



MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYORAL COMMITTEE HELD IN THE BANQUETING HALL, MALMESBURY ON WEDNESDAY, 19 JULY 2017 AT 11:00

PRESENT:

Executive Mayor, ald T van Essen (chairman)
Deputy Executive Mayor, ald M S I Goliath

Members of the Mayor's Committee:

Clr P E Solomons
Clr O M Stemele
Clr R F van der Westhuizen
Clr M van Zyl

Other councillors:

Clr M A Rangasamy

Officials:

Municipal Manager, mr J J Scholtz
Director: Corporate Services, ms M S Terblanche
Director: Protection Services, mr P A C Humphreys
Director: Civil Engineering Services, mr A J Botha
Director: Electrical Engineering Services, mr R du Toit
Head: Budget Office, mr W Rossouw
Manager: Secretarial and Record Services, ms N Brand

1. OPENING

Clr R F van der Westhuizen opened the meeting with a prayer at the request of the chairman. Ms Ilse van Schalkwyk, from Knysna Municipality, who was visiting the Municipality as part of the mentorship programme, was especially welcomed.

2. APOLOGIES

The committee was complete.

3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS

None

4. MINUTES

4.1 MINUTES OF AN ORDINARY EXECUTIVE MAYORAL COMMITTEE MEETING HELD ON 14 JUNE 2017

RESOLUTION

That the minutes of an Ordinary Meeting of the Executive Mayoral Committee held on 14 June 2017 are approved and signed by the Mayor, subject to the following correction in the preamble to the resolution:

ITEM 7.1: SUBMISSION OF THE 2017/2018 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/4/3)

4.1/...

The Municipal Manager explained – in answer to a question from cllr O M Stemele with respect to the strategy in respect of access to sports facilities – that the need for a strategy will be considered during the revision of the IDP and Budget.

5. MATTERS ARISING FROM THE MINUTES OF 14 JUNE 2017

None

6. NEW MATTERS

6.1 IMPLEMENTATION OF LEVEL 4 WATER RESTRICTIONS (16/1/17)

The level of the Voëlvlei Dam is 10% lower than this time last year, and because some municipalities have already implemented stricter water restrictions, it is necessary for Swartland Municipality to consider this.

The Municipal Manager reported that the Swartland municipal area was declared a local disaster area in the Provincial Gazette dated 7 July 2017, as a result of the drought. The declaration of a disaster area is valid for a period of three months, and business plans for the utilisation of alternative water sources must be drawn up as soon as possible to be considered for disaster funding.

The chairman emphasised that Swartland Municipality is very worried about the water shortage and that a request is again made to all residents to use water sparingly.

RESOLUTION

- (a) That the existing level 3 water restrictions are repealed and that approval for the proposed level 4 water restrictions, referred to in **Attachment A** to this report, are approved for implementation from 1 August 2017;
- (b) That the above mentioned restrictions do not apply:
 - (i) where special dispensation has been given in writing by the Municipality;
 - (ii) where other sources of non potable water are used and a notice indicating the source is clearly displayed;
- (c) That the Municipality retains the right to install an *Aqualoc* water meter (which regulates the water usage on a daily basis) in cases where water is misused;
- (d) That the Municipal Manager is authorized, in terms of article 69(2) of the Water Provision, Sanitation Services and Industrial Waste Regulation, to grant departures, exemptions or relaxations in respect of the regulations on reasonable grounds;
- (e) That the following 40% water tariff adjustment, which already forms part of the budget process for implementation in cases of emergency and which was approved by the Council on 25 May 2017, is implemented with effect from the service accounts which will be delivered during August for payment by 31 August 2017:

In respect of household users/

6.1(e)/...

In respect of household users:

	Tariff per unit (kiloliter)
0 to 4 kl	R6,30 plus VAT
5 to 25 kl	R17,61 plus VAT
26 to 50 kl	R24,25 plus VAT
51 kl and more	R37,53 plus VAT

With respect to businesses (including schools, government organizations and sports clubs) –

R25,00 plus VAT from the first kiloliter used

- (f) That the public notice in respect of the above mentioned will be publicized in the media, as well as on the website and social media platform (*Facebook*), at libraries and municipal pay points and also delivered by hand to individual households;
- (g) That an application is made to the Department of Justice to increase the current fine of R500,00 for contravention of the water restrictions;
- (h) That the Council is notified of the decision.
- (i) That the Director: Civil Engineering Services is tasked to
 - investigate and draw up a contingency plan in respect of the use of alternative water sources, in conjunction with all the relevant authorities, including the Department of Water Affairs and Sanitation and the West Coast District Municipality; and
 - to identify projects arising from the above mentioned investigation, which will possibly qualify for funding from the national disaster fund, eg. the purification of sewerage water for human consumption.

