



Munisipaliteit
Municipality
Umasipala

MINUTES OF A SPECIAL MEETING OF THE SWARTLAND MUNICIPAL COUNCIL, HELD IN THE MALMESBURY BANQUETING HALL ON THURSDAY, 30 MARCH 2017 AT 10:00

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)

Papers, C H (DA)

Penxa, B J (ANC)

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)

Zatu, N S (ANC)

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 A J Botha

Manager: Secretarial and Records, ms N Brand

1. OPENING

Clr van der Westhuizen opened the meeting with a scripture reading and a prayer at the request of the Speaker.

The Council meeting was attended by a representative of the Auditor General's Office, ms Stacey-lee Paulsen.

2. APOLOGIES

Apologies received from clrs V D McQuire, L E Mfutwane and B J Stanley.

3. PROPOSALS/DEPUTATION/COMMUNICATIONS BY OFFICIALS

3.1 AWARDING OF CERTIFICATE TO CLR D B PHILANDER

The Speaker congratulated clr Philander on obtaining the certificate for completion of the conflict management course and asked the Executive Mayor to award the certificate to clr Philander.

4. MATTERS FOR DISCUSSION

4.1 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP) (2/1/4/4/1)

The 2017-2022 Integrated Development Plan (IDP) was considered during an Executive Mayor's Committee meeting held on 22 March 2017 and the Speaker gave the Executive Mayor, ald T van Essen the opportunity to table the item.

4.1/...

The Integrated Development Plan (IDP) is the Municipality's main strategic plan which deals with the most critical developmental needs in the municipal area (external focus) and the most critical governmental needs of the organization (internal focus).

The stipulation, according to article 25 of the Local Government Act: Municipal Systems no 32 of 2000, is that every municipal council must adopt a strategic plan within a given time frame after the beginning of the election term. Ald T van Essen urged all councillors to study the document thoroughly during the public participation process and stated that all comments/input would be welcomed.

The Executive Mayor gave a summary of the successes of the Swartland Municipality over the previous years, inter alia, the various awards received, the six consecutive clean audits, effective systems which have been implemented in respect of improving service delivery and modern infrastructures which have been established. Emphasis must also be laid on the opportunities offered by the Swartland area, specifically the widening of the N7 and other road infrastructure.

Ald van Essen presented a review of the Chapters referred to in the 2017-2022 IDP, and explained that the new strategy contains only five strategic goals, namely (1) People; (2) Economy; (3) Environment; (4) Institutions; and (5) Services.

In reply clr D B Philander stated – inter alia – that together with the population growth and the economic injection which the Swartland is experiencing, much more emphasis must be placed on raising the standard of living of the poor, specifically by focussing on the backyard dwellers and the inhabitants of informal settlements.

Clr D B Philander – supported by ald van Essen – expressed his disappointment that with the population growth experienced, an amount of only R22 million is available for human settlement.

The Executive Mayor requested that comments from the councillors must be submitted in writing for consideration and possible amendment of the draft IDP.

[The ANC, via clr N S Zatu, asked the Speaker for permission for a two minute break for the ANC to caucus]

On the return of the ANC councillors the recommendation before the Council was put to the vote by the Speaker and (in the absence of three councillors) -

UNANIMOUS RESOLUTION

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

- (a) That the draft 2017-2022 IDP for the Swartland municipal area is approved in terms of article 25(1) of the Municipal Systems Act No 32 of 2000 for purposes of obtaining public input and comment;
- (b) that the draft IDP is advertised for public input and comment during April 2017;
- (c) That the draft IDP is submitted to Local Management, Provincial Treasury, National Treasury and the West Coast District Municipality;
- (d) That the IDP is submitted to the Executive Mayor's Committee in May 2017 and tabled in the Council before the end of May 2017 for final approval.

4.2 2017/2018, 2018/2019 AND 2019/2020 DRAFT MULTI-YEAR CAPITAL AND OPERATING BUDGETS FOR PUBLIC PARTICIPATION (5/1/1/1, 5/1/1/2)

The Executive Mayor, ald T van Essen presented the draft Capital and Operating Budgets for the 2017/18, 2018/19 and 2019/20 financial years, which were considered during the Executive Mayor's Committee meeting held on 22 March 2017, to the Council.

4.2/...

