

- [d] That Council approves the submission of the adopted Integrated Development Plan (IDP) 2026/2027 to the Member of the Executive Council (MEC) responsible for Local Government in the Western Cape Province for consideration, comments, and compliance assessment in accordance with the applicable legislative and regulatory requirements governing Integrated Development Planning.

The Democratic Alliance requested that their vote against the above resolution, be recorded.

File Number:: 15/2/6/1/3

Execution: Acting Manager IDP/IGR/PMS

SC04/05/26 APPROVAL OF ANNUAL BUDGET 2026/2027-2028/2029

The Executive Mayor presented his Budget Speech.

RESOLVED BY MAJORITY

- [a] That Council approve of the draft 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) Report.
- [b] That Council approve of the draft revenue budget of R 1,569 638 647 for the 2026/2027 financial year as set out in **Table 2** of the MTREF Report.
- [c] That Council approve of the draft operating expenditure budget of R 1,527,565,263 for the 2026/2027 financial year as set out in **Table 3** of the MTREF Report
- [d] That Council approve of the draft budget surplus of R42,103,384 for the 2026/2027 financial year as set out in **Table 4** of the MTREF Report.
- [e] That Council approve of the draft capital expenditure budget of R 249,309,631 for the 2026/2027 financial year as set out in **Table 5** of the MTREF Report.
- [f] That Council approve of the Draft capital expenditure budget funding sources of R 249,309,631 for the 2026/2027 financial year as set out in **Table 6** of the MTREF Report.
- [g] That Council approve the borrowings of R 99,439,520 million for the approved projects in the 2026-2027 financial period based on the positive liquidity position of the draft annual financial statements for the year end 30 June 2026.
- [h] That Council approve the borrowings of R 45,820,000 million for their approved projects in the 2027-2028 financial period.
- [i] That Council approve the borrowings of R 35,904,500 million for their approved projects in the 2028-2029 financial period.
- [j] That Council note the following revenue increases for the main five revenue sources with effect from 1 July 2026 –

Main Service Increase	2025-2026	2026-2027
Rates	4.40%	5.00%
Water	4.60%	12.00%
Waste Water	70% of Water	12.00%
Electricity	13.00%	11.50%
Refuse	20.00%	25.00%
All Other CPI Increase	4.40%	3.70%

- [k] That Council take note of the Draft Annual Budget of Knysna Municipality for the 2026/2027 financial year as well as the indicative budgets for the two outer financial years, as presented in the new mSCOA version 7.1 Schedules A1 to A10 and Supporting Schedules SA1 to SA38, attached as **Annexure A**.
- [l] That Council approve revenue increases for property rates, service charges and other fees contained in the Tariff Book, attached as **Annexure B**
- [m] That Council takes note of the draft Line-Item Capital Budget per Directorate and funding source. **Annexure C**.
- [n] That Council takes note of the draft Line Item Operating Budget per Directorate. **Annexure D**.
- [o] That Council takes note of the proposed total cost-to-municipality expenses for the salary, contained in **Tabled 5.5.1** of the 2026/2027 MTREF Budget Report.
- [p] That Council takes note of the draft Directorate budget performance provided in **Table 4.1-4.8** of the report.
- [q] That Council approve the following budget-related policies of Knysna Municipality for the 2025/2026 financial year, attached as **Annexure F**:

