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Municipality  
Umasipala

**MINUTES OF AN ORDINARY MEETING OF THE SWARTLAND MUNICIPAL COUNCIL, HELD IN THE MALMESBURY BANQUETING HALL ON THURSDAY, 29 MARCH 2018 AT 10:00**

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**PRESENT:**

Speaker, clr M Rangasamy

Executive Mayor, ald T van Essen

Deputy Executive Mayor, ald M S I Goliath

Bekebu, Z (ANC)

Bess, D G (DA)

Daniels, C (DA)

De Beer, J M (DA)

Humphreys, F S (ANC)

Fortuin, C B (DA)

Maart, E S M (DA)

McQuire, V D (DA)

Mfutwana, L E (EFF)

Papers, C H (DA)

Philander, D B (ANC)

Smit, N (DA)

Sneewe, A M (ANC)

Solomons, P E (DA)

Stemele, O M (DA)

Van der Westhuizen, R F (DA)

Van Zyl, M (DA)

Officials:

Municipal Manager, mr J J Scholtz

Director: Financial Services, mr M A C Bolton

Director: Security Services, mr P A C Humphreys

Director: Development Services, mr J T Steenkamp

Director: Electrical Engineering Services, mr R du Toit

Director: Corporate Services, ms M S Terblanche

Director: Civil Engineering Services, mr L D Zikmann

Manager: Secretarial and Records, ms N Brand

**1. OPENING**

The speaker welcomed the Executive Mayor, the Deputy Executive Mayor, fellow councillors, officials and members of the public.

The Director: Security Services, mr P A C Humphreys, opened the meeting with a scripture reading and a prayer at the request of the Speaker.

The Speaker congratulated all councillors and officials who had celebrated birthdays during March.

**2. APOLOGIES**

Apologies received from clrs B J Penxa, B J Stanley and N S Zatu.

**3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS FROM DIRECTORS/OFFICIALS**

The Speaker requested all the chief whips of the various political parties to urge councillors to only excuse themselves from attendance at the various council committees under unforeseen circumstances.

The Speaker stated that it happens all too often that unnecessary apologies are offered, and that councillors thus neglect their obligations, and those towards the Swartland Municipality's taxpayers.

In answer to a question from clr D B Philander, it was confirmed that, in accordance with paragraph 11(6)(a) of the Swartland Municipality: Regulation in respect of the Rules for the Holding

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of Meetings, notices of meetings and the agendas are circulated to every councillor at least 48 hours in advance. Note is taken of clr D B Philandr's request that when the volume of documents – in this instance the draft Integrated Development Plan and draft Budget – is of such a nature that it requires detailed study of the documents, the agenda must be circulated earlier.

#### **4. MINUTES FOR APPROVAL**

##### **4.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 31 JANUARY 2018**

###### **RESOLUTION**

(proposed by clr M van Zyl, seconded by clr C H Papers)

That the minutes of an Ordinary Council Meeting held on 31 January 2018 are approved and signed by the Speaker.

#### **5. REPORT IN RESPECT OF THE DELEGATED DECISION MAKING BY THE EXECUTIVE MAYOR**

###### **RESOLUTION**

That note is taken of the decisions taken by the Executive Mayor in accordance with his delegated powers, referred to in the following minutes:

##### **5.1 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 24 JANUARY 2018**

##### **5.2 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 14 FEBRUAR 2018, read in conjunction with**

###### **MINUTES OF A PORTFOLIOS COMMITTEE MEETING HELD ON 7 FEBRUARY 2018**

#### **6. REPORT IN RESPECT OF THE DELEGATED DECISION MAKING BY THE MUNICIPAL MANAGER**

###### **RESOLUTION**

That note is taken of the decisions taken by the Municipal Manager in accordance with his delegated powers, referred to in the following minutes:

##### **6.1 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 5 DECEMBER 2017**

##### **6.2 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 6 DECEMBER 2017**

##### **6.3 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 15 DECEMBER 2017**

##### **6.4 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 25 JANUARY 2018**

#### **7. MATTERS FOR DISCUSSION**

##### **7.1 APPROVAL OF THE OVERVIEW REPORT ON THE 2016/2017 ANNUAL REPORT (7/1/1/1)**

The Draft Annual Report for the 2016/2017 financial year was submitted to the Council on 31 January 2018 in accordance with article 127 of the Municipal Financial Management Act, 2003, where after it was made available for comment by the public and relevant state organizations.

