



MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD IN THE BANQUETING HALL, MALMESBURY ON WEDNESDAY, 24 JANUARY 2018 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: Financial Services, mr M A C Bolton
Director: Development Services, mr J T Steenkamp
Director: Corporate Services, ms M S Terblanche
Director: Security Services, mr P A C Humphreys
Director: Civil Engineering Services, mr L D Zikmann
Director: Electrical Engineering services, mr R du Toit
Snr Manager: Strategic Services, mr L Fourie
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.

2. APOLOGIES

The committee was complete.

3. SUBMISSIONS/DEPUTATIONS/COMMUNICATIONS

3.1 SUBMISSION BY THE CHAIRMAN: SERIOUSNESS OF THE WATER SHORTAGE

The chairman presented a report in respect of the drought crisis and stated that the Voëlvlei Dam level is at 18%. Day Zero – when the 12% level is reached, and water can no longer reach the municipal purification works – is estimated at the end of March.

The disaster plan for critical water shortages, which has been divided into three phases, was also explained. At present phase 1 is applicable which involves level 5 water restrictions, the institution of penalty tariffs and fines, awareness campaigns and technical interventions, inter alia, water pressure and water flow management, sinking of boreholes, the installation of water management devices in order to limit water usage and interventions in order to gain access to the remaining water stock under the 12% level in the Voëlvlei Dam.

An instruction/...

3.1/...

An instruction has been received to reduce water usage from 60lt to 50lt per person per day, which means that municipal potable water can only be used for essential needs.

FOR INFORMATION

4. MINUTES

4.1 MINUTES OF AN ORDINARY EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 6 DECEMBER 2017

RESOLUTION

That the minutes of an Ordinary Executive Mayor's Committee Meeting held on 6 December 2017 are approved and signed by the Mayor.

4.2 MINUTES OF A SPECIAL EXECUTIVE MAYOR'S COMMITTEE MEETING HELD ON 15 DECEMBER 2017

RESOLUTION

That the minutes of an Special Executive Mayor's Committee Meeting held on 15 December 2017 are approved and signed by the Mayor.

5. MATTERS ARISING FROM THE MINUTES

None

6. MONTHLY REPORT IN RESPECT OF NOVEMBER 2017

[Note: The performance and financial information in respect of Quarter 2 is included in the Half Yearly Performance and Budget Evaluation Report, which will be submitted to the Council on 31 January 2018, hence the submission only of the additional reports in respect of the relevant directorates.]

6.1 CIVIL ENGINEERING SERVICES (7/1/2/2-4)

The chairman offered an opportunity for discussing the report and -

RESOLUTION

That note is taken of the monthly report from the Directorate Civil Engineering Services for November 2017.

6.2 ELECTRICAL ENGINEERING SERVICES (7/1/2/2-6)

The chairman offered an opportunity for discussing the report and -

RESOLUTION

That the monthly report from the Directorate Electrical Engineering Services for November 2017 is noted.

6.3 SECURITY SERVICES (7/1/2/2-3)

6.3.1 TRAFFIC AND LAW ENFORCEMENT SERVICES

6.3.2 FIRE SERVICES

The chairman offered an opportunity for discussing the report.

The Director: Security Services, mr P A C Humphreys explained that the outcome of the discussions with the Provincial Government in respect of the agency basis on which traffic services are provided, will be presented with the next monthly report.

The monthly report in respect of the provision of Fire Services will be adjusted in order to indicate at which fire fighting instances the West Coast District Municipality was involved.

6.3/...

RESOLUTION

That not is taken of the monthly report from the Directorate: Security Services for November 2017.

6.4 DEVELOPMENT SERVICES (7/1/2/2-2)

The chairman offered an opportunity for discussing the report.

RESOLUTION

- (a) That note is taken of the monthly report from the Directorate Development Services for November 2017;
- (b) That, at the request of the chairman, an investigation is made into insisting that grey water systems in new buildings must be implemented.

7. NEW MATTERS**7.1 SUBMISSION OF ANNUAL REPORT: 2016/2017 FINANCIAL YEAR (7/1/1/1)**

The 2016/2017 Annual Report is drawn up in accordance with the format prescribed by the MFMA Circular 63 dated 26 September 2012, and is submitted in accordance with article 127(2) of the Local Government: Municipal Financial Management, Act 56 of 2003 (MFMA).

The draft Annual Report was submitted to both the Auditor General and Provincial Treasury during December 2017 for comment, and the input received has already been added.

