



Munisipaliteit  
Municipality  
Umasipala

**MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD IN THE COMMITTEE ROOM, CORPORATE SERVICES ON TUESDAY, 16 MARCH 2010 AT 11:00**

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**PRESENT:**

Executive Mayor, ald T van Essen (chairman)

Members of the Mayor's Committee:

Deputy Executive Mayor, clr M S I Goliath

Clr J H Cleophas

Clr R J du Plooy

Other councillors:

Speaker, ald A Johnson

Clr A J Atkins

Ald N J A Rust

Clr W Wilskut

Officilas:

The Municipal Manager, mr J J Scholtz

Director: Corporate Services, ms M S Terblanche

Director: Financial Services, mr K C Cooper

Director: Development Services, mr J T Steenkamp

Director: Civil Engineering Services, mr A J Botha

Director: Electrical Engineering Services, mr R du Toit

Head: Municipal Police Service, mr M J Green

Administrative Official: Secretarial and Records, ms N Brand

**1. OPENING**

Ald A Johnson opened the meeting with a prayer at the request of the chairman.

**2. APOLOGIES**

None

**3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS**

None

**4. MINUTES FOR APPROVAL**

**4.1 MINUTES OF AN ORDINARY EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 17 FEBRUARY 2010**

**RESOLUTION**

That the minutes of an Ordinary Executive Mayor's Committee held on 17 February 2010 are approved and signed by the Mayor.

**4.2 MINUTES OF A SPECIAL EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 22 FEBRUARY 2010**

RESOLUTION/...

4.2/...

**RESOLUTION**

That the minutes of an Ordinary Executive Mayor's Committee held on 22 February 2010 are approved and signed by the Mayor.

**4.3 MINUTES OF A PORTFOLIOS COMMITTEE MEETING HELD ON 10 MARCH 2010**

*[Corrections held over at the prerogative of the various committees.]*

**5. CONSIDERATION OF RECOMMENDATIONS AND MATTERS ARISING FROM THE MINUTES****5.1 MINUTES OF A PORTFOLIO COMMITTEE MEETING HELD ON 10 MARCH 2010****5.1.1 ADMINISTRATION AND FINANCES****RESOLUTION**

That the Executive Mayor approves the recommendations in the relevant minutes.

**5.1.2 CIVIL AND ELECTRICAL SERVICES****RESOLUTION**

That the Executive Mayor approves the recommendations in the relevant minutes

**5.1.3 DEVELOPMENT SERVICES AND SAFETY AND SECURITY SERVICES****RESOLUTION**

That the Executive Mayor approves the recommendations in the relevant minutes  
Subject to the following correction- –

**ITEM 6.3: INSTALLATION OF PARKING METER SYSTEM IN SWARTLAND (17/6/R)**

[substitution for paragraph (a)]

That approval in principle is given for the investigation of the installation of a parking meter system in the Swartland.

**6. MATTERS ARISING FROM THE MINUTES****6.1 MINUTES OF AN EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 17 FEBRUARY 2010****6.1.1 ITEM 7.7: PURCHASE OF A PORTION OF ERF 123, YZERFONTEIN (12/2/1-14/1) (WARD 5)**

The value of erf 123, Yzerfontein was incorrectly indicated in the report dated 15 February 2010 as R390 000,00 instead of R690 000,00 which means an amendment to the purchase price as follows -

**RESOLUTION**

That the relevant portion of erf 123, 46m<sup>2</sup> in extent valued at R706,96/m<sup>2</sup>, in other words at R33 934,08 in total is purchased and that Swartland Municipality will register the relevant portion in their name in the deeds office after signing the purchase agreement and that all relevant costs will be to the account of Swartland Municipality.

6.1.2/...

**6.1.2 ITEM 7.12: WRITE-OFF OF BAD DEBT: ORDINARY DEBTS, DECEMBER 2009 (5/7/1/1)**

**RESOLUTION**

That note is taken that the real amount for write-off with respect to ordinary debtors for December 2009 amounts to R173 400,90.

**6.1.3 ITEM 7.13: WRITE-OFF OF BAD DEBT: DESTITUTE HOUSEHOLDS, DECEMBER 2009 (5/7/1/1)**

**RESOLUTION**

That note is taken that the real amount for write-off with respect to destitute households for December 2009 amounts to R249 577,31.