6.2 INVESTIGATION INTO ILLEGAL WATER CONNECTIONS AND TAMPERING WITH METERS (5/15/1/5)

In spite of the comprehensive resident awareness campaigns that water is a very scarce resource, there are still users with illegal water and electricity connections and those who tamper with meters.

In an effort to give the culprits, who use water and electricity illegally, the opportunity to come forward themselves – without being penalised – an amnesty period of one month is proposed.

RESOLUTION

- (a) That approval is given for the institution of an amnesty period from 1 August to 31 August 2017 to give persons the opportunity, to report instances of illegal water and electricity connections, tampering with meters or involvement in any non-accountable usage;
- (b) That users who use this window period to report any infringements will be exempt from the following:
 - (i) the payment of the fines in respect of illegal connections; and
 - (ii) criminal charges, which can lead to a criminal record or even imprisonment for theft and fraud, will not be instituted against the culprits;
- (c) That the Directorate Financial Services will analyse usage on a monthly basis in order to identify abnormalities, in order to follow up on these cases once

6.2(c)/...

the amnesty period has expired. An inspection – in addition to the above mentioned – will also be undertaken in these cases/abnormalities in order to ensure that water and electricity meters are functioning properly and are properly sealed. Illegal use is a crime and penal charges must be instigated against felons. The owner will also be responsible for the cost of repairing the municipal asset, if any illegal connections are found on the property;

- (d) That a reward, in accordance with the Rewards Policy, will be given to any member of the public who reports illegal water and electricity connections, tampering with meters or any form of unaccountable usage. The reward is subject to the confirmation of an illegal connection and that the culprits are found guilty;
- (e) That notices in respect of the amnesty period for reporting of any illegal water or electricity connections is published on the municipal website and Facebook, as well as in the local media.

6.3 REPORTING IN TERMS OF ARTICLE 15(3) OF THE MUNICIPAL PROPERTY TAXATION ACT IN RESPECT OF PROPERTY RATES AND TAXES EXEMPTIONS, DISCOUNT, REBATE AND “REVENUE FORGONE” FOR THE 2016/2017 FINANCIAL YEAR (5/3/1/3)

In accordance with article 15(3) of the Municipal Property Rates and Taxes Act the Municipal Manager is obliged to report annually to the Council with respect to all tax exemptions, discounts and rebates granted during the previous financial year.

The report for the period 1 July 2016 to 30 June 2017 was circulated with the agenda.

RESOLUTION

That note is taken of the exemptions with respect to property taxation, costs of free basic services, discounts, rebates and revenue forgone, in Attachments A to C, and summarised in the following table:

Attachment:	Description:	Amount:	
A	Exceptions Art 7 & 8	R 483 179.16	
B	Rebate – Agriculture-properties	R 2 892 493.15	
	TOTAL:	R3 375 672.31	“Revenue Forgone”
C1	Rebate: – Discount to Pensioners R 300 000	R 1 552 698.04	
	TOTAL:	R 1 552 698.04	Rebate
C	Discount: E/Share R 80 000	R 2 174 762.86	
	TOTAL:	R 2 174 762.86	

6.4 ANNUAL REPORT IN RESPECT OF IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017 (8/1/B/2)

Regulation 6(2)(a)(i) of the *Municipal Supply Chain Management Regulations* stipulates that a report in respect of the implementation of the Supply Chain Management Policy must be submitted annually to the Executive Mayor.

The annual report for the period 1 July 2016 to 30 June 2017 was circulated with the agenda.

Resolution/...

6.4/...

RESOLUTION

- (a) That note is taken of the Annual Report of the Supply Chain Management Policy's implementation in accordance with article 6(2)(a)(i) of the Regulations, as well as the reports of the Formal Tenders (Attachment A), Informal Tenders (Attachment B) and the Departures Report (Attachment C);
- (b) That note is also taken of the services provided for the period 1 April 2017 to 30 June 2017 with reference to exceptions where it was impractical to test the market and thus a departure from the prescribed procurement process was necessitated in accordance with paragraph 2(6) of the Supply Chain Management Policy (Attachment D).

6.5 APPOINTMENT OF AUDIT COMMITTEE MEMBERS (11/1/3/1/7)

The rotation of members of the Audit Committee is encouraged in the MFMA Circular 65 of 12 November 2012 in order to further the independence of the committee. The circular further advises that members must not be appointed for a continuous period of more than six years.