RESOLUTION (for submission to the Council on 31 January 2018)

- (a) That cognisance be taken of the annual report in respect of the 2016/2017 financial year, as tabled in terms of section 127(2) of the MFMA, and of which the tabling is done in the format as prescribed by National Treasury's MFMA Circular 63 of 2012;
- (b) That cognisance be taken of the following steps to be taken in terms of section 130 of the MFMA, being
 - (i) disclosure of the annual report;
 - (ii) inviting the public to submit representations in connection with the report;
 - (iii) inviting the public and relevant organs of state to attend the special council meeting on 29 March 2018, when the annual report and oversight report will be discussed;
 - (iv) submission of the annual report to the Auditor-General, provincial treasury and the provincial department responsible for local government;
- (c) That the MPAC be authorized in terms of section 79(2)(d) of the Structures Act, 1998 to co-opt advisory members who are not members of the council, including the following:
 - (i) the external financial audit committee;
 - (ii) two ward committee members to be co-opted on the performance assessment panel;
- (d) That the members of the ward committees also be extended an invitation to attend (1) the MPAC-meeting on the above date and (2) the special council meeting on 29 March 2018;
- (e) That councillors who are not members of the MPAC take note that they should also be conducting their own review of the report by inter alia having discussions with their constituents, ward committees and ward representatives to encourage inputs and comments for consideration at the full council meeting on 29 March 2018.

7.2 HIGH LEVEL REPORT IN RESPECT OF FINANCIAL STATEMENTS 2016/2017 (5/1/2-2016/2017)

The report circulated with the agenda contains a high level summary of the audited financial statements for the 2016/2017 financial year, with specific reference to Attachment A, which contains the ratios and operational results of the 2016/2017 financial year.

RESOLUTION

- (a) That cognisance be taken of the high-level report concerning the audited Financial Statements for 2016/2017; and.
- (b) That the following amounts contributed to Reserves and Provisions be approved for 2016/2017:

Capital Replacement Reserve:	R 45 034 716
Debt Impairment:	R 20 288 449
Provision for Leave:	R 1 497 790
Provision for Long Service Bonus:	R 543 976
Provision for Post Employee Health Benefits:	R 2 663 088
Total:	<u>R 70 028 019</u>

- (c) That the unauthorised expenditure as stated below be referred to the Adjustment Budget of 2017/2018 for approval in terms of Section 32 of the MFMA.

Unauthorized Expenditure: Operating

(a) Financial Services	R 2 638 159
(b) Protection Services	R 220 481

Unauthorized Expenditure: Capital

(a) Council	R 23 209
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- (d) That cognisance be taken that the fruitless and wasteful expenditure were recovered, except for the costs associated with the cleaning of the Erf (R 2242.50) of which the investigation is still pending and outstanding access amounts (around R1 422.00) still in the process of being deducted;
- (e) That cognisance be taken that the irregular expenditure to the amount of R60 973 has been claimed from the Insurance.

7.3 BUDGET MANAGEMENT COMMITTEE 2017/2018 ANNUAL ADJUSTED CAPITAL AND OPERATING BUDGET: TECHNICAL RECOMMENDATIONS (5/1/4)

The chairman requested the Director: Financial Services, mr M A C Bolton, to deal with the report and explain the legal requirements to which an adjusted budget must comply.

The Director: Financial Services stated that, in respect of the Half Yearly Budget and the Performance Evaluation, and the outcome of the previous Audit Reports, the 2017/2018 Adjusted Budget complies with all the legal requirements.

During the Budget Management Committee Meeting the 2017/2018 Adjusted Capital and Operating Budgets were examined and considered, and accordingly recommended to the Executive Mayor's Committee -

RESOLUTION (for recommendation to the Council on 31 January 2018)

- (a) That the Budget Steering Committee convened after having considered the explanations and motivations provided by the financial staff and other directors;

7.3/...

- (b) 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 R30 482 818 to a budgeted surplus of R58 424 095;
- (c) That approval be granted for the roll-over of unspent funds from government grants already approved by Provincial Treasury in respect of the 2016/2017 financial year as indicated in Council's financial statements as on 30 June 2017 and set out in Annexure B;
- (d) That the 2016/2017 Unauthorised Expenditure as stated above be referred to the Adjustment budget of 2017/2018 for approval in terms of section 32 of the MFMA;
- (e) 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 budget schedules;
- (f) 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;
- (g) That the Service Delivery Budget Implementation Plan (SDBIP) where appropriate be amended accordingly;
- (h) That approval be granted to amend the high-level capital and operating budget for 2017/2018 as follows:

	Original Budget 2017/2018	Annual Adjustment Budget
Capital budget	R 81 242 586	R 100 373 122
Operating expenditure	R 664 697 875	R 668 442 676
Operating revenue	R 695 180 693	R 726 866 771
Budgeted Surplus/ (Deficit)	R 30 482 818	R 58 424 095
Capital Grants	R 35 075 916	R 50 690 842
Surplus/ (Deficit)	(R 4 593 098)	R 7 733 253

7.4 AMENDMENT TO THE KPI'S AND GOALS FOR 2017/2018 (2/4/2)

The need to amend the key performance indicators (KPI's) and goals came to light during the first term of the 2017/2018 financial year. In so doing, the KPI's and goals will be more clearly worded and will also be more realistic.

