



MINUTES OF A MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD IN THE BANQUETING HALL, MALMESBURY ON THURSDAY, 21 APRIL 2022 AT 10:00

PRESENT:

Executive Mayor, ald J H Cleophas (chairman)
Deputy Executive Mayor, clr J M de Beer

Members of the Mayor's Committee:

Clr D G Bess
Clr N Smit
Ald T van Essen
Clr A K Warnick

Other councillors:

Ald M A Rangasamy (Speaker)

Officials:

Municipal Manager, mr J J Scholtz
Director: Financial Services, mr M A C Bolton
Director: Electrical Engineering Services, mr R du Toit
Director: Civil Engineering Services, mr L D Zikmann
Director: Protection Services mr P A C Humphreys
Director: Development Services, ms J S Krieger
Director: Corporate Services, ms M S Terblanche
Manager: Secretarial and Records, ms N Brand

1. OPENING

The chairman welcomed those present and requested the Municipal Manager, mr J J Scholtz to open the meeting with a prayer.

2. APOLOGIES

No apologies received.

3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS

None.

4. MINUTES

4.1 MINUTES OF AN ORDINARY EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 23 MARCH 2022

RESOLUTION

(proposed by ald T van Essen, seconded by clr N Smit)

That the minutes of an Ordinary Executive Mayor's Committee Meeting held on 23 March 2022 are approved and signed by the Executive Mayor

4.2/...

4.2 MINUTES OF A SPECIAL EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 25 MARCH 2022

RESOLUTION

(proposed by clr A K Warnick, seconded by clr D G Bess)

That the minutes of a Special Meeting of the Executive Mayor's Committee held on 25 March 2022 are approved and signed by the Executive Mayor.

5. CONSIDERATION OF RECOMMENDATIONS ARISING FROM THE MINUTES

5.1 MINUTES OF A PORTFOLIOS COMMITTEE MEETING HELD ON 13 APRIL 2022

5.1.1 MUNICIPAL MANAGER, ADMINISTRATION AND FINANCES

RESOLUTION

(proposed by clr N Smit, seconded by ald T van Essen)

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

5.1.2 CIVIL AND ELECTRICAL SERVICES

RESOLUTION

(proposed by ald T van Essen, seconded by clr A K Warnick)

That the Executive Mayor ratifies the recommendations in the relevant minutes and that clr A K Warnick is noted as present in the relevant minutes.

5.1.3 DEVELOPMENT SERVICES

RESOLUTION

(proposed by clr J M de Beer, seconded by clr N Smit)

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

5.1.4 PROTECTION SERVICES

RESOLUTION

(proposed by clr A K Warnick, seconded by clr N Smit)

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

6. MATTERS ARISING FROM THE MINUTES

None.

7. NEW MATTERS

7.1 BUDGET MANAGEMENT COMMITTEE 2021/2022-2023/2024 SPECIAL ADJUSTED OPERATING AND CAPITAL BUDGETS, TECHNICAL RECOMMENDATIONS (5/1/1/1, 5/1/1/2, 5/1/4-2021/2022)

The Director: Financial Services, mr M Bolton, confirmed that an additional MIG grant amounting to R4 000 000 was received from the national government for allocation to the Department: Civil Engineering Services.

The Director: Civil Engineering Services, mr L D Zikmann, provided the background to the processes which had to be executed in order to be ready to receive additional MIG funding, inter alia, the early preparation for the registration of MIG projects.

The Budget Management Committee considered the technical recommendations on 19 April 2022 and presented the 2021/2022/2023/2024 Adjusted Operating and Capital Budgets for recommendation to the Council.

7.1/...