The Public Accountability Committee (MPAC) met on 7 March 2018 in order to consider the 2016/2017 Annual Report, and to draw up an oversight report (circulated with the agenda) for submission to the Council.

Clr F S Humphreys stated, on behalf of the ANC, that in spite of the favourable financial position of the Swartland Municipality, there is inadequate service delivery to the poorest of the poor, and that the ANC cannot agree with this. Clr Humphreys referred also to the lack of fire fighting services in some towns to which no attention is paid, as well as the

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introduction of a R2000,00 water usage fine which – allegedly – was not approved by the Council.

Clr D B Philander emphasized certain aspects of the overview report, inter alia (1) that previously privileged areas (with reference to the number of residents in Yzerfontein and the white Broederbond members in Yzerfontein, who attended last year's budget meeting) are still receiving preference in terms of the Council's programmes, to the detriment of service delivery to the poorest of the poor for which nothing is done, (2) that equal employment opportunity must be given attention, and (3) that Swartland Municipality is not corruption free.

Clr D B Philander requested that a way must be found to make the Council a multiparty democracy, and not dictated to by one party and a DA Mayor.

A discussion followed in respect of the remarks by clr Philander, during which the Speaker reprimanded clr Philander saying that no racist remarks will be tolerated in the council chamber. Clr Philander stated that his references made sense in terms of equal rights and are not of a racist nature.

Clr O M Stemele stated that if it is clr Philander's aim to progress multiparty democracy and to make a contribution to the Council in respect of the quality of life of previously disadvantaged inhabitants, clr Philander must then – as previously requested - make use of the opportunity to submit written comment in order to attain this goal, as neither he nor his party have made any written contributions.

Clr C B Fortuin, as chairman of the Public Accountability Committee (MPAC), tabled the overview report in the Council for resolution by the Council, whereon it was resolved (in the absence of three councillors) with 15 councillors in favour thereof, and five councillor abstentions.

## **RESOLUTION**

(proposed by clr C B Fortuin, seconded by clr V D McQuire)

- (a) That Council, having considered the 2016/2017 Annual Report of Swartland Municipality, adopts the Oversight Report in terms of section 129 of the Municipal Finance Management Act;
- (b) That the 2016/2017 Annual Report of Swartland Municipality be approved without reservations, in terms of section 129 of the MFMA;
- (c) That the minutes of the meetings where the Annual Report was discussed, in the presence of the accounting officer (Municipal Manager) be submitted to the Auditor-General, the Provincial Treasury and the Western Cape Department for Local Government as attached to the report, in terms of section 129(2) of the MFMA;
- (d) That the 2016/2017 Oversight Report of Swartland Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

## **7.2 REVISION OF THE 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP) AND AREA PLANS (2/1/4/4/1)**

The Integrated Development Plan (IDP) is the Municipality's principle strategic plan which deals with the most critical development needs within the municipal area (external focus), as well as the most critical governmental needs of the organization (internal focus).

Article 34(a) of the Local Government Act: Municipal Systems, 2000 stipulates that a municipal council must revise its IDP annually. The revised IDP serves as a basis for the 2018/2019 annual budget, the SDBIP and the performance plans of the various directorates.

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The Speaker gave the Executive Mayor the opportunity to present the IDP to the Council.

