



Tel: (011) 951-1513

Tel: (011) 951-2578

**Krugersdorp**

P O Box 94

1740

14 JUNE 2022

**EXTRACT FROM THE MINUTES OF 9<sup>th</sup> SPECIAL COUNCIL MEETING OF MOGALE CITY  
LOCAL MUNICIPALITY HELD ON 14 JUNE 2022**

**ITEM K(ii) 2 (06/2022)**

**APPROVAL FOR ANNUAL BUDGET & MTREF 2022/2023 – 2024/2025**

**RESOVELD:**

**That cognizance be taken of the following:**

- 1.1 Of the annual IDP, Budget of Mogale City Local Municipality for the financial year 2022/2023 and the indicative estimates for the two projected outer years 2023/2024 and 2024/2025, as set out in the schedules listed below **be tabled for approval after consulting with all relevant stakeholders and be tabled for approval by Council before the start of the new financial year (2022/2023).**
- 1.2 Of the report tabling for approval of the annual budget and its supporting documents (draft tariffs schedules and amended budget related policies) for the 2022/2023 to 2024/2025 Medium Term Revenue & Expenditure Framework (MTREF) as required by Sec 23 (2) and 24 (1) of the Municipal Finance Management Act (MFMA) No.56 of 2003.
- 1.3 Of the fact that the annual budget proposed operating deficit of R319 million is mainly due to non-cash items (depreciation and debt impairment amounting to R509 million), excluding these non-cash items the projected surplus is R105 million that will fund the own funded capital projects.
- 1.4 Of the fact that 79% of the operating budget expenditure is under two categories, namely remuneration at 30%, bulk purchases at 39.7%, non-cash items at 14.1% and contracted services at 9.3%.
- 1.5 Of the revenue budget limited to 91% of the collection rate against the billed revenue resulting in continuous cash flow constraints and creditors' payment not been met within MFMA prescribed time.

1.6 Of the fact that Council of Mogale City's proposed annual budget for 2022/2023 and two outer years is unfunded due to impact of COVID-19, unfavourable economic situation whereby revenue has declined drastically and high expenditure commitments, budget funding plan is presented as a supplementary to proposed budget attached in a separate report.

2. Of the annual budget of the municipality for the financial year 2022/2023 and the multi-year and single year capital appropriations as set out in accordance with Municipal Budget and Reporting (MBRR) section 9 in the following tables be **tabled for approval**:

- 2.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in **(MBRR Table A1)**.
- 2.2 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in **(MBRR Table A2)**.
- 2.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in **(MBRR Table A3)**.
- 2.4 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in **(MBRR Table A4)**.
- 2.5 multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source as contained in **(MBRR Table A5)**.
- 2.6 Budgeted Financial Position as contained in **(MBRR Table A6)**.
- 2.7 Budgeted Cash Flows as contained in **(MBRR Table A7)**.
- 2.8 Cash backed reserves and accumulated surplus reconciliation as contained in **(MBRR Table A8)**.
- 2.9 Asset management as contained in **(MBRR Table A9)**.
- 2.10 Basic service delivery measurement as contained in **(MBRR Table A10)**.

3. Of the provision made for a 4,9% increase in the salaries of employees which was informed by the average CPI expected and confirmed by South African Local Government Bargaining Council excluding Section 54A & 56 officials.

4. Of the provision of wage gap agreement provision of 3% increase and R7,500 once off payment that will cost the municipality R10 415 500 per annum.

5. Of a 4% estimated increase in salaries of councillors, in terms of Public Office Bearers Act, Government Gazette No.45420 issued on 02 November 2021. The municipality is waiting for concurrence from COGTA.

6. That the Council of Mogale City Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the following tariffs for approval:

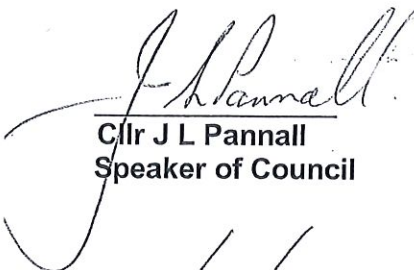
- 6.1 the tariffs for electricity – as set out in Schedule 3(a).
- 6.2 the tariffs for the supply of water – as set out in Schedule 3(a).
- 6.3 the tariffs for sanitation services – as set out in Schedule 3(a).
- 6.4 the tariffs for property rates – as set out in Schedule 3(a).
- 6.5 the tariffs for solid waste removal – as set out in Schedule 3(a).
- 6.6 the tariffs for other services, as set out in Schedule 3 (a).
- 6.7 the tariffs for bulk contributions and wayleaves, as set out in Schedule 3 (b).