RESOLUTION (for recommendation to the Council on 28 April 2022)
(proposed by clr N Smit, seconded by clr J M de Beer)

- (a) That it be noted that the Budget Steering Committee urgently convened to consider the explanations and motivations provided by the financial staff and responsible director as it relates to the adjustments;
- (b) That approval be granted to amend the high-level operating budget for 2021/2022 with no amendments to the outer years as follows:

	Original Budget 2021/22	Mid-Year Adj Budget 2021/22	Second Adj Budget 2021/22	Special Adj Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24
Capital budget	166 435 729	166 040 448	166 040 448	170 040 448	132 744 732	136 678 848
Operating Expenditure	911 967 149	951 133 356	953 347 356	953 347 356	983 835 346	1 055 314 274
Operating Revenue	968 875 613	1 007 040 106	1 009 254 106	1 013 254 106	1 048 008 388	1 119 714 984
Budgeted (Surplus)/ Deficit	(56 908 464)	(55 906 750)	(55 906 750)	(59 906 750)	(64 173 042)	(64 400 709)
Less: Capital Grants, Donations & Development Charges	47 912 409	48 027 246	48 027 246	52 027 246	45 865 556	50 788 078
(Surplus)/ Deficit	(8 996 055)	(7 879 504)	(7 879 504)	(7 879 504)	(18 307 486)	(13 612 631)

- (c) That it be noted that the changes to the budget will have no impact on tariffs in respect of the 2021/2022 financial year or beyond and the budgeted net surplus of R7 879 504 will remain unchanged;
- (d) That the adjusted budget schedules as required by the Budget and Reporting Regulations be approved as set out in **(Annexure B: Budget Report and B-Schedules 2021/22 – 2023/24)**;
- (e) 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;
- (f) That the Service Delivery Budget Implementation Plan (SDBIP) where appropriate be amended accordingly.

7.2 AMENDMENT TO THE 2021/2022 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/4/2)

The Municipal Manager, mr J J Scholtz, confirmed that the Special Adjusted Budget for the 2021/2022 financial year, which was approved recently by the Council on 31 March 2022, necessitated an amendment to the SDBIP.

RESOLUTION

(proposed by ald T van Essen, seconded by clr D G Bess)

That the amended Service Delivery and Budget Implementation Plan (SDBIP) for the 2021/2022 financial year be approved in terms of Section 54(1)(c) of the Municipal Finance Management Act (Act 56 of 2003).

7.3 SUSPENSION OF PREFERENTIAL PROCUREMENT REGULATIONS, 2017: WITHDRAWAL OF THE COUNCIL'S PREFERENTIAL PROCUREMENT REGULATION (8/1/B/1)

The Director: Financial Services, mr M Bolton, confirmed that the Municipality has received exemption from the National Treasurer in respect of the application of the Preferential Procurement Regulations, 2017.

The latter arises from the case, *Minister of Finance v Afribusines NPC [2022] ZACC 4*, in which the High Court ruled that the preferential procurement regulations are invalid.

As a result the Council had to withdraw the Preferential Procurement Policy and that preferential procurement suspension is applied in line with the National Treasurer's approved conditions for exemption.

The Director: Financial Services advised, at the suggestion of SALGA, not to introduce the amendments to the Preferential Procurement Policy, until new regulations are issued by the National Treasurer.

Clr A K Warnick stated that local economic development was identified as a focus area during the recent induction of ward committees, and that the Council must look at how to empower local entrepreneurs and businesses.

RESOLUTION (for submission to Council on 26 May 2022)

- (a) That the the municipality's Preferential Procurement Policy be withdrawn and cancelled with effect from 16 February 2022;
- (b) That the 80/20 points system for procurement Rand values above R30,000.00 to R50 million, and the 90/10 points system for Rand values above R50 million, together with the applicable BBEE scorecards, be utilised for tenders advertised on or after 16 February 2022 (in line with NT Exemption attached hereto).

7.4 REPORT IN RESPECT OF IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2022 (8/1/B/2)

A report in respect of the implementation of the Supply Chain Management Policy must be submitted, on a quarterly basis, to the Executive Mayor in accordance with paragraph 6(3) of the Municipal Supply Chain Management Regulations.

The report for the period 1 January 2022 to 31 March 2022 was circulated with the agenda.