**7. NEW MATTERS**

**7.1 SALGA: NEEDS DETERMINATION BY MEMBERS, AREAS OF PRIORITY (4/9/4/B)**

A letter has been received from SALGA National in which municipalities are requested to list the three highest priorities on which SALGA should focus their attention during the coming financial year.

**RESOLUTION**

That the contents of the report are noted and that the following list of priorities is sent to SALGA:

- (a) finalisation of TASK post evaluation system;
- (b) finalisation of unfunded mandates because these have a negative impact on service delivery with the focus on CORE functions;
- (c) Unaffordable personnel costs.

**7.2 APPLICATION FOR LEAVE: MUNICIPAL MANAGER (4/5/2)**

The Executive Mayor has the authority to approve leave taken by the Municipal Manager.

**RESOLUTION**

- (a) That the Executive Mayor approves the application for leave for 5 March 2010;
- (b) That leave for the following dates is approved:
  - 19 and 23 March 2010
  - 6 April 2010
  - 14, 15, 17 and 18 June 2010;
- (c) That note is taken that an acting Municipal Manager will be appointed by the Municipal Manager, namely one of the Directors, depending on the latter's availability.

**7.3 MINUTES OF TENDER AWARD COMMITTEE MEETING (11/1/3/1/6)**

The relevant minutes were circulated with the agenda and it is thus –

**RESOLVED**

That the contents of the minutes of the Tender Award Committee meetings held on 12 February and 9 March 2010 respectively are noted.

**7.4 OFFICE ACCOMMODATION: MOORREESBURG SPORT FORUM (12/1/7)**

The Moorreesburg Sport Forum has approached the Municipality to make office accommodation available to them for administrative purposes.

#### **RESOLUTION**

- (a) That the old Tourism office in Moorreesburg or alternatively other vacant offices in the municipal offices are leased to the Moorreesburg Sport Forum for a renewable period of one year;
- (b) That rental is fixed at R10,00 plus VAT per month which includes water and electricity;
- (c) That a telephone and fax line with restricted expenses, as per that applicable to trade unions, will be made available;
- (d) That Moorreesburg Sport Forum must provide their own photocopy machine at their own cost, if it is needed.

#### **7.5 OUTSTANDING DEBTS: FEBRUARY 2010 (5/7/1/1)**

A complete report with respect to the outstanding debts was circulated with the agenda.

#### **RESOLUTION**

That note is taken of the report with respect to outstanding debts for the period ending February 2010.

#### **7.6 OUTSTANDING INSURANCE CLAIMS (5/14/3/5)**

In accordance with article 10(6) of the Asset Management Policy all outstanding insurance claims must be reported monthly.

#### **RESOLUTION**

That the list of outstanding insurance claims circulated with the agenda is noted.

#### **7.7 DUMPING OF OBSOLETE STOCK (6/1/3)**

The prepaid water meters, which were initially purchased to provide more favourable water accounts for users did not meet with all the operational requirements and were therefore removed.

The water meters made of copper can still be used and have been installed with success within the municipal area and only the outer plastic cover is useless.

The plastic covers were put out for tender, as well as offered on public auction and no interest was shown.

#### **RESOLUTION**

That note is taken that the plastic covers of the prepaid type water meters could not be sold by means of tender nor on public auction and it is therefore approved that the latter are dumped at the local refuse dump.

#### **7.8 BUILDING PLAN APPLICATION: ERF 1033, RIEBEEK WEST (15/4/2-3) (WARD 3)**

A building plan application has been received for the erection of a lean-to on erf 1033 situated in Kuiler Circle, Riebeeck West which exceeds the 4m street building line to  $\pm 1,8$ m.

Resolution/...

7.8/...

**RESOLUTION**

That the application to depart from the 4m street building line to  $\pm 1,8\text{m}$  on erf 1033, Riebeek West is approved in accordance with article 15(1)(b) of Ordinance 15 of 1985, in order to legalise the renovations as per the building plan.

**7.9 REPORT WITH RESPECT TO BLUE FLAG BEACH, YZERFONTEIN: DEC 09/JAN 2010 (9/1/3/2) (WARD 5)**

Full Blue Flag Status was awarded to the main beach at Yzerfontein from 11 December 2009 to 14 January 2010. Various shortcomings were identified in the report which must be addressed in order to again be considered for full status.

**RESOLUTION**

That note is taken of the shortcomings identified during the period of Blue Flag Status on main beach Yzerfontein and what must be addressed for the next application for full status, but it can be deduced from the number of visitors that the season was a great success.