The Municipal Manager explained that the points raised by clr Philander, to which the Executive Mayor had replied, will be referred to the management team to investigate whether these can be taken up in the IDP.

The Speaker however requested that any contribution to the IDP should be addressed, in writing, to the Municipal Manager, during the public participation process.

The recommendation before the Council was brought to the vote by the Speaker and it was resolved (in the absence of three councillors) with 15 councillors in favour thereof, and five councillor in abstention.

#### **RESOLUTION**

(proposed by ald T van Essen, seconded by clr C B Fortuin)

That the revision of the 2017-2022 Integrated Development Plan (IDP) as well as the revision of the area plans be approved as draft plans, after which a further consultation and refinement process will be followed during April 2018.

#### **7.3 2018/2019, 2019/2020 AND 2020/2021 DRAFT MULT YEAR CAPITAL AND OPERATING BUDGET FOR PURPOSES OF PUBLIC PARTICIPATION PROCESS (5/1/1/1, 5/1/1/2)**

The Executive Mayor, ald T van Essen presented the draft Capital and Operating Budgets for the 2018/2019, 2019/2020 and 2020/2021 financial years to the Council, as considered during the Executive Mayor's Committee meeting held on 20 March 2018.

After the presentation of the highlights in the budget by the Executive Mayor, the following general recommendations were tabled:

- Introduction of more speed bumps;
- Building of playgrounds for children with special reference to low cost housing areas;
- Policy changes in order to enforce the introduction of electronic water management mechanisms;
- 'A greening project for the Swartland over the next four years –
  - In all wards with funding from ward grants;
  - education of the community to combat or prevent the littering must be part of the greening project;
  - planting of a large number of trees, in conjunction with the community as to where these must be planted.

In answer to a question from clr D B Philander in respect of the take over of water assets from the West Coast District Municipality, the Director: Financial Services explained that the takeover took place for purposes of the correct accounting in Swartland Municipality's financial records in accordance with the Accounting Framework and associated GRAP standards. The takeover took place between the relevant B municipalities based on a functional distribution. The Director: Financial Services will provide further explanatory information of this discussion to councillors at the next council meeting.

The recommendations before the Council were put to the vote by the Speaker and it was resolved (in the absence of three councillors) with 15 councillors in favour thereof , and five councillor abstentions.

#### **RESOLUTION** (as recommended by the Executive Mayor's Committee on 20 March 2018)

(proposed by ald T van Essen, seconded by clr C B Fortuin)

- (a) That the draft multi-year capital and operating budgets with respect to the 2018/19 – 2020/21 financial years be approved, in accordance with sections 16 and 17 of the MFMA to allow for public participation;

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	Original Budget 2017/2018	Adjustment Budget 2017/2018	Original Budget 2018/2019	Original Budget 2019/2020	Original Budget 2020/2021
Capital budget	R 81 242 586	R 100 373 122	R 88 145 909	R 103 844 038	R 116 774 860
Operating Expenditure	R 664 697 875	R 668 442 676	R 702 594 158	R 697 123 172	R 735 308 748
Operating Revenue	R 695 180694	R 730 552 229	R 747 705 036	R 792 475 517	R 831 670 644
Budgeted (Surplus)/ Deficit	(R 30 482 818)	(R 62 109 553)	(R 45 110 877)	(R 95 352 346)	(R96 361 895)
Less Capital Grants	R 35 075 916	R 50 690 842	R 38 475 000	R 48 561 000	R 35 685 000
(Surplus)/ Deficit	(R 4 593 098)	(R 11 418 711)	(R 6 635 877)	(R 46 791 346)	(R 60 676 895)

**Note:** The 2019/20 and 2020/21 Revenue budgets include Provincial grant funding for which no expenditure projects have been finalized yet. (**2019/20** includes R17 480 million Dep Human Settlement funding and R19 000 million from Dep Transport; **2020/21** includes R31 800 million Dep Human Settlement funding)