RESOLUTION

- (a) That cognisance is taken of the Quarterly Report in respect of the implementation of the Supply Chain Management Policy as envisaged by section 6(3) of the Regulations, as well as reports on the Formal Tenders (Annexure A), Informal Tenders (Annexure B), and the Deviation Report (Annexure C);
- (b) That cognisance is taken of the services rendered for the period 1 January 2022 to 31 March 2022 with reference to the exceptions where it is impractical to test the market and therefore justified a deviation from the procurement processes in terms of paragraph 2(6) of the Supply Chain Management Policy (Annexure D).

7.5 TENDER L04/21/22: ALIENATION OF BUSINESS PREMISES IN RIEBEEK KASTEEL (12/2/B)

[Clr D G Bess left the meeting for the duration of the discussion of the item. It was also confirmed that clr D G Bess was not involved in any of the preliminary talks in respect of the relevant item]

On 20 October 2021 the Council approved the alienation of the three business premises in Riebeek Kasteel.

The relevant premises are undeveloped properties and are zoned as Business Zone 2 Neighbourhood Businesses. The aim of this zoning is to make provision for low intensity commercial and mixed use development to provide utilitarian goods and personal services catering to the needs of the local neighbourhood.

Tenders were called for and the offers received by the closing date, 4 March 2022, are explained in Attachment A to the report.

7.5/...

RESOLUTION

(proposed by ald T van Essen, seconded by clr J M de Beer)

- (a) That Tender L04.21.22 for the Sale of Business Sites in Riebeek Kasteel be awarded as follows, excluding VAT:

Erf nr	2364	2365
SS La Meyer		R107 000.00
DG Bess	R70 000.00	

- (b) That approval be granted for the transfer of the erven as per the aforesaid schedule;
- (c) That should any of the approved transactions not materialise, approval be granted to accept the next highest bid, until a sales transaction can be concluded successfully;
- (d) That erf 2577, Riebeek Kasteel be offered for sale to Mr & Mrs VJ van Neel at the price as had been offered during the tender process, being R60 000.00, excluding VAT, provided that the purchaser shall satisfy all requirements as per the tender documents.

7.6 TENDER L03/21/22: ALIENATION OF MUNICIPAL IMMOVABLE PROPERTY (CHURCH PREMISES) IN RIEBEEK KASTEEL (12/2/B)

On 20 October 2021 the Council approved, in principle, the alienation of a church property in Riebeek Kasteel.

Only one tender was received during the tender process, and was disqualified because it did not comply with the tender requirements as a Development Plan was not included with the tender documents.

Ald T van Essen requested that the sale conditions in respect of church properties are reconsidered and strictly applied in order to prevent church properties becoming one of the many properties on which refuse is dumped illegally.

RESOLUTION

(proposed by ald T van Essen, seconded by clr D G Bess)

- (a) That cognizance be taken that the tender received in respect of Tender L03/21/22 was disqualified based on the reason noted in the report, and that the tenderer concerned was notified accordingly;
- (b) That it be noted further that tenders will in due course again be invited for this property.

7.7 PROPOSED CLOSURE OF ALLEY BETWEEN FONTEIN AND DELPHINIUM STREETS, DARLING (15/3/1)

A petition has been received for the closure of a portion of the alley between Fontein and Delphinium Streets, Darling.

The Director: Corporate Services, ms M S Terblanche, confirmed that there is a servitude registered on erf 2063, Darling (alley) in order to protect the sewerage pipe line and it is not a thoroughfare for the public.

RESOLUTION

(proposed by clr A K Warnick, seconded by clr J M de Beer)

- (a) That approval be granted for the closure of a portion of the alley between Fontein and Delphinium Street, Darling as indicated on Annexure B to this report;
- (b) That the project be dealt with as a ward project from the capital budget allocated for ward 6.

7.8 ENCROACHMENT ON ERF BOUNDARY: ERF 7551, MALMESBURY (15/3/1)

A building plan has been received for alterations to the existing business premises on erf 7551, situated in Voortrekker Road, Malmesbury which, inter alia, includes the widening of the existing veranda entrance.

