

1.2 COUNCIL RESOLUTIONS

On 28 May 2025 the Council of Buffalo City Metropolitan Municipality convenes to consider the Revised 2025/2026 Integrated Development Plan (IDP), 2025/2026 Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP): BCMM Catalytic Land Development Programmes. It is recommended that the Council **approves** and **adopts** the following resolutions:

1. The Council of Buffalo City Metropolitan Municipality, acting in terms of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and Section 4(1) of the Municipal Property Rates Act of 2004 **considers** and **notes** the public comments received on the Draft (Revised) IDP, MTREF Budget and budget-related policies attached as Annexure AC.
2. The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 34 of the Municipal Systems Act, 32 of 2000 **approves** and **adopts** the Revised 2025/2026 Integrated Development Plan (IDP).
3. The Council of Buffalo City Metropolitan Municipality **notes** the updated summary of the Buffalo City Metropolitan One Plan, as captured in Section D of the Revised 2025/2026 IDP.
4. The Council of Buffalo City Metropolitan Municipality, acting in terms of Division of Revenue Act (DoRA), **approves** and **adopts** the 2025/2026 Built Environment Performance Plan (BEPP): BCMM Catalytic Land Development Programmes.
5. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **approves** and **adopts**:
 - 5.1. The Consolidated Annual Budget of the municipality for the 2025/2026 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:

- 5.1.1. Budgeted Financial Performance (revenue and expenditure by functional classification) as contained on **{Table 19}**;
- 5.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained on **{Table 20}**;
- 5.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 21}**; and
- 5.1.4. Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source as contained on **{Table 22}**.
- 5.1.5. Financial Position as contained on **{Table 23}**;
- 5.1.6. Budgeted Cash Flows as contained on **{Table 24}**;
- 5.1.7. Reserves and accumulated surplus reconciliation as contained on **{Table 25}**;
- 5.1.8. Asset management as contained on **{Table 26}**; and
- 5.1.9. Basic service delivery measurement as contained on **{Table 27}**.

5.2. The Annual Budget of the parent municipality for the 2025/2026 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:

- 5.2.1. Budgeted Financial Performance (revenue and expenditure by functional classification) as contained on **{Table 95}**;
- 5.2.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained on **{Table 96}**;
- 5.2.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 97}**; and
- 5.2.4. Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source as contained on **{Table 98}**.
- 5.2.5. Budgeted Financial Position as contained on **{Table 99}**;
- 5.2.6. Budgeted Cash Flows as contained on **{Table 100}**;
- 5.2.7. Reserves and accumulated surplus reconciliation as contained on **{Table 101}**;

5.2.8. Asset management as contained on **{Table 102}**; and

5.2.9. Basic service delivery measurement as contained on **{Table 103}**.

5.3. The Annual Budget of the municipal entity (BCMDA) for the 2025/2026 MTREF as set out in the following tables:

5.3.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 71}**;

5.3.2. Budgeted Financial Position as contained on **{Table 73}**;

5.3.3. Budgeted Cash Flows as contained on **{Table 74}**;

5.3.4. Budgeted Capital by asset class and Funding as contained on **{Table 72}**

6. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **approves** and **adopts** tariffs (percentage increase) contained on **{Table 39}** effective from 1 July 2025:

6.1. Property rates – as set out in Annexure F

6.2. Electricity charges– as set out in Annexure F

6.3. Water charges – as set out in Annexure F

6.4. Sanitation services – as set out in Annexure F

6.5. Solid waste services – as set out in Annexure F

6.6. Other services as set out in Annexure F

7. To give proper effect to the Consolidated Annual Budget, the Council of Buffalo City Metropolitan Municipality **approves**:

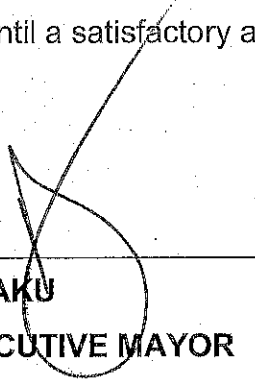
7.1. That an indigent subsidy be granted to registered indigents in terms of Council's Indigent Policy.

