

8.4.1	APPROVAL OF DEBT AGREEMENT
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

14 June 2023 & 27 June 2023

1. SUBJECT: APPROVAL OF DEBT AGREEMENT**2. PURPOSE**

To obtain Council's approval for the raising of an external loan in terms of Section 46 (2) of the Municipal Finance Management Act (Act No 56 of 2003).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

During May 2023 an advertisement was placed inviting interested parties to make submissions regarding the financing of the proposed loan of R69 244 294 million. Submissions were received from 5 authorised financial institutions:

- (a) Development Bank of Southern Africa (DBSA);
- (b) ABSA Bank;
- (c) Nedbank;
- (d) Standard Bank ; and
- (e) First National Bank (FNB)

After due process, in terms of the municipality's approved Supply Chain Policy, the offer of *Nedbank for the term of 10 years*, was adjudicated by the Bid Adjudication Committee and approved by the Municipal Manager as being the most favorable for Council.

Council noted and considered the comments from National and Provincial Treasure (**APPENDIX 3**)

SPECIAL COUNCIL MEETING: 2023-06-27: ITEM 8.4.1**RESOLVED** (majority vote)

- (a) that Council approves the debt agreement as stipulated in **APPENDIX 1**, and
- (b) that the Municipal Manager be mandated to enter into a loan agreement with Nedbank.

The following Councillors requested that their votes of dissent be minuted:

Cllrs M Danana; RB Hendrikse; E Masimini; NM Mkhontwana; RS Nalumango; NR Ndalasi; M Nkopane; C Noble; N Ntsunguzi; M Rataza and A Tomose.

FOR FURTHER DETAILS CONTACT:

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