The veranda entrance (± 8 m² in extent) has already been erected and encroaches on the erf boundary, and an encroachment agreement for the relevant portion is necessary before the building plan can be considered for approval.

RESOLUTION

(proposed by ald T van Essen, seconded by clr D G Bess)

That approval be granted that the encroachment agreement as per Annexure B be concluded with SKH Beleggings (Pty) Ltd, owner of erf 7551, Malmesbury, for a period of ten years, at the amount of R120,00 plus VAT per annum.

7.9 LEASE AGREEMENT: SWARTBERG TRUST, MOORREESBURG (15/4/6)

The Council has a lease agreement with Swartberg Trust for the operation of an information and communication technology (ICT) infrastructure on a portion (± 300 m² in extent) of the farm Swartberg 331, situated in the Mooresburg district.

The lease agreement expires on 30 June 2022 and the ICT division has indicated that the continued operation of the infrastructure – on this specific site – is necessary for service delivery.

RESOLUTION

(proposed by clr N Smit, seconded by ald T van Essen)

That the Council approves entering into a lease agreement with Swartberg Trust for the leasing of a portion of the Farm Swartberg 331 for the continuous operating of its ICT-infrastructure as follows:

- (a) a lease agreement for the period 1 July 2022 until 30 June 2025 at an amount of R1 786.52, plus VAT, rental fee per month with a yearly escalation of 6%, as well as the option to renew the lease.

7.10 OUTSTANDING DEBTORS: MARCH 2022 (5/7/1/1)

A complete report in respect of outstanding debtors was circulated with the agenda.

The Director: Financial Services, mr M Bolton, stated that in the last nine months the payment figure, after the Covid-19 pandemic, has improved from $\pm 95\%$ to 98% . The ideal is that the payment figure must be more than 100% , because then even debt is paid off. Another benefit of a favourable payment figure, with an eye on the multi-year budget, is that a smaller amount can be provided for bad debt.

The Director: Financial Services stated that at present a survey is being carried out amongst all destitute households in order to determine the number of households, structures (including types of structures) and residents on the premises.

There are only 130 destitute households who still have a conventional electricity meter, but a capital project must be registered to replace these with a pre-paid electricity meter.

At the request of ald T van Essen that officials who are in arrears with their municipal accounts must be urgently addressed, the Director: Corporate Services, ms M S Terblanche, confirmed that the same code of conduct applies to officials as well as councillors, namely that the municipal accounts may not be in arrears for longer than (3) three months.

Ms Terblanche also stated that an opinion had been received from SALGA in respect of the obligation, by means of the service contract, to register a debit order in favour of the municipality in order to get the amount of the municipal account directly from the salary, but SALGA indicated that it cannot be made enforceable.

7.10/...

RESOLUTION

That Council takes cognizance of the report with reference to the state of the outstanding debtors of Swartland Municipality for March 2022.

7.11 PROGRESS IN RESPECT OF OUTSTANDING INSURANCE CLAIMS: MARCH 2022 (5/14/3/5)

In accordance with the Asset Management Policy outstanding insurance claims must be reported monthly.

RESOLUTION

That cognizance be taken of the progress with outstanding insurance claims for the period ending 31 March 2022.

7.12 APPLICATION FOR LEAVE FROM THE MUNICIPAL MANAGER AND DIRECTORS AND THE APPOINTMENT OF AN ACTING MUNICIPAL MANAGER (4/8/3)

The Municipal Manager must make application for leave to the Executive Mayor's Committee and therefore -

RESOLUTION

(proposed by clr N Smit, seconded by ald T van Essen)

- (a) That the application for leave of the Municipal Manager for the following days be approved in principle, namely:
 - 27 June 2022 - 8 July 2022 (10 days), including that it may change due to circumstances, after consultation with the Executive Mayor;
- (b) That it be noted that for the period from 27 June 2022 to 8 July 2022, the acting Municipal Manager will be appointed closer to the leave period.

**(SGD) J H CLEOPHAS
EXECUTIVE MAYOR**