EXTRACT FROM THE MINUTES OF SPECIAL COUNCIL MEETING OF MASILONYANA LOCAL MUNICIPALITY HELD ON THE 30th MAY 2025 IN TOWN HALL – THEUNISSEN AT 11H00.

ATTENDANCE	
Cllr SN Makata	Speaker /Absent
Cllr DE Modise	Mayor
Cllr PS Tlahadi	Councillor
Cllr MTW Moroane	Councillor
Cllr TC Tladi	Acting Speaker/Councillor
Cllr B Phehlane	Councillor
Cllr MS Letsie	Councillor
Cllr MZ Likoebe	Councillor
Cllr MG Fosi	Councillor
Cllr NH Kototsa	Councillor
Cllr B Phehlane	Councillor
Cllr BG Rossouw	Councillor
Cllr M Visser	Councillor
Cllr TB Molahloe	Absent /Councillor
Cllr D Xhalabile	Councillor
Cllr KE Mokalolise	Councillor
Cllr S Brown	Councillor
Cllr SE Putsoenyane	Councillor
Cllr W Potgieter	Councillor
Cllr SP Mabesa	Councillor
Mr. MJ Matlole	Municipal manager
Mr. AM Makoae	Chief Financial Officer
Mr. T Tsotetsi	Director: Corporate Services
Mr. Z. Ntjwabule	Manager: Office of the Mayor
Mr. NC Mohapi	Manager: Office of the Speaker

Me. K Lebusho	Manager: Programme
Me. Lebo Morigihlane	Manager: Office of the Municipal manage
MS. Mahula	Senior Admin Officer (Secretariat)

NO	ITEMS	BACKGROUND	DISCUSSIONS	RESOLUTIONS
15	**15.1.2 REPORT ON MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK(MTREF) BUDGET FOR 2025/26 FINANCIAL YEAR AND INTERGRATED DEVELOPMENT PLAN (IDP).**	In terms of section 15 to 24 of the MFMA the municipal council must at least 30 days before the start of the budget year consider approval of the Final budget. The final budget must be approved before the start of the budget year and is approved by the adoption by the council of a resolution referred to in section 17(3) (a.)(i) • Must be approved together with the adoption of resolutions as may be 17(3)(a)(i); and necessary. • Imposing any municipal tax for the budget year. • Setting any municipal tariffs for the budget year. • Approving measurable performance objectives for revenue from each source and for each vote in the budget. • Approving any changes to the municipality's integrated development plan • Approving any changes to the municipality's budget-related policies. source and for each vote in the budget; plan; and	The 2025/2026 to 2027/2028 Medium Term Revenue and Expenditure Framework (MTREF) Budget deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposals to ensure that Masilonyana Local Municipality render services to local community in a financially sustainable manner. The application of sound financial management principles for the compilation of Masilonyana Long-Term Financial Plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The process of developing the municipality's annual budget is largely guided by the strategic thrusts and operational priorities of Masilonyana's Integrated Development Plan (IDP) as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the two outer years.	**That COUNCIL approves the MTREF budget and IDP for 2025/2026 financial year for onward submission to National and Provincial Treasury.** **That COUNCIL take note of the funded budget for 2025/2026 financial year.** **That COUNCIL approves the tariff increase of 4.4% across the board.** **That COUNCIL approves electricity tariff increase of 18.6% upon approval from NERSA** **The council approves the budget related policies attached as Annexure B to the item.** **That the funding plan is tabled to Council together with the final budget in line with the MFMA Budget and Reporting Regulations and Treasury guideline circulars,** **That the final annual budget is approved on/or before the start of the budget year in line with section 24, subsection 2(a) of the Municipal Finance Management.**