**7.10 PROPOSED LEASE OF MUNICIPAL LAND IN DARLING (12/2/R) (WARDS 4 AND 5)**

The Raiël Group operates a distribution centre from an industrial building situated on erf 3743 (portion of erf 1268), Darling and applied in 2009 to lease a portion of municipal land adjoining the northern boundary of their premises in order to ensure greater security.

After the public participation process the Council decided on 16 September 2009 that in the light of the objections received and the latter's refusal to pay a market related rental, the land would not be leased.

A second letter was received from the Raiël Group requesting reconsideration of the leasing of a portion of municipal land for security reasons.

**RESOLUTION**

That the resolution of 16 September 2009 is confirmed, namely that in the light of the objections received and the latter's refusal to pay a market related rental, the lease of a portion of municipal land adjoining erf 3743, Darling to the Raiël Group is not approved.

**7.11 FEASIBILITY OF EMC RESOLUTION WITH RESPECT TO REZONING OF ERF 330 (NOW ERF 2023) YZERFONTEIN (15/3/3-14) (WARD 5)**

With the imposition of certain conditions during approval of the rezoning of erf 330 (now erf 2023), Yzerfontein certain conditions were referred to the Director: Civil Engineering Services for finalisation.

A meeting took place on 14 December 2009 between the role players in order to discuss the upgrading of Buitenkant Street/Main Road intersection, as well as the upgrading of Buitenkant Street to a double lane road in both directions.

The Director: Civil Engineering Services explained both the short term and long term solutions in the report and stated that pursuance of the development could not be subject to the achievement of the long term solutions.

**RESOLUTION**

(a) That R360 000,00 is levied on the developer of erf 2023 Yzerfontein as a contribution to the traffic circle which is accepted as the permanent solution to the Buitenkant Street/Main Road intersection;

(b)/...

7.11/...

- (b) That conditions (b), (c) and (d) of the EMC decision of 9 December 2009 can only be carried out after a growth model, together with cost estimates, is drawn up with respect to services such as sewerage, water, roads, storm water and electricity;
- (c) That approval of the rezoning of erf 2023 Yzerfontein cannot be subject to finalisation of condition (b) above, but that a full report will be presented in this respect.

## **7.12 KEEPING OF WILD ANIMALS ON PORTION 39 OF FARM JACOBUSKRAAL, YZERFONTEIN (13/4/3/1) (WARD 5)**

An application has been received from the owner of Farm 554, portion 39 (Jacobuskraal), Yzerfontein to keep wild animals including 4 lions, 2 tigers and 4 leopards.

### **RESOLUTION**

That the application to keep wild animals (4 lions, 2 tigers and 4 leopards) on Farm Jacobuskraal no. 329/18, Yzerfontein is approved in accordance with the Standing Regulation with respect to the Keeping of Animals, No. 603 of 1998 and the Municipal Health Regulation of the West Coast District Municipality, subject to the following conditions:

#### **A1 TOWN PLANNING**

- (a) that the building plans for all structures are submitted to the Director: Development Services for consideration;
- (b) that all proposed structures comply with the 30m boundary building lines;

#### **A2 CONDITIONS WITH RESPECT TO STANDING REGULATIONS**

- (a) that the number, type and sex of the animals is indicated on the plan;
- (b) that every part of the building is maintained and painted as often as prescribed by the local authority;
- (c) that all the dung from the animals is stored in a manner approved by the local authority and removed regularly in order to prevent it from becoming a nuisance;
- (d) that all feed is stored in a place inaccessible to rodents;
- (c) that the property is at all times maintained such that it does not attract or become a hiding place for rodents;
- (d) that all the animals are kept under suitable conditions at all times;

#### **A3 CAPE NATURE CONSERVATION**

- (a) that a licence application is submitted to Cape Nature Conservation in terms of the Protection of Performing Animals Act, Act 24 of 1935;
- (b) that the breeding of beasts of prey is forbidden in this facility and that proof of date of sterilisation is submitted when the animals are brought in and/or a letter submitted by the vet that the intention is to sterilise the animals as soon as possible and the date of the proposed sterilisation must be indicated;
- (c) that any physical contact with the animals by visitors or any other member of the public is forbidden and that a written undertaking is submitted to Cape Nature Conservation acknowledging this ruling before the animals are established there;
- (d) that special care and attention is given to the fencing of the facility;

7.12/...

