


RATLOU LOCAL MUNICIPALITY

SPECIAL COUNCIL MEETING OF RATLOU LOCAL MUNICIPALITY TO BE HELD ON WEDNESDAY, 29th JUNE 2016 AT THE MUNICIPAL CHAMBER, AT 14H00.

1. OPENING AND RELIGIOUS OBSERVANCE
2. CONSTITUTION
3. DISCLOSURE OF PERCUNIARY INTERESTS
4. SPECIAL ADJUSTMENT BUDGET FOR 2015/16 FINANCIAL YEAR FOR RATLOU LOCAL MUNICIPALITY
5. SALARY AND WAGE INCREASE FOR THE PERIOD 01st JULY 2016 UNTIL 30th JUNE 2017 FOR PERMANENT EMPLOYEES FOR RATLOU LOCAL MUNICIPALITY
6. TRANSFER OF THE APPROVED FUNDING FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) FOR THE MUNICIPAL INFRASTRUCTURE GRANT FRONTLOADING FOR FINANCIAL YEARS 2016/2017 & 2017/2018
7. ANNOUNCEMENTS
8. CLOSURE

 29/06/2016

RATLOU LOCAL MUNICIPALITY

4. SPECIAL ADJUSTMENT BUDGET FOR THE 2015/16 FINANCIAL YEAR FOR RATLOU LOCAL MUNICIPALITY

PURPOSE

To seek approval of the special adjustment budget as a consequence of additional funds received by the municipality and non-collection after approval of the Adjustment Budget.

BACKGROUND

The Accounting officer must, as part of the review (a) make recommendations as to whether adjustment budget is needed; and (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 28 of the MFMA states that an adjustment budgets:

- (a) must adjust revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available.....;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.



29/06/2016

SPECIAL ADJUSTMENT BUDGET BREAKDOWN FOR VARIOUS DEPARTMENTS IS SHOWN IN THE TABLE BELOW:

DEPARTMENT	ANNUAL BUDJGET	PRIOR ADJUSTMENT BUDGET	SPECIAL ADJUSTMENT BUDGET	FUNDING SOURCE
Office of the Mayor	9 407 157	10 604 933	12 138 033	Own revenue
Office of the Speaker	10 178 600	11 456 737	12 136 748	Own revenue
Office of the Accounting Officer	10 251 296	10 969 932	11 253 932	Own revenue
Budget and Treasury	25 842 048	27 213 647	29 229 023	Own revenue
Planning and Development /Economic	45 228 098	93 644 946	95 761 109	Own revenue
Planning and Development / Town Planning	6 752 523	9 899 626	11 558 603	Own revenue
Library / Community and Services	5 230 483	6 146 905	6 477 475	Own revenue
Corporate Services	18 237 332	27 374 869	31 037 969	Own revenue
Community and Services	7 555 823	7 811 251	9 080 631	Own revenue
TOTAL	138 683 360	205 122 847	218 673 524	



29/06/2016

Adjustment to budget assumptions

The municipality have approved an Annual Budget of **R 138 683 360** for the 2015/2016 financial year, the same budget was adjusted upwards by a total of **R 66 439 487** to the prior adjustment budget of **R205 122 847**. It is further adjusted upwards by a total of **R 13 550 677** to a **Special Adjustment Budget** of **R218 673 524** due to the following sources of funding:

- The municipality received additional property rates to the value of **R11 781 321**. This is from the intervention on disputes lodged for non-payment of National and Provincial Public Works property rates.
- The municipality received additional VAT returns amounting to **R1 769 357**
- The municipality's capital budget increased with an amount of **R 2 229 000**.
- Operating expenditure is also increased with an amount of **R 11 321 677**.

RESOLVED:

- a) That Council approved the Special Adjustment Budget as tabled above for 2015 / 2016 financial year.
- b) That the copy of the Special Adjustment Budget be sent to National and Provincial Treasury as well as other spheres as legislated.



29/06/2016

29 JUNE 2016

RESOLUTION 31/2016

RATLOU LOCAL MUNICIPALITY

5. SALARY AND WAGE INCREASE FOR THE PERIOD 01st JULY 2016 UNTIL 30th JUNE 2017 FOR PERMANENT EMPLOYEES FOR RATLOU LOCAL MUNICIPALITY

PURPOSE

To present Circular 01/2016 of the South African Local Government Bargaining Council (SALGBC) on Salary and Wage Collective Agreement to Council for implementation.