The Municipal Manager, mr J J Scholtz, explained that the amendments to the KPI's and goals aim to move the Swartland Municipality from "good" to "great". The fact that the performance bonuses are not implicated, gave the opportunity to focus on innovative performance goals and the achievement thereof.

The amended KPI's and goals were circulated with the agenda.

RESOLUTION

That the attached key performance indicators (KPI's) and targets be approved with effect from 1 July 2017 (retrospective)

7.5/...

7.5 AMENDMENT TO THE 2017/2018 MIG PROJECTS IMPLEMENTATION PLAN (5/9/2/6/1)

The Detailed Project Implementation Plan (DPIP) in respect of approved MIG projects in the 2017/2018 financial year was submitted to the Department of Co-operative Governance and Traditional Affairs at the end of May 2017.

When the actual implementation and projects costs of MIG projects differ from the DPIP plan the amendments must be submitted to the Executive Mayor for approval.

RESOLUTION

- (a) That the Executive Mayoral Committee notes that there has been a saving of R 924 630.00 for the current financial year on the estimated total project cost for MIG project CS/WC/1265/15/18: Chatsworth New Sports Grounds due to tenders received being lower than anticipated.
- (b) 4.2 That the Executive Mayoral Committee notes that in order to achieve 100% MIG expenditure the saving of R 924 630.00 must be reallocated to other already approved MIG projects and that the 2017/2018 DPIP must be amended accordingly.
- (c) 4.3 That the Executive Mayoral Committee approves the following projects and budgets for the amended DPIP for the 2017/2018 financial year:

Nr	Project	Budget
1	Rehabilitate Water Networks (WC1287/W/14/17)	R 3 989 630.00
2	Malmesbury De Hoop: New Reservoir (WC/1649/W/16/19)	R 537 531.00
3	Malmesbury De Hoop: External Sewer (WC/1650/S/16/20)	R 10 833 184.00
4	New Sports Grounds: Chatsworth (WC1605/CF/16/18)	R 5 547 655.00
5	Riebeeck West IRDP: Ext. Stormwater (ST/WC/14499/17/19)	R 700 000.00
Total		R 21 608 000.00

- (d) That the amended DPIP be submitted to the Department of Cooperative Governance and Traditional Affairs.

7.6 REPORT IN RESPECT OF THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE PERIOD 1 OCTOBER TO 31 DECEMBER 2017 (8/1/B/2)

Article 6(3) of the *Supply Chain Management* Regulations stipulates that a report in respect of the activities of the relevant division must be submitted, on a quarterly basis, to the Executive Mayor.

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 October 2017 to 31 December 2017 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).

7.7 AMENDMENT TO THE ORGANISATIONAL STRUCTURE AS OF 1 FEBRUARY 2018 (2/3)

Article 66 of the Municipal Systems Amendment Act, 2011 stipulates that the municipal manager is responsible for the development of an organisational structure for approval by the municipal council.

The amendments to the organisational structure are fully explained in the report circulated with the agenda.

RESOLUTION (for recommendation to the Council on 31 January 2018)

That the Executive Mayoral Committee recommend the amendments to the organisational structure with regard to Protection Services and Corporate Services for approval by Council for implementation with effect from 1 February 2018.

7.8 APPROVAL OF HUMAN RESOURCES PLAN FOR 2017-2022 (2/B)

During 2015 SALGA undertook a nationwide campaign to draw up a profile of the capacity of every municipality to provide effective Human Resources Services. The profile was drawn up according to 12 elements, which can add value to this service.

The attached Human Resources Plan for 2017-2022 serves as a strategic document in order to set measurable goals, in order to improve on the results of SALGA, which will again conduct an evaluation during 2018.

RESOLUTION

That the Executive Mayoral Committee approve the attached Human Resources Plan for the period 2017 to 2022 in line with the period of the Integrated Development Plan.

7.9 SALE OF OBSOLETE ASSETS PER PUBLIC AUCTION (5/14/3/5)

A tractor, CK 32577, was listed in the capital budget for replacement in the 2017/2018 financial year. The tractor was however omitted from the list of obsolete assets which was approved by the Executive Mayor's Committee in November. The tractor was in fact sold on the public auction held on 30 November 2017.

RESOLUTION

- (a) That cognisance is taken of the incorrect exclusion of the detail of tractor, CK 32577, on the list of obsolete items that was approved by the Executive Mayoral Committee for the public auction;
- (b) That approval is granted that the aforementioned item is included in the list of obsolete assets in order to complete the administrative process, including the removal of the asset from the asset register.