Ald van Essen stated that it is heartening to confirm that the total multi-year budget amounts to R6 516 424 519.00 (national and provincial contributions included) of which the capital budget amounts to R2 188 854 634.00. It must be specifically stated that – thanks to the Director: Financial Services – the operating budget will hardly increase over the next few years.

Taking into account the above mentioned it must be emphasised that the Council, in the midst of an economic crisis, is attempting to keep the service account of the taxpayer as affordable as possible.

After further highlighting of the main points in the budget by the Executive Mayor, the following general recommendations were tabled:

- Building of more speed bumps;
- Building of play areas for children with special emphasis on low cost housing areas;
- Policy adjustments to make the installation of electronic water management mechanisms enforceable;
- A greening project for the Swartland over the next five years -
 - in all wards with funding from ward grants;
 - training of the community to combat or stop littering must form part of the greening project;
 - planting of a large number of trees, in consultation with the community in respect of where these must be planted.

Ald T van Essen closed his budget speech by thanking all those involved in the budget process. Specific thanks were given to the Swartland community in respect of the co-operation in reducing the water usage since the restrictions were introduced in December 2015.

Clr D B Philander stated – inter alia – the following in reply to the budget speech, namely:

- More pressure must be applied by the Swartland Municipality on the Department of Education to save the situation at the Naphakade Primary School otherwise the situation will deteriorate;
- It is seen as unfair to give only 3kl (over and above the 6kl) free water to destitute households. It must be borne in mind that there are backyard structures housing more than one household, and the fixed amount of free water which is supplied is not sufficient for all the households;
- With respect to speed bumps, when new developments are planned places where speed bumps are to be installed must be determined early on, for example the road in front of Naphakade Primary School which must be tarred;
- The naming of capital projects must be specific so that there is no uncertainty as to what the project entails and where the project will take place.

Clr F S Humphreys posed a number of questions in respect of highlighting some of the capital projects, which were then answered by the relevant directors and the municipal manager.

Ald T van Essen proposed that a workshop is held with all the councillors in order to work through the draft IDP and budget as part of the public participation process.

The recommendations before the Council were put to the vote by the Speaker and (in the absence of three councillors) -

UNANIMOUS RESOLUTION (as recommended by the Executive Mayor's Committee Meeting held on 22 March 2017)
(proposed by ald T van Essen, seconded by clr M van Zyl)

- (a) That the multi-year capital and operating budgets with respect to the 2017/18 – 2019/20 financial years are approved in principle, in accordance with articles 16 and 17 of the MFMA in order to follow the public participation process:

Table/...

4.2/...

	Original Budget 2016/2017	Second Adjusted Budget 2016/2017	Original Budget 2017/2018	Original Budget 2018/2019	Original Budget 2019/2020
Capital Budget	R 74 689 669	R 81 428 433	R 84 443 120	R 87 695 064	R 84 275 813
Operating Expenses	R 654 711 941	R 636 140 909	R 664 504 937	R 670 784 213	R 693 177 822
Operating Income	R 641 914 085	R 647 894 024	R 681 697 053	R 703 068 713	R 728 180 695
Budgeted Surplus/(Shortfall)	(R 12 797 856)	R 11 753 115	R 17 192 117	R 32 284 500	R 35 002 873
Capital Grants	R 34 048 649	R 35 348 649	R 34 971 450	R 37 737 000	R 23 724 000
Surplus/(Shortfall)	-R 46 846 505	-R 23 595 534	- R 17 779 333	-R 5 452 500	R 11 278 873