- (e) that an official application for the import, transport and keeping of wild animals in captivity must still be issued and that final approval for the above mentioned can only be considered when a formal application for a permit is received;
- (e) that proof of application for membership of PAAZAB must be submitted and that membership of PAAZAB will be a condition for approval of the permit.

### **7.13 DEPARTURE ON ERF 3011, MALMESBURY (15/3/4-15) (WARD 8)**

A building plan application has been received from *Pioneer Foods (Pty) Ltd*, the owner of erf 3011, situated in Bokomo Street, Malmesbury to erect lean-to's over the existing loading bays.

#### **RESOLUTION**

That the departure on erf 3011, Malmesbury from the 5m street building line to 0m as indicated on the building plan marked "B1" to "B3" is approved in accordance with article 15(1)(b) of Ordinance 15 of 1985.

### **7.14 PROPOSED SUBDIVISION AND REZONING OF ERF 372, MALMESBURY & PROPOSED CONSOLIDATION, REZONING AND DEPARTURE ON ERF 10606 AND A PORTION OF ERF 372, MALMESBURY (15/3/3-8, 15/3/3-8, 15/3/4-8, 15/3/6-8) (WARD 8)**

The application was submitted to the Council in 2009 and was held over due to the possible realignment of the so-called river road and the impractical layout of the parking.

An application has again been received for –

- (A) the subdivision of erf 372 (1983m<sup>2</sup> in extent) situated in Piet Retief Street, Malmesbury into restant (±1027m<sup>2</sup>) and portion A (±956m<sup>2</sup>) and the rezoning of the restant portion (±1027m<sup>2</sup>) of erf 372 from single residential zone to business zone in order to use the existing building for office purposes;
- (B) that consolidation of portion A (±956m<sup>2</sup>) with erf 10606 (2222m<sup>2</sup>) and the rezoning thereof from single residential zone to sub-divisible zone in order to establish the following land usage:
  - 11 townhouse plots (±155m<sup>2</sup> to ±300m<sup>2</sup>)
  - private road (±1060m<sup>2</sup>)
  - private open space (±21m<sup>2</sup>)
  - 1 service plot (±29m<sup>2</sup>);
- (C) the departure from the zoning scheme regulations applicable to Malmesbury for relaxing the 3m back building line to ±1,5m on portions 3 to 11, as well as the 3m side building line of portion 10 to 0m.

#### **RESOLUTION**

#### **A PROPOSED SUBDIVISION AND REZONING OF ERF 372, MALMESBURY**

That the application for the subdivision of erf 372 (1983m<sup>2</sup>) situated in Piet Retief Street, Malmesbury into restant (±1027m<sup>2</sup>) and portion A (±956m<sup>2</sup>) is approved, subject to the following conditions:

##### **A1 WATER**

- (a) that the subdivided portions are provided with a separate water connection – this condition is applicable at building plan stage;

##### **A2 SEWERAGE**

- (a) that the subdivided portions are provided with a separate sewerage connection – this condition is applicable at subdivision stage;

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**A3 ROADS AND STORM WATER**

- (a) that the parking area is built to standard with a permanent dust free surface of tar, concrete, paving or any other material approved by the Swartland Municipality;
- (b) that the storm water runoff from the parking area is channelled to the nearest available municipal collection point;
- (c) that the storm water from the restant is channelled in a formal way through the lower lying erf – this condition is applicable at subdivision stage;
- (d) that portion A of erf 372 is consolidated with erf 10606 in order to provide access to the subdivided portion A;

**A4 ELECTRICITY**

- (a) that erf 372 already has an electricity connection and if it must be upgraded it is to the account of the owner/developer;
- (b) that if the connection is not enlarged the subdivision can be effected with the understanding that the user's electricity will be transferred from domestic to business tariff;

**A5 REFUSE SERVICES**

- (a) that the basic refuse removal tariff is levied on each business and that the tariff is in accordance with the amount of refuse to be removed;
- (b) that the refuse is placed in black plastic bags on the nearest municipal pavement on the morning of refuse removal;

That the application for rezoning of the restant portion ( $\pm 1027\text{m}^2$ ) of erf 372 ( $1983\text{m}^2$  in extent) situated in Piet Retief Street, Malmesbury from single residential zone to business zone in order to use the existing residence and outbuildings for business purposes is approved subject to the following conditions:

**A6 BUILDING MANAGEMENT AND TOWN PLANNING**

- (a) that 9 on site parking bays are provided;
- (b) that the development complies with the new zoning scheme regulations;
- (c) that portion A of erf 372 is consolidated with erf 10606, Malmesbury;
- (d) that the necessary building plan application is submitted to the Director: Development Services for consideration before any building work commences;

**B PROPOSED CONSOLIDATION, REZONING AND DEPARTURE ON ERF 10606 AND A PORTION OF ERF 372, MALMESBURY**

That the application for rezoning as well as subdivision of consolidated erf 10606 ( $2222\text{m}^2$ ) and portion A ( $\pm 956\text{m}^2$ ) of erf 372, Malmesbury from single residential zone to sub-divisible zone is approved in accordance with articles 16 and 25 of Ordinance 15 of 1985, subject to the following conditions and in order to establish the following land use:

- 11 townhouse plots ( $\pm 155\text{m}^2$  to  $\pm 300\text{m}^2$ )
- private road ( $\pm 1060\text{m}^2$ )
- private open space ( $\pm 21\text{m}^2$ )
- 1 service plot ( $\pm 29\text{m}^2$ );

**B1 TOWN PLANNING AND BUILDING MANAGEMENT**

- (a) that the owner/developer establishes a Home Owners Association in accordance with article 29 of Ordinance 15 of 1985 with a constitution that:

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- (i) has as its objective the management and maintenance of buildings, services and facilities which arise from the rezoning application;
  - (ii) makes provision that the owners of the units arising from the relevant rezoning, as members, are jointly responsible for the expenses of the association;
  - (iii) makes provision for a building handbook which addresses the design and architecture of the group housing project;
  - (iv) that is approved by the Council in order to ensure that the conditions of sub-paragraphs (i), (ii) and (iii) are complied with.
- (b) that the necessary building plans are submitted to the Director: Development Services for consideration;
  - (c) that at least 22 on-site parking bays are provided;
  - (d) that portion A ( $\pm 956\text{m}^2$ ) of erf 372 is consolidated with erf 10606;
  - (e) that the internal road is transferred to the Home Owners Association at the same time as the transfer of the first subdivided portion;

**B2 WATER**

- (a) that Consulting Engineers are appointed to calculate the water needs, model and analyse them in terms of the existing water network;
- (b) that the firm makes a recommendation with respect to the existing network's capacity to accommodate the proposed development and makes recommendations with respect to the means by which it can be accommodated;
- (c) that the firm determines where the water connection is placed to ensure optimal utilisation of the existing network;

**B3 SEWERAGE**

- (a) that Consulting Engineers are appointed to calculate the sewerage output, and to model and analyse it in terms of the existing network;
- (b) that the firm makes recommendations with respect to the existing network's capacity to accommodate the proposed development and also to make recommendations regarding ways in which it can be accommodated;
- (c) that the company determines where the connection must be made in order to make optimum use of the existing network;

**B4 ROADS AND STORM WATER**

- (a) that all storm water from the development is channelled underground to the nearest available municipal collection point;
- (b) that provision is made that the runoff from the development does not overload the existing system;
- (c) that the owner/developer provides the proposed development with an underground system which can accommodate a 1:5 year flood;
- (d) that the developer of the proposed development provides an above ground escape route to accommodate a 1:50 year flood;
- (e) that the internal road and parking areas within the development are provided with a permanent dust free surface of either tar, concrete, paving or any other material approved by the Swartland Municipality;

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- (f) that the portion of the road at the entrance to the development from Piet Retief Street is upgraded to a standard bitumised surface 5,5m wide with curb stones;

**B5 ELECTRICITY**

- (a) that each subdivided portion is provided with a separate electricity connection to the account of the owner/developer;
- (b) that the costs involved in any moving of electricity cables on the subdivided portion will be to the account of the owner/developer;
- (c) that the current carrying capacity of the existing low voltage network from Loedolf Street mini substation is increased to the existing distribution box in Piet Retief Street;
- (d) that a new low voltage, street light and property connection network is created from an existing distribution box in Piet Retief Street for the provision of electricity connections to portions 1 to 11;
- (e) that the planning of a new internal low voltage, street lighting and service connection networks is submitted to the Director: Electrical Engineering Services for approval before any work commences;
- (f) that all electrical geysers are supplied with an approved isolation switch;

**B6 REFUSE REMOVAL**

- (a) that the basic refuse removal tariff is levied on each residential unit;
- (b) that the refuse is placed in black bags on the nearest municipal pavement on the morning of refuse collection;