- (b) That council approve the proposed draft electricity tariffs for the 2018/2019 financial year, bearing in mind that it is still subject to NERSA's final approval and potential changes;
- (c) That the draft property rates tariffs, tariff structures and charges for water, electricity, refuse removal, sewerage and other sundry charges as set out in **Annexure A** be approved for purposes of allowing for public participation;
- (d) That the draft annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **Annexure B**;
- (e) That the draft budget related policies as set out in **Annexure C**; be approved for purposes of public participation;
- (f) That the discount to disabled persons and senior citizens as defined in the Property rates policy, be limited to a maximum of R300 000 for the 2019/20 financial year.
- (g) That Council takes note of the Draft Municipal Cost Containment Regulations in **Annexure D** that is published by National Treasury for comments;
- (h) That council grants in-principle approval and take note of the taking over of the water assets from the District based on a functional split (value of assets currently being finalised) and external borrowings by the District linked to the aforementioned assets to value of around R 24, 4 million which loans have settlement dates from 30-06-2020 to 31-12-2022 and that the interest portions are already factored into the draft budget over the MTREF with no impact on water tariffs or charges within or beyond the MTREF as same was and is currently included in Swartland Municipality's bulk water charges from the WCDM and will not form part of same w.e f 1 July 2018 and that same form part of the public participation process notwithstanding the fact that no new loans will be taken-up for the transfer of these assets;
- (i) That Council take note of the budgeted operating surpluses, the efforts to limit total expenditure growth to only 5.1% (including operating grant expenditure) from the current to the new financial year, growth in revenue of only 2.3% in these hard economic times for the same period as well as the cash flow statement for the current as well as the next three financial years and more specifically the progress made in this regard;
  - the risk factor for cash coverage for operating expenses is **6.7 months** for 2018/2019, **6.9 months** for 2019/2020 and **6.8 months** for 2020/2021;

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- over the next three financial years the planning is such that the following operating surpluses are envisaged, 2018/2019 an amount of **R 45 110 877**, 2019/2020 an amount of **R 95 352 346** and 2020/2021 an amount of **R 96 361 895 ( inclusive of capital grant income)**;
- (j) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (k) That Council take note that the budget was also prepared in the mSCOA format as required by National Treasury;
- (l) That Council take note that the deadline for comment/input on the budget, tariffs and policies is 3 May 2018 @ 12 midday;
- (m) That it is noted that the latter date also changes the date in the process plan.

#### **7.4 PRESENTATION IN RESPECT OF A PROVISIONAL 2018/2019 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/1/4/4/1)**

The 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP) was presented to the Council by the Executive Mayor.

Article 53 of MFMA stipulates that the SDBIP must be approved within 28 days of the approval of the annual budget in May. Notwithstanding the above mentioned legal requirement a request has been received from the Provincial Treasury to submit a draft SDBIP to the Council in March together with the budget documentation in order to facilitate a more meaningful consideration of the budget.

#### **RESOLUTION**

- (a) That the attached 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP) be approved as a provisional document for the purposes of assessment of the budget by National and Provincial Treasury.
- (b) That the amended KPI's and targets in respect of the Municipal Manager and directors, as included in the SDBIP, be approved as draft for the purposes of advertising during April 2018.

#### **7.5 REVISION OF THE SUPPLY CHAIN MANAGEMENT POLICY (8/1/B/2)**

The Council adopted a Supply Chain Management Policy which came into operation on 1 January 2006, in terms of article 111 of the Municipal Financial Management Act, 2003. The policy must be reviewed annually, and amended if necessary.

The amendments brought about by the MFMA Circulars have been fully discussed in the report circulated with the agenda, and the amended Supply Chain Management Policy circulated with the agenda accordingly.

