



MINUTES OF A SPECIAL MEETING OF THE SWARTLAND MUNICIPAL COUNCIL, HELD IN THE MALMESBURY BANQUETING HALL ON MONDAY, 31 JANUARY 2011 AT 11:00

PRESENT:

Speaker, ald A Johnson

Executive Mayor, ald T van Essen

Deputy Executive Mayor, clr M S I Goliath

Atkins, A J (DA)

Cleophas, J H (DA)

Du Plooy, R J (DA)

Loxton, J (DA)

Nqokoto, N E (ANC)

Rust, N J A (DA)

Sedeman, A C (OD)

Sneewe, A M (ANC)

Solomons, C W (ANC)

Stanley, B J (DA)

Stemele, O M (ANC)

Van der Westhuizen, R F (DA)

Van Wyk, J D (DA)

Wilskut, W (DA)

Officials:

Municipal Manager, mr J J Scholtz

Director: Safety and Security Services, mr P A C Humphreys

Director: Electrical Engineering Services, mr R du Toit

Director: Financial Services, mr K C Cooper

Director: Corporate Services, ms M S Terblanche

Director: Development Services, mr J T Steenkamp

Director: Civil Engineering Services, mr A J Botha

Manager: Secretarial and Records, ms N Brand

1. OPENING

Ds A du Plessis of the Nederduits Gereformeerde Kerk, Riebeeck Kasteel opened the meeting with a scripture reading and a prayer at the request of the Speaker.

2. APOLOGIES

Apologies received from clrs C Fortuin, B W Geel and E Schoor.

3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS BY OFFICE BEARERS/OFFICIALS

A special word of welcome was extended to ms M Joffee and mr V Langford representing the Office of the Auditor General, mr K Becker representing the External Audit Committee, as well as the media.

The Speaker congratulated councillors and officials who had celebrated birthdays in December and January.

4. MINUTES FOR APPROVAL

None

5. MATTERS FOR CONSIDERATION

5.1 REMUNERATION FOR COUNCILLORS: 2010/2011 FINANCIAL YEAR (5/10/1)

The increase in salaries, bonuses and allowances for councillors was promulgated on 10 December 2010 in the Government Gazette no. 33867.

5.1/...

The Municipal Manager - on enquiry from clr O M Stemele – explained that a special Council Meeting, with respect to the above, could not be arranged in time after completion of the consultation with the MEC and in order to meet the deadlines of the salary department to honour implementation by end of January 2011.

The matter was brought to the vote, and was –

UNANIMOUSLY DECIDED

(proposed by clr R J du Plooy, seconded by ald T van Essen)

- (a) That the 5% increase in councillors' allowances is approved as promulgated in the Government Gazette 33867 of 10 December 2010, backdated to 1 July 2010;
- (b) That note is taken that adequate provision has been made for the increase in the 2010/2011 budget;
- (c) That the above mentioned approval, including demonstration of the affordability thereof is submitted to the relevant MEC in order to abide by the consultation conditions;
- (d) That the Council takes note of the amendment of R40 000/year to R120 000/year for the allowance in terms of paragraph 8(1)(b) of the Income Tax Act, 1962 for the submission of claims made in the course of their duties as "Public Office Bearers", but that the MEC of Local Government is asked to take up the matter with the National Minister because the tax concession is categorised using the wrong code;
- (e) That with reference to paragraph (d) the Director: Financial Services is requested to illustrate the practical implications in a backup letter to the MEC.

5.2 PERMANENT APPOINTMENT OF DIRECTOR: CORPORATE SERVICES (MANAGER DIRECTLY ANSWERABLE TO THE MUNICIPAL MANAGER) (4/2/B)

[The Director: Corporate Services, ms M S Terblanche left the meeting for the duration of the discussion]

The Executive Mayor, ald T van Essen explained certain parts of the report in order to show that by law it is possible to amend the present, fixed term, appointment of the Director: Corporate Service to a permanent appointment.

Ald T van Essen stated that the success of the Swartland Municipality was not only thanks to a stable municipal council, but also to a stable management and personnel corps.

RESOLUTION

(proposed by ald T van Essen, seconded by clr M S I Goliath)

- (a) That note is taken that the Municipal Manager agrees with the change in the Director: Corporate Service's employment contract as explained in the report;
- (b) That the employment contract of the Director: Corporate Services is amended to a permanent appointment similar to those of the other five directors;
- (c) That the Municipal Manager is authorised to amend the employment contract of the Director: Corporate Services accordingly in order to achieve conformity amongst the Directors.