**B7 CAPITAL CONTRIBUTIONS**

- (a) that the owner/developer takes note of the capital contribution for the provision of bulk water which is determined by the West Coast District Municipality at R7 716,66 (VAT inclusive) per kiloliter daily average demand (R7 716,66/kl AADD) for each newly created unit (a total of 11 units). This capital contribution (total of R84 883,26) is payable to the Swartland Municipality at proclamation stage. The amount is valid for the 2009/2010 financial year and may be revised in future and is payable to budget item no. 50-80-75-72-7990;
- (b) that the fixed capital contribution with respect to bulk water services amounting to R7 277,00 per newly created unit (a total of R80 047,00) is due to this municipality at proclamation stage. The amount is payable to budget item no. 77-92-86-00-6200 and is valid for the 2009/2010 financial year and may be revised in future.
- (c) that the fixed capital contribution with respect to bulk sewerage services amounting to R3 600,00 per newly created unit (a total of R39 600,00) is payable to this municipality at proclamation stage. The amount is payable to budget item no. 59-76-86-00-6200 and is valid for the 2009/2010 financial year and may be revised in future.
- (d) that the fixed capital contribution with respect to roads and storm water amounting to R5 363,00 per newly created unit (a total of R58 993,00) is due to this municipality at proclamation stage. The amount is payable to budget item no 71-82-86-00-6200 and is valid for the 2009/2010 financial year and may be revised in future.

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- (e) that the fixed capital contribution with respect to electricity amounting to R4 321,00 per newly created unit (a total of R47 531,00) is payable to this municipality at proclamation stage. The amount is payable to budget item no. 83-34-86-00-6200 and is valid for the 2009/2010 financial year and may be revised in future. The above does not include the real capital cost to upgrade the existing network or installing a new internal network

**B8 GENERAL**

- (a) that if it is necessary to upgrade any existing services in order to provide the development with service connections the costs involved will be to the account of the owner/developer;
- (b) that the developer appoints a consulting civil engineer, professionally registered in terms of Act 46 of 2000, to design the civil services;
- (c) that the design is submitted to the Director: Civil Engineering Services for approval before construction commences;
- (d) that the construction work is carried out by a private contractor;
- (e) that the services are constructed under the supervision of the consulting engineer;
- (f) that the engineer certifies the work before proclamation will be considered;
- (g) that the standard of the services is agreed with of the civil division;
- (h) that the objector is advised of his right to appeal by registered post;

C That the application for departure from the Zoning Scheme Regulations applicable to Malmesbury for relaxing the 3m back building line to  $\pm 1,5$ m on portions 3-11, as well as the 3m side building line to 0m on portion 10 is approved.

**7.15 OFFER TO REPURCHASE ERF 10368 MALMESBURY (12/2/5/4-8/16) (WARD 8)**

The relevant erf was offered on a pre-launch basis to first time home buyers on Saturday, 24 March 2007.

The transfer of erf 10368 was registered in favour of E J & L Carcia in the deeds office on 24 June 2008, but the latter now wishes to sell the property back to the Municipality in accordance with the purchase conditions.

**RESOLUTION**

That the offer from E J & L Garcia to sell erf 10368 Malmesbury back is turned down in light of the present economic climate, the already unfavourable property market and the number of erwen in the relevant extension available from the Council.

**7.16 APPROVAL OF THE DRAFT 2010/2011 IDP YEAR PLAN (2/1/4/4/1)**

The 3<sup>rd</sup> revision of the IDP which was approved by the Council in May 2007, in terms of article 34(a) of the Municipal Systems Act, Act 32 of 2000, was drawn up as the 2010/2011 IDP year plan and circulated with the agenda.

**RESOLUTION**

That the 2010/2011 IDP Year plan as well as the ward plans for the various wards were considered and referred to the Council for approval as draft plans, after which a further consultation and refining process will take place during April and May 2010.

**7.17 APPROVAL OF THE DRAFT MULTI YEAR CAPITAL AND OPERATING BUDGETS FOR 2010/2011, 2011/2012 AND 2012/2013 (5/1/1/1, 5/1/1/2)**

In order to comply with the relevant law, but specifically with the "90 day principle" in terms of article 16(2) of the MFMA the draft budget is submitted to the Executive Mayor's Committee for presentation by the Executive Mayor to the full Council on 25 March 2010.