- (b) That the Council approves the proposed draft electricity tariffs for the 2017/2018 financial year, bearing in mind that these are subject to final approval by NERSA;
- (c) That the draft property rates and taxes tariffs, tariff structures and levies for water, electricity, refuse removal, sewerage and other diverse levies set out in **Attachment A** are approved for the purpose of the public participation process;
- (d) That, with reference to the proposed amendments to the Regulation in respect of Property Taxation and the Property Rates and Taxes Policy, addressed elsewhere in the agenda, note is taken of and approval given for the phasing out of differentiated taxation applicable to the so-called "geographical areas" of Grotto Bay, Jakalsfontein and the Riebeek Valley in terms of the existing regulation and policy is terminated. That approval is also thus given that the full property taxation tariff, applicable to residential property, will be levied on properties in the above mentioned areas as of 1 July 2017, in order to comply with article 19(1)(a) of the Local Government: Property Rates and Taxes Act, 2004 (as amended) which stipulates that the levying of differentiated tariffs on residential property is forbidden, except in specified circumstances;
- (e) That a notice in respect of the above mentioned will be sent to the affected residents of Grotto Bay, Jakalsfontein and the Riebeek Valley in order to notify them that their properties will be levied at 100% of the residential tariff from 1 July 2017, in order to comply with Article 19(1)(a) of the Local Government: Property Rates and Taxes Act;
- (f) That the annual budget tables required by the Budget and Reporting Regulation are approved and set out in the tables in **Attachment B**;
- (g) That the budget related policies referred to in **Attachment C**, are approved for the purpose of the public participation process;
- (h) That over and above the initiatives already implemented with reference to MFMA Circular No. 82: *Cost Containment Measures*, note is taken of further attempts made to limit expenditure referred to in **Attachment D**;
- (i) That the Council takes note of the revision of the budget related policies, and more specifically the fundamental amendments to the Budget Reallocation Policy as a result of the influence of the mSCOA-implementation from 1 July 2017;
- (j) That applicable overview mechanisms are put in place to monitor saving measures, in order to comply with articles 62 and 167 of the MFMA, in order to ensure that reasonable steps are taken for the effective, goal orientated and economic use of public resources and in the best interests of the local community;

4.2/...

- (k) That the Council takes note of the budgeted operating surpluses, the efforts made to limit the total increase in expenditure to only 4,5% from the present to the new financial year, growth in income of only 5% in these hard economic circumstances for the same period, as well as the cash flow statement for the present as well as the following three financial years and more specifically the progress thereof;
 - (i) the risk factor for cash coverage for operating expenses is **5.3** for 2017/2018; **5.2 months** for 2018/2019 and **5.7 months** for 2019/2020;
 - (ii) over the following three financial years the planning is of such a nature that the following operating surpluses are anticipated – 2017/2018 an amount of **R17 192 117**; 2018/2019 an amount of **R32 284 500** and 2019/2020 an amount of **R35 002 873**;
- (l) That the Director: Financial Services complies with the conditions of the Budget Circulars and formats in the context of the reporting requirements to the Provincial and National Treasuries;
- (m) That the Council takes note that the budget has also been drawn up in the mSCOA format as required by the National Treasury;
- (n) That note is taken of the foreword (attached hereto as Attachment A) written by the Executive Mayor, ald T van Essen and that the general recommendations stated above are referred to the management team for further attention;
- (o) That a workshop will be held with all the councillors on Wednesday, 19 April 2017 at 14:00 to deal in more detail with the draft IDP and budgets as part of the public participation process.

4.3 SUBMISSION OF PROVISIONAL 2017/2018 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/1/4/4/1)

The 2017/2018 Service Delivery and Budget Implementation Plan (SDBIP) was presented to the Council by the Executive Mayor.

Article 53 of the MFMA stipulates that the SDBIP must be approved by the Executive Mayor within 28 days of the approval of the annual budget in May. Notwithstanding the abovementioned legal requirement, a request has been received from the Provincial Treasury to submit a draft SDBIP to the Council already in March, together with the budget documentation, in order to ensure a more meaningful adjudication of the budget.

The matter was brought to the vote (in the absence of three councillors) –

UNANIMOUS RESOLUTION

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

That the attached 2017/2018 Service Delivery and Budget Implementation Plan (SDBIP) is approved as a preliminary document for the purpose of adjudication of the budget by the National and Provincial Treasuries.

4.4 SUBMISSION OF DRAFT REGULATION IN RESPECT OF (1) PROPERTY TAXATION, AS WELL AS PROPERTY RATES AND TAXES POLICY AND (2) CREDIT MANAGEMENT AND DEBT COLLECTION (1/1)

The draft regulation – as considered during the Executive Mayor's Committee Meeting held on 22 March 2017 – was submitted to the Council in accordance with paragraph 57 of the Regulation in respect of the Rules for the Holding of Meetings.

The amendments to the Property Taxation Regulation and the associated policy were dealt with in the report circulated with the agenda, and are, for the most part, based on the amendment to the Local Government: Municipal Property Taxation Act, 2004.

4.4/...

Furthermore various amendments to the Credit Management and Debt Collection Regulation were also dealt with in the report.

The speaker put the matter to the vote and it was (in the absence of three councillors) decided with fourteen councillors in favour thereof, and six councillors who abstained from voting.

