



MERAFONG CITY

LOCAL MUNICIPALITY

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12/1

25 February 2022

**CERTIFIED TRUE EXTRACT of the MINUTES of an ORDINARY COUNCIL MEETING
of MERAFONG CITY LOCAL MUNICIPALITY held on 24 FEBRUARY 2022**

ITEM 29/2022

ADJUSTMENT BUDGET 2021/2022 FINANCIAL YEAR

RESOLVED:

- i) That cognizance be taken of the report on the adjustment budget and that the proposed operational adjustment budget be approved with a collection rate of 55%.
- ii) That cognizance be taken that the original revenue budget amounted to R 1 934 788 303 and the proposed adjusted revenue budget amounts to R 1 958 494 132. This represents an increase in projected revenue of R 23 705 828 or 1.23%
- iii) That cognizance be taken that the original operating expenditure budget amounted to R 1 901 475 645 and the proposed adjusted expenditure budget amounts to R1 957 714 023. This represents an increase of R 56 238 378 or 2.96%. it must be noted that the increase was largely due to non-cash flow items of debt impairment and depreciation.
- iv) That cognizance be taken that the proposed adjustment budget will have a surplus of R 780 109, generated from adjustment projected revenue amount of R1 958 494 132 and adjustment projected expenditure amount of R1 957 714 023.
- v) That the approved original capital budget amounted to R174 899 784 and adjusted downwards to the amount of R173 039 784 or 1.06%, mainly contributed by reduction of R1 860 000 movable assets (furniture and Equipment).

- vi) That to have the budget funded and to increase the payment levels from an average of 50% to 55% or more the following actions be implemented immediately:
- That all Government Departments that are in arrears with the municipality must be disconnected and the arrears of R 32 338 568 be collected as they are not going to be impaired.
 - That the Acting Municipal Manager effects direct deductions from all employees (R2 810 029.48) and Councilors (586 345.19) who are in arrears with the municipality for more than three months in terms of the provisions of Schedule 2 of the Municipal Systems Act.
 - That garnishee orders be instituted against all the employees of the state who are in arrears with the municipality. The arrears of the employees of the state are not going to be impaired in the next compilation of the annual financial statements as they are able to service their municipal accounts.
 - That all businesses that owe the municipality R2 090 290 008 be disconnected and the amount due to the municipality be collected immediately except for the rates of the mines that are subject to the court processes.
- vii) That the filling of critical revenue related vacancies be fast tracked to address the water and electricity losses while reducing the expenditure to improve the funding of the budget.
- viii) Adjustment budget will only be funded from realistically anticipated revenue implementation.
- ix) That regular progress reports on the implementation of the recommendations above be given to the relevant Section 80 Committees, Mayoral Committee and Council.
- x) Failure to implement the recommendations will lead to misconduct and consequence management will be implemented.



C CANNON
ACTING MANAGER: LEGAL & SECRETARIAT
(T:MEESTERS/2022/TRUE CERT.ITEM 28 – 11 FEBRUARY 2022/CS)