BACKGROUND

SALGA and the Trade Union (IMATU and SAMWU) representing employees in implementing and applying a multi-year Salary and Wage Collective Agreement have agreed as follows:

- **The salary increase** in terms of **Clauses 6.2 and 6.3** of the Collective Agreement shall be Six percent (6%) with effect from the **01st July 2016**.
- Any benefit or conditions of service as stipulated in **Clause 6.6** of the Collective Agreement shall increase by the same rate of six percent (6%)
- **The Minimum Wage** as stipulated in **Clause 7.2** of the Collective Agreement shall increase by the same rate of six percent (6%). The new minimum wage shall be six Thousand Three Hundred and Seventy Rand Comma Eighty Cents (**R 6 375, 83**), with effect from **1 July 2016**.
- In respect of Medical Aid subsidy, the maximum employer contribution to an employee's accredited medical scheme as set out in **Clause 8.1.1** of Collective Agreement shall remain unchanged at **R 3 871**. However, the medical aid subsidy of employees receiving an employer contribution of less than R 3871.00 shall, in terms of clause **8.1.2** of the collective Agreement and with effect from 01 July 2016, increase by 3%, provided that such increase shall not exceed maximum employee contribution of **R 3 871.00**
- The flat rate of Homeowners Allowance, in terms of **Clause 10.1.1.2** of the Collective Agreement, increases by 6% to **R 742.00** with effect from 01 July 2016

See attached the **Circular No: 1/2016** of the South African Local Government Bargaining Council.

RESOLVED:

- a) That Council noted the implementation of the Circular in the 2016/17 financial year effective from 01 July 2016 in Ratlou Local Municipality with approval to cover all the workers and middle managers except Senior Managers who are covered separately by Upper Limits for Senior Managers as determined by the Minister of Corporate Governance and Traditional Affairs on an annual basis.

29 JUNE 2016

RESOLUTION 32/2016



29/06/2016

RATLOU LOCAL MUNICIPALITY

6. TRANSFER OF THE APPROVED FUNDING FROM THE DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) FOR THE MUNICIPAL INFRASTRUCTURE GRANT FRONTLOADING FOR FINANCIAL YEARS 2016/2017 & 2017/2018

PURPOSE

To inform Council about the transfer of the approved R 36 300 000.00 MIG Frontloading funds from the DBSA for the roads infrastructure projects

BACKGROUND


Ratlou Local Municipality is pursuing an accelerated service delivery programme for road and storm water infrastructure. Special focus has now been given to roads and storm water; waste management; economic infrastructure and one-point multipurpose Thusong Service Centres. The other shift will be on the increase of the maintenance budget so that our facilities' value remain competitive in the market.

The municipality has reached 90 % construction of Halls; Libraries; Sports facilities and special groups' infrastructure. There are few halls that are still to be constructed in small villages like Diolwane and Seloshesha as well as additional halls in big villages like Disaneng; Kraaipan; Setlagole and Mareetsane the same way that it was done in Madibogo where all sections have community halls.

Revenue Allocation from DBSA to roads projects for 2016/17 and 2017/18:

No	Project Title	Project Amount
1	Upgrading of Internal Gravel access roads adjoining R375 in Moshawane and Logageng into surfaced standards	R 10, 941 000
2	Upgrading of Internal Gravel access roads in Kraaipan and Setlagole into surfaced standards	R 18, 620 000
3	Upgrading of link roads (Tlhaping to Madibogopan and Lohatlheng to Motsitlane)	R 6, 941 000

These allocations are additional to the 2015/16 MIG budget and own MIG Top-up Vote.

 29/06/2016

The impact that the available funding will have in the communities will assist in significantly making marked progress in reducing the service delivery backlog.


The DBSA has released the **Thirty Six Million Three Hundred Thousand (R 36 300 000.00)** on the 31 May 2016 following the municipality's satisfaction of the DBSA's Conditions Precedents.

The implementation approach of breaking roads into parts (e.g: A, B, C) should be able to ensure continuous construction of these roads and addition of others through extension of partnership with the **DBSA** and other development funding agencies.

The revenue generated from the property rates; VAT returns and other own funding sources will also be used to top up the existing projects as well as those that Council will identify from time to time through its IDP processes.

The municipality will have a portion of the MIG to provide additional funding or to implement other social amenities of buildings, waste management; cemeteries and economic infrastructure as directed by the recent communication from the National Treasury.

Noted:

 29/06/2016

29 JUNE 2016