SPECIAL COUNCIL MEETING
MINUTES
29 MAY 2026

Part -2 of MBRR Requirements REVIEW OF BUDGET POLICIES				
NUMBER	POLICIES	ACT	ADOPTED	RESPONSIBLE
(a)	Tariffs policy	As per Section 74 of the Municipal Systems Act		Manager Income
(b)	Rates policy	As per section 3 of the Municipal Property Rates Act		Manager Income
(c)	Customer Care, Credit control, Debt collection, Indigent and Temparing policy	Section 96 of the Municipal System Act		Manager Income
(d)	Cash management and investment policy	Section 13 (2) of the Act		Manager Financial Statement, compliance and reporting
(e)	Borrowing policy	Chapter 6 of the Act		Manager Financial Statement, compliance and reporting
(f)	Funding and reserves policy	Regulation 8		Manager Financial Statement, compliance and reporting
(g)	Long-term financial policy			Senior Manager Financial Management Services
(h)	Supply chain management policy	Section 111 of the Act		Manager Supply Chain Management
(i)	Disposal of assets policy			Manager Financial Statement, compliance and reporting
(j)	Infrastructure investment and capital projects policy		NO POLICY YET	Director Technical Services
(i)	Policy governing the planning and approval of capital projects		NO POLICY YET	Senior Manager Financial Management Services
(ii)	Developer contributions for property development policy		NO POLICY YET	Director Technical Services
(k)	Petty cash policy			Manager Expenditure
(l)	Free basic services policy		NO POLICY YET	Manager Income
(m)	(i) Shifting of funds policy (Virement policy)			Manager Budget and Reporting
	(ii) Introduction of adjustment budgets policy Part of the Budget policy)			Manager Budget and Reporting
	(ii) Unforeseen and unavoidable expenditure policy	S29 of the MFMA what happens in the case of Emergency		Manager Budget and Reporting
	(iii) Management and oversight policy		NO POLICY YET	Manager Administration
(n)	Managing electricity and water policy		NO POLICY YET	Manager Income
	(i) Management of of losses policy		NO POLICY YET	Manager Income
	(ii) Policy to promote conservation and efficiency	Environmental Management	NO POLICY YET	Environmental Manager
(o)	Policies relating to personnel including policies on overtime,			Manager Human resources
	Insurance Management Policy			Manager Assets and Liabilities
	Cost Constraint Policy			Manager SCM
	Inventory Management Policy			Manager SCM
	Special Rating Area Policy			Manager Income
	vacancies and temporary staff			Manager Human resources
(p)	Ward Allocation Policy			Administration manager

- [r] That Council note the draft Service Level Standards **Annexure G**.
- [s] That Council note the Cost reflective tariff performed on the NT Tool for all services that reflects under recovery on all services **Annexure H**.
- [t] That Council note the latest 2026 updated Long Term Financial Plan **Annexure J**
- [u] That Council approve the final Procurement Plan **Annexure K**
- [v] That Council note the latest update of the mSCOA road map submitted to National Treasury **Annexure L**
- [w] That Council note the Budget Comments (Annexure **M**)
- [x] That Council note the Waste Management Action Plan (Annexure **N**)
- [y] That Council note the Electricity Cost of Study Supply (**Annexure O**)
- [z] That Council note the Water Cost of Study Supply (**Annexure P**)
- [aa] That Council note the Sewer Cost of Study Supply (**Annexure Q**)
- [ab] That Council note the Refuse Cost of Study Supply (**Annexure R**)
- [ac] That Council approve the re-alignment of the budget for the implementation of following projects:

Final projects adjustments Projects	2026-2027 Final Budget	Adjustments	2026-2027 Final Revised Budget	Ward
Mayoral Projects	500,000	500,000	1,000,000	All
Housing Rectification	175,000	75,000	250,000	Ward 2
Housing Rectification	175,000	75,000	250,000	Ward 1
Housing Rectification	175,000	75,000	250,000	Ward 3
Housing Rectification	175,000	75,000	250,000	Ward 4
Housing Rectification	175,000	75,000	250,000	Ward 5
Housing Rectification	175,000	75,000	250,000	Ward 6
Housing Rectification	175,000	75,000	250,000	Ward 7
Housing Rectification	175,000	75,000	250,000	Ward 8
Housing Rectification	175,000	75,000	250,000	Ward 11
EPWP	-	1,000,000	1,000,000	All
Office Accommodation	18,146,903	- 2,175,000	15,971,903	Administration
TOTAL	20,221,903	-	20,221,903	

- [ad] That Council approve reduction of 0.05% budget allocation in various line items summarized below to fund senior positions within Infrastructure Services :

Category	Reduced	Increased
Expenditure / Contracted Services	- 2761 284	-

SPECIAL COUNCIL MEETING
MINUTES
29 MAY 2026

Expenditure / Employee related costs Overtime; Stand-by and other allowance	- 1159 905	-
Expenditure / Inventory consumed	- 648 548	-
Expenditure / Operational Cost and Other Cost	- 686 434	-
Expenditure / Employee related costs Appointment of Senior posts within Infrastructure Services	-	5 256 171
	- 5 256 171	5 256 171