7.2. That an indigent consumer be given an average social subsidy package on his/her account per month, which includes a maximum of 50kwh for electricity and 6kl for water as contained on table 15.

8. The Buffalo City Metropolitan Municipality Council **approves** and **adopts** the revised budget related policies:
- 8.1. Tariff Policy– as set out in Annexure G
 - 8.2. Property Rates Policy– as set out in Annexure H
 - 8.3. Movable Asset Policy – as set out in Annexure K
 - 8.4. Investment & Cash Management Policy – as set out in Annexure T
9. That Council **adopts** the budget-related policies adopted in the previous financial years and where no amendments have been made after review, as listed in Section 2.4.1 of this report and are available on BCMM's website at www.buffalocity.gov.za .
10. That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in Supporting Table SA7 **{Table 34}** be **approved**
11. That in terms of Section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the Revised 2025/2026 Integrated Development Plan be **approved**
12. Council **notes** that the Consolidated 2025/2026 MTREF Budget tabled for adoption is structured in terms of the Buffalo City Metropolitan Municipality votes and functions.
13. MFMA Circular 129 and 130 for the 2025/2026 MTREF attached as Annexure X be **noted** by Council.
14. The Council **approves** and ensures that by June 2026 BCMM will have implemented a Service Compact between the Municipality as a service authority and the Water & Sanitation Business Unit and the Electricity & Energy Business Units as the service providers, clarifying the separation of roles between the service authority and the service providers and defining accountabilities and authorities accordingly, as per M1 **(SPoMA Service Compact)**.

15. The Council **approves** and ensures that by June 2026 BCMM will have implemented a formal recruitment process to appoint the heads of the Water & Sanitation Business Unit and the Electricity & Energy Business Units with the requisite commercial and engineering skills and experience, formalised by a performance contract with performance targets that prioritise reform imperatives, as per M2 (**SPoMA Appointment**).
16. The Council **approves** and ensure that by June 2026 BCMM will have approved a macro-organisational structure which gives effect to and supports the mandate, responsibility and accountability of the heads of the Water & Sanitation Business Unit and the Electricity & Energy Business Units and ensures the Business Units are adequately resourced with all requisite internal capabilities to discharge their mandate across all operational and support value chains, as per M3 (**SPoMA Organisational Structure**).
17. The Council **approves** and ensures that by June 2026 BCMM will have finalised delegations which give effect to and support the mandate, responsibility and accountability of the heads of the Water & Sanitation Business Unit and the Electricity & Energy Business Units for all operational and supporting value chains as per M4 (**SPoMA Delegations**).
18. The Council **approves** and ensures that by June 2026 BCMM will have developed a multi-year utility financial model (i.e. reflecting utility characteristics and requirements) and use this to prioritise and generate a Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (**Financial Model and Business & Investment Plan**).
19. The Council **approves** and ensures that by June 2026 the BCMM overall municipal budget for the 2026/2027 MTREF accommodates, supports and funds the business and investment plans of its trading services, to the maximum extent possible, as set out in M6 (**Budget support of Trading Service Business & Investment Plan**).

20. The Council **approves** and ensures that by June 2026 BCMM will be able to provide full separate AFS per trading service (per specimen template provided in an MFMA circular of July 2024) for the 2026/27 financial year and thereafter, and the flows and balances statement, as set out in M7 (**Financial Transparency**).
21. The Council **and** ensures that by June 2026 BCMM will have in place effective:
- i. Additional capacity to support and manage the planned organisational change; and
 - ii. Additional capacity to support the planned increase in trading services capex,
- As set out in M8 (**Support for the management of organisational change and increased delivery**).
22. The Council of Buffalo City Metropolitan Municipality **notes** that the minimum commitments must be maintained throughout the life of the programme, and that any dismantling of these commitments will preclude further participation in the performance-based incentive grant programme of the Urban Settlements Development Grant.
23. The Council of Buffalo City Metropolitan Municipality further **notes** that overall municipal audit performance is also an essential prerequisite for participation in the programme, **and that an adverse or disclaimed Auditor General audit opinion will preclude further participation by the BCMM in the incentive grant programme until a satisfactory audit result is achieved.**



P. FAKU
EXECUTIVE MAYOR
BUFFALO CITY METROPOLITAN MUNICIPALITY