**RESOLUTION**

- (a) That approval in principle is given to adopt the draft multi year capital and operating budgets, **with respect to the amounts and sources of finance:**

		<u>Historic:</u>	<u>Current:</u>
(1) Capital budget	: 2009/2010	R 56 128 000	R 0
Capital budget adjustment	: 2009/2010	R 66 263 950	R 0
Capital budget	: 2010/2011	R 55 024 500	R 83 603 200
Capital budget	: 2011/2012	R 54 570 500	R 95 547 000
Capital budget	: 2012/2013	R 0	R 80 753 400
(2) Operating budget	:		
Income	: 2009/2010	R 259 988 118	R
	: 2010/2011	R 296 057 526	R 346 357 468
	: 2011/2012	R 331 635 631	R 368 141 430
	: 2012/2013	R	R 415 943 360
Expenses	: 2009/2010	R 254 773 226	R 299 118 396
	: 2010/2011	R 286 622 241	R 318 033 580
	: 2011/2012	R 323 866 130	R 356 572 465
	: 2012/2013	R	R 407 753 005
Surplus i.t.o. GRAP	: 2009/2010	R 5 214 892	R 27 823 707
	: 2010/2011	R 9 435 285	R 21 430 693
	: 2011/2012	R 7 769 501	R 4 216 042
	: 2012/2013	R	R ( 170 974)

- (b) That the budgeted amounts are not finally approved pending the public meetings, but that an attempt is made not to depart from the proposed effect of a tariff hike on households;
- (c) That the committee notes the tariff increase in terms of electricity of 28,9% prescribed by NERSA. It is recommended that the Council increases the electricity tariff by 24%, with the exception of certain tariffs as per the attached. The Council must also note the anticipated increases of 24% for 2011/2012 and 24% for 2012/2013 over the following two financial years. The unforeseen increases over the previous financial year and the expected increases will definitely have a great impact on the debtors account and as a result debtors will not be able to pay their accounts. It is also recommended that the proposed electricity increases are presented to Council on 25 March 2010 for approval and also sent to NERSA for final approval. Also that NERSA is informed that users are no longer in a financial position to pay the unaffordable increases in electricity tariffs;
- (d) That the Draft Capital and Operating Budgets with respect to 2010/2011 financial year are approved **in principle**, in terms of articles 16 and 17 of the MFMA including -
- Taxation;
  - Tariffs;
  - Projection of cash flow (available at end May 2010);
  - Budget related policy documents:
    - (i) Credit management – (available May 2010)

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- (ii) Tariff Policy – (available May 2010)
- (iii) Property Rates and Taxes Policy – (available May 2010)
  - Details with respect to investments – (available May 2010)
  - Allowance and benefits for officials and personnel with specific reference to management team packages – (available May 2010);
- (e) That note is taken of the participation process with the community and the ward committee members on 13, 14, 15, 19 and 20 April 2010;
- (f) That the Director: Financial Services complies with the conditions of the Budget documentation with respect to reporting to Provincial and National Treasuries;
- (g) That the Council notes that the Operating Budget does not include figures in terms of fixed and operating capital contributions in order to put the Director: Financial Services in a position to calculate the tariffs with respect to service delivery;
- (h) That as a result of insufficient funds no provision can be made for the redemption shortfall with respect to overlapping of amortisation of loans from external banks and the lifetime of assets;
- (i) That the increase in personnel costs (13% for 2009/2010 and 9% for 2010/2011 and the anticipated increase of 10% for 2011/2012) as well as the implementation of TASK and overtime and contributions per Collective Agreement, which are prescribed by statute to the Council, and are becoming totally unaffordable and is bringing the Council to its knees;
- (j) That note is taken that unaffordable property rates and taxes and service accounts put added pressure on non-recoverable debt (outstanding debts) which again has a negative impact on cash flow which can result in the fact that creditors and salaries cannot be paid. This negative impact can impact negatively on service delivery and later cause it to come to a standstill;
- (k) That the EMC takes serious note of the budget deviations for the current as well as the following three financial years (2009/2010 – R 16 564 179; 2010/2011 – R 19 571 138; 2011/2012 – R 16 927 128; 2012/2013 – R 13 732 612) and that Management must be instructed to find a way to reduce the deviations before the Council meeting on 27 May 2010;
- (l) That Management is mandated to submit a financial recovery plan to the Council not later than August 2010 in an attempt to prevent financial ruin.

**(SGN) T VAN ESSEN  
EXECUTIVE MAYOR**