7. That the Council of Mogale City Local Municipality, in terms of Section 5 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) tables the reviewed rates policy for approval.
8. That the Council of Mogale City Local Municipality, in terms of Section 6 of the Local Government: Municipal Property Rates Act (Act 6 of 2004) tables the rates By- laws to give effect to the rates policy for approval.
9. That the following revised and new budget related policies be considered for approval:

Annexure 1: Draft Property Rates Policy  
Annexure 2: Draft Property Rates By-Law  
Annexure 3: Draft Cash Management & Investment Policy  
Annexure 4: Reviewed Borrowing Policy  
Annexure 5: Reviewed Funding and reserves  
Annexure 6: Reviewed Long Term Financial Plan Policy  
Annexure 7: Reviewed Asset Management Policy  
Annexure 8: Reviewed Indigent Management Policy  
Annexure 9: Reviewed Fruitless, Wasteful, Irregular & Unauthorised Expenditure Policy  
Annexure 10: Draft Employment Equity policy  
Annexure 11: Draft Recruitment Policy  
Annexure 12: Draft Review Overtime Policy  
Annexure 13: Reviewed Grant in Aid Policy  
Annexure 14: Reviewed Indigent Burial Policy  
Annexure 15: Draft Liquidity Policy  
Annexure 16: Draft Waste Management norm & standard policy  
Annexure 17: Reviewed Unclaimed Monies Policy  
Annexure 18: Reviewed Cost Containment Policy  
Annexure 19: Reviewed 2% Corporate Social Responsibility  
Annexure 20: Reviewed Supply Chain Management Policy  
Annexure 21: Reviewed Credit Control and Debt Collection Policy  
Annexure 22: Reviewed Budget Management Policy  
Annexure 23: Reviewed Adjustment Budget Policy  
Annexure 24: Reviewed Virement Policy  
Annexure 25: Draft Cashier Shortages and Surpluses  
Annexure 26: Draft Supplier Performance Monitoring Policy.

**CERTIFIED A TRUE EXTRACT**

  
**Cllr J L Pannall**  
**Speaker of Council**

14/06/2022  
**Date of Signature**



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**ITEM K(ii) 3 (06/2022)**

**2022/2023 PROPOSED BUDGET SUPPORT PLAN**

**RESOVELD:**

1.8.1 That cognizance be taken on the following:

1.8.1.1 The proposed 2022 / 2023 Budget Support Plan for approval.

1.8.1.2 That all affected departments must work towards ensuring the implementation plan for the budget support plan.

1.8.1.3 That should departments not actively participate and show support for the budget support plan, consequences management will take place.

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**Cllr J L Pannall  
Speaker of Council**

**Date of Signature**



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**ITEM K(ii) 1 (06/2022)**

**2022/23 ANNUAL IDP REVISION OF THE 5 YEAR 2021/22 – 2025/26 INTEGRATED  
DEVELOPMENT PLAN**

**RESOVELD:**

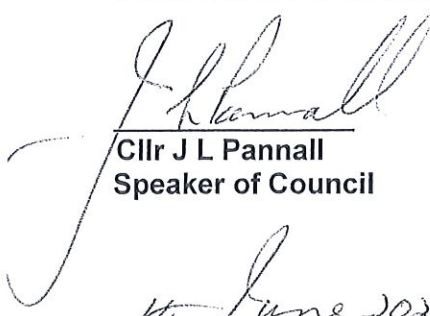
1.1 It is recommended that the.

1.1.1 2022/23 IDP together with Public Participation Analysis Report be noted.

1.1.2 2022/23 IDP be approved in Council for adoption.

1.1.3 2022/23 IDP be submitted to the MEC for local government

**CERTIFIED A TRUE EXTRACT**

  
**Cllr J L Pannall**  
**Speaker of Council**

14 June 2022  
**Date of Signature**