RESOLUTION

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

- (a) That the following draft regulations are approved in principle:
 - Property Taxation Regulation
 - Credit Management and Debt Collection Regulation, as well as, Credit Management and Debt Collection Policy included as a schedule;
- (b) That, in terms of article 12(3)(b) of the Systems Act, 2000, as well as paragraph 59 of the Regulation in respect of the Rules for the Holding of Meetings, the draft regulations are advertised for public comment in the local media and also on the municipal website for at least 30 days;
- (c) That the draft regulations are submitted to the Council for final approval on 25 May 2017;
- (d) That the draft Property Rates and Taxes Policy is also approved in principle and advertised for public comment in the local media and also on the municipal website concurrently with the 90 day budget;
- (e) That the Property Rates and Taxes Policy is submitted to the Council on 25 May 2017 for approval, in order to come into operation on the date on which the Regulation comes into operation.

4.5 AMENDMENT TO THE SUPPLY CHAIN MANAGEMENT POLICY AND PREFERENTIAL PROCUREMENT POLICY (8/1/B/1, 8/1/B/2)

In compliance with article 111 of the Municipal Financial Management Act 56 of 2003 the Council approved a Supply Chain Management Policy for implementation on 1 January 2006, The Supply Chain Management Policy must be revised annually and amended if necessary.

In May 2012 the Council approved a new Preferential Procurement Policy which brought the policy into line with the *Preferential Procurement Regulations, 2011*.

The amendments which arise from the MFMA circular were fully discussed in the report circulated with the agenda.

Clr D B Philander objected to the Council considering such an important policy without going through it thoroughly with the councillors and proposed that a workshop is arranged for this purpose.

The Speaker – with the addition of clr D B Philander's request as a recommendation-brought the recommendations to the vote -

UNANIMOUS RESOLUTION

(proposed by clr D B Philander, seconded by clr P E Solomons)

- (a) That, on condition that a workshop takes place with all councillors in order to work through the following policies -
 - (i) The proposed amendments to the Council's *Supply Chain Management Policy*, as presented in Attachment A, is approved with immediate effect;
 - (ii) That /...

4.5 (a)/...

- (ii) That the attached *Preferential Procurement Policy* (Attachment B) is adopted and approved as of 1 April 2017 in order to give effect to the *Preferential Procurement Regulations, 2017* proclaimed under the *Preferential Procurement Policy Framework Act, No. 5 van 2000*.

4.6 WARD COMMITTEES: TAX PAYABLE ON OUT-OF-POCKET ALLOWANCE AND ASSOCIATED INCREASE IN THE SITTING FEE (3/4/4/B)

The South African Revenue Services (SARS) notified the municipality in a letter dated 13 March 2017 that the out-of-pocket allowances in respect of ward committees are taxable at a rate of 25%.

Because the tax year started on 1 March 2017 it is important to tax the out of pocket allowances of ward committees with immediate effect.

It is therefore necessary to revise the remuneration of ward committee members, and the municipalities in the West Coast Region were consulted in an effort to follow a uniform remuneration model.

That the decision made by the Executive Mayor's Committee on 22 March 2017 is **NOTED**, namely:

- (a) That note is taken of the letter received from SARS in respect of the taxation of remuneration to ward committee members;
- (b) That approval is given to increase out of pocket expense allowance to ward committee members from 1 March 2017 from R200/meeting to R350/meeting (R350 @ 25 % (Tax) = R262.50), and from R100/meeting to R200/meeting/quarterly (R200 @ 25 % (Tax) = R150) for attending sectoral meetings in order to make provision for the 25% tax which must be levied as of 1 March 2017;
- (d) That, taking into account the remuneration of ward committee members in the West Coast Region, approval is also given for the increase to ward committee members to R500/sitting (R500 @ 25 % (Tax) = R375) and R200/quarterly sitting for sectoral meetings (R200.00 @ 25 % (Tax) = R150) as of 1 July 2017;
- (e) That the necessary information is obtained from the ward committee members to register them on the Municipal Payroll System.

5. GENERAL

5.1 AMENDMENT TO DRESS CODE FOR COUNCILLORS

At the request of the Speaker –

RESOLUTION

- (a) That clr N S Zatu, was given a second verbal warning, by the Speaker in respect of wearing a T-shirt to council meetings;
- (b) That the Speaker arranges that the dress code is amended to the effect, that in future only male councillors may wear jeans with a neat shirt and shoes (canvas shoes excluded) to council meetings.

**SIGNED
SPEAKER**