		The accounting officer of a municipality must submit the approved Final budget (MTREF) to the National Treasury and the relevant provincial treasury. A Final budget of a municipality must be a schedule in the prescribed format setting out realistically anticipated revenue for the budget year from each revenue source; appropriating expenditure for the budget year under the different votes of the municipality; setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year; setting out estimated revenue and expenditure by vote for the current year; and actual revenue and expenditure by vote for the financial year preceding the current year; and statement containing any other information required by section 215 (3) of the Constitution or as may be prescribed. A Final budget must generally be divided into a capital and operating budget in accordance with international best practice, as may be prescribed.	The MTREF Budget Report starts with a discussion of the legislative requirements to which the Municipality must adhere to, the MFMA budget circulars with directives issued by National Treasury and the key budget projections for the next three financial years based on these documents and assumed economic trends. A high-level summary of the operating and capital budgets as well as a discussion on the long-term financial sustainability of Masilonyana will follow with appropriate recommendations. Supporting information in the form of appendices and tables will form part of this report. After consideration to revised the 2025/2026 tabled budget and also in order to produce funded Budget the municipality went back and tried to reduce expenditure especially non-core expenditure and to increase the collection rate by introducing most cost-effective tariff on town planning which did not exist on the previous fin year, this will boost the municipality in collecting their own operation Revenue and to come up with **funded budget** by introducing the below measures.	**That Democratic Alliance (DA), Economic Freedom Fighters (EFF) and Freedom Fron Plus (FF+) asked to be recused on the decision taken by COUNCIL to approve the budget.**

			POSITIVE CASH FLOW: The municipality's cash flow is not enough to cover operations without relying on equitable share. However, the cash flow will improve gradually over the next three years when the municipality generate its own revenue. Below is a projection for the next three years with improved collection on property rates and service charges and its own operation revenue. **REDUCTION OF NON-CORE EXPENDITURE** The municipality will continue to implement cost containment measures as guided by the National Treasury to reduce Non-core Expenditure. Total operating revenue. R 412 742 544 Total operating expenditure. R 410 284 439 Operating surplus/deficit R 2 485 105 Capital grants. R 43 114 000.	

			SUBMISSION MADE BY DEMOCRATIC ALLIANECE (DA). BUDGET 2025 – 2026 This budget that must be presented in a Special Council announced to be in a school hall and then moved to Town Hall is nothing but a slap in the face of residents and Councillors. Residents were excluded from public participation by publishing meetings on the Sunday in the 4 weekdays before the presentation on few selected platforms, including a closed Whatsapp group with 137 participants (Masilonyana has 17 000 households). Nothing on the facebook page that still "beats the coronavirus". The website is stuck on the message of the Mayor – from 2018. The presentation of the budget wants councillors to believe that the municipality "produce a funded budget" (Page 13). A footnote then states that this will be achieved by "fully implementing cost containment and funding plan" – over the next 3 years. Reality however defies this illusion, as pointed out by Auditor General and SCOPA.	

			• MPAC has not produced even one report on the disclaimers, Unauthorised, Irregular, Fruitless and Wasteful Expenditures or any other matter that was referred to them since inauguration in 2021. • No reports from the Audit Committee were ever tabled since 2021. • The indigent register stands on 1609 households. With 17 000 households in the municipality, the unemployment rate and the lack of economic growth this figure should be much higher. • After 12 months in Office the CFO still only managed a 9.8% collection rate in December 2025. • Said CFO was praised for paying salaries on time. And then ESKOM published the figures and threatened to cut electricity to residents that pre-paid their electricity, due to municipality not making any payments for 9 months.	

			• Same CFO hiked the tariffs for 9 months in the current budget year to more than 20%, while Council approved 4.9%. After denying the fact since December, only in March it was admitted, with a promise to correct it. • The billing system is being protected in its broken state, with billing not being corrected, not going out on time, disputes not being addressed. How and when the corrections will be done remains a mystery. • Despite repeated resolutions that ESKOM must be a standing item on all Council Sittings, councillors are kept in the dark on progress on the repayment plan, rising debt and servicing current accounts. • Masilonyana is highly litigated, a fact that derails any budget. • At times we acquire vehicles for service delivery, and then the sheriff takes them again.	

			• The unacceptable turnaround times for repairs on all the dilapidated infrastructure causes damages to equipment, and residents become reluctant to pay for services that is not reliable and cause harm.	

Certified to be a true reflection of the original minutes.

Cllr TC Tladi
SPEAKER