cents in a Rand
- Agricultural – bona fide use at 0,0768 cents in a Rand
- Agricultural – mixed use at 0,1920 cents in a Rand
- Institutional at 0,3839 cents in a Rand
- Special purpose at 0,3839 cents in a Rand
- P.S.I Property at 0,1920 cents in a Rand

5. EXEMPTIONS, REBATES AND REDUCTIONS

THAT the following reductions on the market values of the property and rebates on the rates payable, be and are hereby **granted** in accordance with the Rates Policy:

- (i) In addition to the statutory reduction of R15 000.00 a further reduction of R85 000.00 on improvements and R15 000.00 on vacant land be and is hereby approved.
- (ii) 100% rates rebate for property owned by a minor where the minor is the sole person in charge of the siblings and the parents are deceased.
- (iii) Between 25% and 75% rebate for pensioner/retiree and disabled persons.
- (iv) 100% rebate for Indigent household.

The abovementioned exemptions, rebates and reductions are to be read and understood within the context of the relevant approved Council policy;

The determination of the applicability of the abovementioned exemptions, rebates and reductions be the 1st July 2011

6. OTHER TARIFFS AND CHARGES

THAT other tariffs and charges as circulated with the budget document in terms of section 24(2) (c) (i) and (ii) be approved for the financial year commencing 1 July 2011.

Electricity Tariffs – The proposed increase in the tariff for the bulk purchases of electricity from Eskom is provided at 20.33%. This percentage may change in view of NERSA still processing Eskom's application in respect of its final tariff increases to municipalities and a report on any future impact on HCM's electricity tariff will need to be considered by the Council.

7. BUDGET RELATED POLICIES

THAT the Rates Policy has been reviewed in terms of Section 5 of the MPRA, 6 of 2004 and Section 17(3)(e) of the Local Government: Municipal Finance Management Act 2003 Act no. 56 of 2003, and be and is hereby **approved** ;

The Credit Control and Debt Collection Policy be and is hereby **approved**; and

The Tariff Policy be and is hereby **approved**.

8. THAT the above be approved subject to the following:

- Page 88 – line items to be adjusted according to the reduction of ½%;
 - All grammar error on the Executive Summary be amended accordingly;
 - Page 79 /item 391/4th column be amended to read 3 000,00;
 - Page 115 – item 21/ parking meter fees be submitted to the next adjustment budget as the tariff of charges are unknown at the present moment;
 - Entire budget document be proof-read before it is submitted to any meeting or placed on the website.
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- At this stage all party representatives including the Mayor, Speaker and Deputy Mayor gave their farewell speeches as this was the last meeting before the new Council would be elected.