



**MUNISIPALITEIT
MUNICIPALITY
UMASIPALA**

RB589/29-05-2015

**TABLING OF THE 2015 / 2016 ANNUAL BUDGET (WITH ALL
BUDGET SUPPORTING DOCUMENTS) BEFORE THE COUNCIL
FOR CONSIDERATION AND APPROVAL**

Resolved that:

1. Council resolves that the annual budget of the municipality for the financial year 2015/16; and Indicative for the two projected outer years 2016/2017 and 2017/2018 be approved as set-out in the following schedules:

1.1 Operating revenue by source reflected in schedule A2;

1.2 Operating expenditure by source reflected in schedule A2;

1.3 Operating Income and expenditure by GFS classification reflected in schedule A3;

1.4 Capital expenditure by vote reflected in schedules A5;

1.5 Capital funding by source reflected in schedule A5;

Optional resolution for appropriating multi-year capital budget

1.6. Council resolves that multi-year capital appropriations by vote and associated funding reflected in schedules A5 be approved.

2. Council resolves that property rates reflected in tariff list in Annexure B are imposed for the budget year 2015/16.

3. Council resolves that tariffs and charges reflected in tariff list in Annexure B are approved for the budget year 2015/16.

4. Council resolves that the amended policies for property rates, indigent, tariffs and debt collection as reflected in Annexure B are approved for the budget year 2015/16.
5. Council resolves that the other amended budget related policies reflected in Annexure B are approved for the budget year 2015/16.
6. That Council considers and approves the 2015/2016 Annual budget with the proposed Municipal tariffs as attached together with the supporting documents as well as the operating and capital budget.

Proposed: Cllr. C September

Seconded: Cllr. P Petersen



CHAIRPERSON / VOORSITTER

29 / 05 / 2015

DATE / DATUM

CEDERBERG MUNICIPALITY



POLICY ON INFRASTRUCTURE INVESTMENT AND CAPITAL PROJECTS

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1. DEFINITIONS

"Municipality" means Cederberg Municipality

"MFMA" means the Municipal Financial Management Act (Act No 56 of 2003).

"CFO" means the Chief Financial officer of the Municipality.

"Accounting Officer" means the Municipal Manager of the Municipality.

"MIG" Municipal Infrastructure Grant

2. INTRODUCTION

Municipalities are responsible for **providing infrastructure services** to all of its communities, industries, and other consumers in its area of jurisdiction. One of the key areas of delivery for government has been in supplying new infrastructure to meet the backlog in the provision of basic services and broadening the service delivery foot print across the country while keeping abreast of growth and migratory patterns within the society. However, today there is a need to ensure that these services will be sustainable in the future, and that the necessary institutional, financial and technical measures are in place to achieve this goal. This document provides a brief overview of tools aimed at assisting municipalities in achieving these goals by integrating them into a single planning vehicle.

3. OBJECTIVES OF THIS POLICY

The objectives of this policy are to:

- (a) Ensure that the municipality are able to deliver the levels of service needed for health and safety.
- (b) Enable the municipality to improve existing service levels.
- (c) Suggest how the municipality might structure investment in a manner that promotes economic development.
- (d) Encourage the municipality to locate investment in infrastructure with a view to integrating previously disadvantaged and rural communities.
- (e) Promote the infrastructure which is environmentally sustainable.

- (f) Ensure that requirements with regards to MIG and the latest Division of Revenue Bill are compiled with.

4. KEY ISSUES TO BE MET

It is the municipality's responsibility to provide all of its communities with the necessary infrastructure services for energy, access and transport, and solid waste, as well as ensure that other key services (e.g. education, health, sports and recreation, and community services) are planned in collaboration with the relevant service providers. This calls for the following actions:

- (a) Ensuring that the necessary **infrastructure assets** are provided, operated and maintained (i.e. addressing their full life cycle).
- (b) Ensuring that the necessary **funding** is available for the total costs involved over the full extent of the life cycle of the assets, by collecting revenue from consumers and utilizing available grant funds, and providing the required operating and capital funds to achieve the goals.
- (c) Ensuring that an **institutional model** exists for providing the necessary skills, processes and procedures to manage the assets.
- (d) Ensuring that the necessary **bulk supplies** (e.g. for electricity, as well as maintenance capacity) are available.
- (e) Ensuring that the growth needs of the municipality are addressed by considering local **economic development** initiatives, and taking cognisance of changing needs of communities while involving them in planning the provision of the above services.

5. FINANCIAL STRATEGIES

The implementation of the following financial strategies will enhance the future financial sustainability of the municipality.

5.1 Capital Financing Strategy

- (a) Dedicate a particular person to the function of raising grants, identify, establish, maintain, and update database of all grant funders, and undertake project feasibility studies and project plans.
- (b) Approach funding organisations with business plans and the financial Plan.
- (c) Liaise with the District Municipality to set up a separate bank account for each local municipality so that the interest earned on grants received for each municipality is accounted for separately.
- (d) Ensure that all requirements with regards to Grants and DORA or Provincial Gazette are complied with as per the Division of Revenue Act and Grant requirements found on the relevant publication(s).

5.2 Asset Management Strategy

- (a) Establish and maintain an asset register.
- (b) Update asset register regularly.

5.3 Financial Management

- (a) Formulate a timetable, capacitate the financial officer and transfer the relevant accounting skills.
- (b) Develop/review policies, procedures and bylaws.
- (c) Provide councillors with the necessary financial training so they understand the financial information that they must base their decisions on.

6. CAPITAL AND INVESTMENT PROGRAMMES

The capital and investment programmes as set out in the Capital Budget and the Cash Management, Banking, and Investment Policy

7. MULTIYEAR BUDGET (Financial Projections)

Financial projections have been developed using the capital budget to obtain the list of infrastructure projects for the budget. Various financial feasibility

studies pertaining these capital projects are performed and assessed and aligned to the IDP.

All the related studies should take in cognisance of the following:

- a) A five-year projection of the operating and capital budget reflecting the required tariff ratio increases;
- b) Funding currently available to undertake projects;
- c) Financial resources required for capital projects;
- d) Inflationary increases.

8. POLICY ADOPTION

The Cederberg Municipality council resolved on/...../2015 to adopt this policy in a properly constituted council meeting.

Signed at on thisday of

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CHAIRPERSON/SPEAKER