#### **RESOLUTION**

(proposed by clr E S M Maart, seconded by clr O M Stemele)

- (a) That the attached MFMA Circular No.90 "*Tax Compliance Status*" (Appendix A) be adopted with immediate effect;
- (b) That the proposed amendments to Council's Supply Chain Management Policy, as presented in Appendix B, be approved accordingly with immediate effect.

## 7.6 SWARTLAND DRAFT LOCAL ECONOMIC DEVELOPMENT STRATEGY (2/1/4/4/1)

The Local Economic Development Strategy of 2015 has been amended with the new statistics added, and the strategy aligned with the 2017-2022 IDP.

The amended strategy was circulated with the agenda.

### RESOLUTION

(proposed by clr M van Zyl, seconded by clr P E Solomons)

- (a) That the Swartland Local Economic Development Strategy, as amended, (attached as **Annexure A**) be approved and thereafter be advertised for public comment and inputs;
- (b) that a final document be tabled at the council meeting of 30 May 2018.

## 7.7 AMENDMENT: 2018 MEETING SCHEDULE

The schedule of meetings was approved at a council meeting held on 26 October 2017.

The report circulated with the agenda contains a complete explanation of the reasons for the amended dates, which are intended to enable the relevant Council committees to function more effectively.

### RESOLUTION

(proposed by clr E S M Maart, seconded by clr D B Philander)

- (a) That cognisance is taken that the Council meeting in May be advanced to Wednesday, 30 May 2018 at 15:00;
- (b) That the proposed amended meeting schedule with effect from July 2018 be accepted;
- (c) That the dates be published in the local media for public cognisance, as well as on the municipal website;
- (d) That each councillor be furnished with a copy of the final schedule, as well as the West Coast District Municipality, Department Local Government and SALGA to use for planning purposes.

## 7.8 APPROVAL OF THE 2017/2018 SECOND ADJUSTEMENTS TO THE CAPITAL AND OPERATING BUDGETS (5/1/1/1, 5/1/1/2 – 2017/18)

The second adjustment to the budget was necessitated by the receipt of additional funding from the Department of Local Government and the National Treasurer, after approval of the adjusted budget in January 2018.

These funds were first confirmed by promulgation in the Extraordinary Provincial Gazette dated 5 March 2018 and the Government Gazette dated 23 March 2018.

The matter was brought to the vote by the Speaker and decided (in the absence of three councillors) with 15 councillors in favour thereof and five councillor abstentions.

### RESOLUTION

(proposed by ald T van Essen, seconded by clr O M Stemele)

- (a) That it be noted that the changes in the budget will have no impact on tariffs in respect of the 2017/2018 financial year but will result in an increase in the budgeted surplus from R62 109 553 to a budgeted surplus of R72 809 553;
- (b)/...

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- (b) That approval be granted for the additional funding that was received from Department of Local Government and National Treasury;
- (c) That the adjusted budget schedules as required by the Budget and Reporting Regulations be approved as well as the correction of the differences identified during the verification process of the original and annual adjustment budget schedules (**Annexure C**);
- (d) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury;
- (e) That the Service Delivery Budget Implementation Plan (SDBIP) where appropriate be amended accordingly;
- (f) That it be noted that the budget was also prepared in the mSCOA format as required by National Treasury;
- (g) That approval be granted to amend the high-level capital and operating budget for 2017/2018 as follows:

	<b>Original Budget 2017/2018</b>	<b>Annual Adjustment Budget</b>	<b>Second Adjustment Budget</b>
Capital budget	R 81 242 586	R 100 373 122	R110 073 122
Operating expenditure	R 664 697 875	R 668 442 676	R 668 442 676
Operating revenue	R 695 180 693	R 730 552 229	R741 252 229
Budgeted Surplus/ (Deficit)	R 30 482 818	R 62 109 553	R72 809 553
Capital Grants	R 35 075 916	R 50 690 842	R61 390 842
Surplus/ (Deficit)	(R 4 593 098)	R 11 418 711	R 11 418 711

**SIGNED:  
SPEAKER**