5.3 RESULT: ARTICLE 47 REPORT (2/4/2)

Article 47 of the Municipal Systems Act, Act 32 of 2000 stipulates that the MEC for Local Government must compile a consolidated report annually with respect to the performance of municipalities in the province.

The Municipal Manager presented extracts from the report to highlight to the Council the achievements of the Swartland Municipality.

RESOLUTION

That note is taken of the contents of the article 47 Notice published in terms of the Systems Act, in the Special Provincial Gazette, no. 6817 dated 8 December 2010

5.4 SUBMISSION OF ANNUAL REPORT: 2009/2010 FINANCIAL YEAR (7/1/11 MY)

A copy of the draft annual report for the 2009/2010 financial year was tabled in accordance with article 127 of the MFMA, and will be submitted for consideration in terms of articles 129 and 130 of the MFMA at a special council meeting on 31 March 2011– after it has been advertised for public comment.

RESOLUTION

(proposed by ald T van Essen, seconded by ald N J A Rust)

- (a) That note is taken of the annual report for the 2009/2010 financial year submitted in terms of article 127(2) of the MFMA;
- (b) That note is taken of the following steps which will be taken in terms of article 130 of the MFMA, namely -
 - (i) the publication of the annual report;
 - (ii) extend an invitation to the public to comment on it;
 - (iii) invite the public and the relevant state organisations to attend the special council meeting scheduled for 31 March 2011, during which the annual report and the summary report will be discussed;
 - (iv) submit the annual report to the Auditor General, Provincial Treasurer and the relevant provincial department responsible for local government;
- (c) That members of the Administration and Finance Committee, excluding members of the Executive Mayor's Committee, under the chairmanship of ald N J A Rust are appointed as the Review Committee, which - with the help of the external audit committee – will carry out a detailed analysis and review of the 2009/2010 annual report, receive and process comments and produce a draft review for consideration by the full Council on 31 March 2011;
- (d) That, in terms of article 79(2)(d) of the Structures Act, the review committee is authorised to co-opt advisory members who are not members of the council, including the following:
 - The external financial audit committee;
 - mr M Rangasamy as co-opted ward committee member on the performance assessment panel;
- (e) That the review committee will meet on 14 March 2011 at 14:00 to assess the comments on the annual report;
- (e) That the members of the ward committees will be invited to (1) attend the review committee meeting on the above mentioned date and (2) attend the special council meeting on 31 March 2011;
- (g) That the councillors who are not serving on the review committee note that, in terms of Attachment B, they are expected to evaluate the annual report themselves, amongst other things in consultation with their voters, ward committees and ward representatives to encourage feedback and comment for consideration by the full council meeting on the 31 March 2011.

5.5 REPORT FROM THE AUDITOR GENERAL WITH RESPECT TO THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE SWARTLAND MUNICIPALITY FOR THE YEAR ENDING 30 JUNE 2010 (5/15/12)

The report from the Auditor General with accompanying comments was circulated with the agenda.

The Executive Mayor complimented the personnel of the Audit General's Office on the efficient manner in which the audit was carried out.

The Speaker afforded the representatives of the Office the opportunity to speak and Ms Joffe expressed appreciation of the support given by the personnel during the audit and the commitment of management to react positively to recommendations.

Mr K Becker stated that a continuing improvement was found in the financial management and systems and that the external audit committee is very happy with the financial policies and standards being applied and congratulated the Council on a good audit report.

The matter was brought to the vote, and –

UNANIMOUSLY DECIDED

(proposed by ald T van Essen, seconded by clr J H Cloephas)

- (a) That the principles of the King III report stated in paragraphs 1.1 and 1.2 of the report are accepted in order to implement sound corporate management;
- (b) That note is taken of the contents of the Auditor General's report, as well as comments on certain aspects of the report for the year ending 30 June 2010;
- (c) That the report from the Auditor General for the year ending 30 June 2010 is approved.

5.6 CAPITAL AND OPERATING BUDGETS ADJUSTMENT FOR THE 2010/2011 FINANCIAL YEAR (5/1/4, 5/1/1/1-10/11, 5/1/1/2-10/11)

The Director: Financial Services was instructed to draw up a financial recovery plan which will give the Council guidelines for ensuring sustainability for the municipality over the next 5 years.