The report recommends that the committee members who serve at present on the Audit Committee are appointed for a further term as the six year period has not as yet been exceeded.

RESOLUTION

- (a) That note is taken that the appointment of the following committee members will not exceed the six year period in respect of the MFMA Circular 65, and that therefore approval is given for the appointment of audit committee members for a further period in order to ensure continuity and also the future existence of the audit committee, as follows:
 - (i) The renewal of ms Roos's contract as a member of the combined Performance and Risk Audit Committee for a further period of service from 1 August 2017 to 31 August 2020;
 - (ii) The extension to the present service period of members of the Performance Audit Committee to 31 December 2018;
- (b) That note is also taken that these members are truly competent and provide a valuable service to the Swartland Municipality;
- (c) That the remuneration payable to members of the combined Performance and Risk Audit Committee for preparation work and attendance of meetings will be calculated according to the hourly rate approved by the Executive Mayor's Committee on 9 December 2015, escalated annually at 6%.

6.6 NOMINATION OF A REPRESENTATIVE ON SALGA: WOMEN'S COMMISSION (3/1/1)

A request has been received from SALGA to nominate a councillor to serve on the organization's Women's Commission.

The chairman stated in passing that it is not sound practise by SALGA to pay councillors, who are already receiving remuneration, for attending SALGA meetings.

RESOLUTION

- (a) That clr P E Solomons is appointed as the official representative from the Swartland municipal council on SALGA's Women's Commission;
- (b) That SALGA is informed accordingly.

6.7 OUTSTANDING DEBTORS – JUNE 2017 (5/7/1/1/MY)

A complete list of outstanding debtors was circulated with the agenda.

RESOLUTION

That note is taken of the report in respect of outstanding debtors for the month of June 2017.

6.8 PROGRESS IN RESPECT OF OUTSTANDING INSURANCE CLAIMS (5/14/3/5)

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

RESOLUTION

That note is taken of the progress in respect of outstanding insurance claims up to and including 30 June 2017 as circulated with the agenda.

6.9 DEPARTURE FROM THE PRESCRIBED PROCUREMENT PROCEDURES: APPOINTMENT OF LUMICO (PTY) LTD FOR MANAGEMENT OF FACEBOOK PAGE (4/6/2, 8/2/2/1)

Swartland Municipality does not have adequate internal capacity to manage the Municipality's Facebook page properly, precisely due to the fact that they do not have a full time communications official.

The Municipal Manager therefore recommended that *Lumico* be appointed on a three year service delivery contract from 1 July 2017 to manage the Municipality's Facebook page.

RESOLUTION

- (a) That note is taken and the action of the Municipal Manager is condoned in respect of the appointment of *Lumico (Pty) Ltd* on a service delivery contract from 1 July 2017 to 30 June 2018, to the amount of R4 800,00 per month, VAT excluded, subject to 6% annual escalation thereafter, and also subject to a three month notice period from either party, for the following reasons:
 - (i) The Municipality does not have the internal capacity or expertise to manage its own Facebook page effectively, and from a cost perspective it is the cheapest and most effective solution to make use of *Lumico* as an external service provider for the unique service that they provide.
 - (ii) It is impractical to test the market, given the investment made to date in the service delivered by *Lumico*, and taking into account the company's skill and specialised proficiency in the field of digital marketing, analysis of successes and failures, graphic design, photography and videography, project management and campaign conceptualisation and the implementation thereof;
- (b) That the above mentioned expense is debited to budget item no 050852001149 (Communication);
- (c) That the Senior Manager: Financial Statements and Management is authorized to note the above mentioned reasons in the financial statements, in terms of the Supply Chain Management Policy, when the relevant statements are drawn up.

6.10/...

6.10 APPROVAL OF CREDIT FACILITIES (5/14/3/5)

The Executive Mayor's Committee was recently informed that Standard Bank was appointed, by means of a tender process, to manage the banking services of the Swartland Municipality for a period of five years from 1 July 2017.

There are certain facilities which can only be made available by means of a council resolution.

RESOLUTION

- (a) That the Municipal Manager is authorised to make use of the normal credit facilities as part of the tender for the provision of banking services by Standard Bank of SA, and strictly according to those set out in the tender document, including bank guarantees, from 1 July 2017 for the duration of the tender period;
- (b) The amounts for the various credit facilities are as follows:
- Bank guarantees – R170 900
 - Fleet management credit facilities – R1 000 000
 - ACB collections – R10 000 000

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