The submission of the budget adjustment is the first step in this direction and a saving of R5 million in the operating budget has been submitted for consideration.

With respect to the capital budget various adjustments are made for projects completed in the 2009/2010 financial year for which the final expenditure is known, incomplete projects, as well as essential, new projects.

The recommendations to the Council were brought to the vote and decided (in the absence of three councillors) by twelve DA councillors and one OD councillor in favour and four ANC councillors against.

RESOLUTION

(proposed by ald T van Essen, seconded by clr R J du Plooy)

- (a) That approval is given for the contra of funds between capital projects as indicated in the schedule of capital items attached to the agenda, in respect of the adjusted capital budget for 2010/2011, and newly proposed, essential projects, for 2010/2011;
- (b) That the necessary statutory documentation is drawn up in terms of the MFMA and that the National and Provincial Treasurers are notified accordingly;
- (c) That the adjustment holds no financial implications for the Council in terms of increased tariffs for the 2010/2011 financial year, but that any shortfall will be financed by the unappropriated surplus account if cash is available in the relevant funds;
- (d) That approval is given for the transfer of unspent funds from state grants with respect to the 2009/2010 financial year, as indicated in the Council's financial statements of 30 June 2010. Amendments with respect to the above mentioned and an update on new requests, as well as the contra are included in the schedules circulated with the agenda and will be explained by the Director: Financial Services if any related queries arise;
- (e) That the decision by the Executive Mayor's Committee not to take out an external loan for 2010/2011 financial year is endorsed by the Council;

- (f) That the Council notes the application of depreciation in unbundled assets to the amount of R73 602 871 and of the operating shortfall of R49 730 813 which it caused in the operating budget. The application of depreciation of unbundled assets was already implemented by the Council by the 30 June 2010 and as a result the Council's income account closed with a shortfall of R34 160 119. The application of the above mentioned was also discussed with the National and Provincial Treasurers and the financial implication thereof explained to them.
- (g) That amendment to the approved capital and operating budgets for 2010/2011 is approved as follows:
- | | | | |
|--------------------------|---------------|----|---------------|
| Capital | R 86 603 200 | to | R 90 225 769 |
| Operating expenses | R322 500 045 | to | R373 067 703 |
| Operating income | R303 621 809 | to | R316 461 043 |
| Surplus in terms of GRAP | R 28 506 764 | to | -R 2 528 657 |
| Net cash shortfall | -R 11 954 751 | to | -R 49 730 813 |
| Total Income Budget | R351 006 810 | to | R370 539 046 |
| Operating shortfall | -R 18 064 776 | to | -R 55 840 840 |

5.7 AMENDMENTS TO THE 2010/2011 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/1/4/4/1)

The aim of the service delivery and budget implementation plan (SDBIP) is to support the municipal management in attaining service delivery targets, as well as spending the budget within the given time limit.

The submission of the adjusted budget has resulted in amendments to the 2010/2011 SDBIP. The amended SDBIP was brought to the vote and decided (in the absence of three councillors) by twelve DA councillors and one OD Councillor in favour and four ANC councillors against.

RESOLUTION

(proposed by ald T van Essen, seconded by J H Cleophas)

That the amended service delivery and budget implementation plan (SDBIP) for the 2010/2011 financial year is approved in terms of article 54(1)(c) of the MFMA (Act 56 of 2003).

5.8 PROPOSED ALIENATION OF ERF 1421, RIEBEEK KASTEEL (12/2/5/3-11/1)

Since 2003 a number of attempts have been made to alienate erf 1421, Riebeek Kasteel (371m² in extent) and it has again the above mentioned purchasers have failed to complete transfer.

There is now renewed interest in purchasing erf 1421, Riebeek Kasteel from the Municipality.

RESOLUTION

(proposed by clr W Wilskut, seconded by clr R J du Plooy)

- (a) That erf 1421, Riebeek Kasteel (317m² in extent) is alienated out of hand to ms D G Bess;
- (b) That, taking into account an escalation of 10% per annum, a purchase price of R22 000,00 plus 14% VAT is asked;
- (c) That the alienation is advertised in the local press for comment;
- (d) That the purchaser will be responsible for the advertising costs.