7.10 WRITE-OFF OF IRRECOVERABLE DEBT: DECEMBER 2017 – REAL AMOUNT WRITTEN OFF (5/7/1/1)

The full report in respect of non-recoverable debt of destitute households and other debtors was presented to the Executive Mayor's Committee on 15 December 2017, where after certain actions were taken, for example socio-economic investigations into destitute households.

The object of the item is to submit the real amount written-off in respect of non-recoverable debt, to the Executive Mayor's Committee.

Resolution/...

7.10/...

RESOLUTION

- (a) That cognizance is taken that the actual amount written off in respect of indigent households amounted to R1 233 441.29 and in respect of other irrecoverable debt amounted to R641 451.21;
- (b) That further cognizance is taken that Swartland Municipality reserves the right to do a reversal of any amount that was written off to the relevant debtor and that all necessary steps will be taken to recover the debt, if it comes to light after the date of this approval that -
 - (i) a household did not comply with the indigent criteria (as determined in Chapter 5: Indigent Support of the Credit Control and Debt Collection Policy); or
 - (ii) a portion of, or the total debt of a debtor was not correct; or
 - (iii) information came forth that was not known to the Executive Mayoral Committee when the writing off was considered, that would have influenced the decision of the committee;
- (c) That cognizance is taken that if the property is alienated in any way; Swartland Municipality reserves the right to refuse clearance on the property in question in order to first recover the amounts written off. A register is kept in this regard at the Property Rates Division in order to determine if any amounts was written off for the previous two years, in order to recover the write-off amount before clearance is given.

7.11 OUTSTANDING DEBTORS: DECEMBER 2017 (5/7/1/1)

A report in respect of the status of outstanding debt was circulated with the agenda.

The Director: Financial Services, mr M A C Bolton, explained that the change in banking services from ABSA to Standard Bank from 1 July 2017 presented huge challenges, and many of the Municipality's clients did not take heed of the relevant notices. As a result clients, who had in fact paid their accounts, but into the wrong ABSA bank account, which had already been closed, landed on the termination of services list. An attempt has been made to identify as many of these cases as possible in order to remove them from the termination of services list.

RESOLUTION

That Council takes cognizance of the report with reference to the state of the outstanding debtors of Swartland Municipality for December 2017.

7.12 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 cognizance is taken of the outstanding claims as on 31 December 2017 as circulated with the agenda.

7.13 PROPOSED LEASE OF INDUSTRIAL PROPERTY IN MOORREESBURG FOR AGRICULTURAL PURPOSES (12/2/5/5-9/2)

The Municipality owns ±17,7 ha of land in Moorreesburg, which is made available for agricultural purposes by means of a public competitive process, on an annual basis.

The tender/...

7.13/...

The tender will only be awarded for the benefit of a local (Moorreesburg) based public welfare organization, which is involved in either welfare, humanitarian or cultural activities.

RESOLUTION

- (a) That approval be granted for proposals to be invited for the leasing of a portion (\pm 17.7 ha in extent) of erf 1133, Moorreesburg for a period not exceeding twelve months, with effect from 1 April 2018;
- (b) That proposals be invited on the basis of and conditions as contained in the draft notice as per Annexure B to the report;
- (c) That the Municipal Manager be authorized to appoint a committee to consider the proposals received and to make an award in consultation with the relevant ward councilor;
- (d) That the Director: Corporate Services be authorized to finalize the contents, as well as the signing of the lease agreement.

7.14 DEPARTURE FROM THE PRESCRIBED PROCUREMENT PROCESSES: PROFESSIONAL CERTIFICATE: LIBRARY ASSISTANT (4/6/2)

The training and development of personnel is one of the key functions of the Municipality.

Four library personnel have been nominated to receive training as Library Assistants. There is only one service provider which is fully accredited to provide this type of training.

RESOLUTION

- (a) That it be noted and the action of the acting Municipal Manager be condoned with regards to the appointment of Universal Knowledge Software (Pty) Ltd for the provision of the Occupational Certificate: Library Assistant to the four (4) employees;
- (b) That the reasons for the deviation from the prescribed procurement processes be recorded as follows:
 - Universal Knowledge Software (Pty) Ltd is the only service provider in this instance who provides fully accredited training as required for an Occupational Certificate: Library Assistant over a period of 12 months;
- (c) That the appointment be implemented to the amount of R143 510.04 (14% VAT included) and paid from vote number 11-48-52-00-3428 (Training: Efficiency Development) in the 2017/18 budget;
- (d) That the Sr Manager: Financial Statements and Control, in terms of the Supply Chain Management Policy be instructed to include the aforementioned reasons as a note to the financial statements, when the statements are compiled.

7.15 EXTENSION TO THE DECLARATION OF A LOCAL DISASTER WITHIN THE BOUNDARIES OF THE SWARTLAND MUNICIPALITY AS A RESULT OF THE DROUGHT (17/5/1/1)

On 28 June 2017 the Executive Mayor declared the Swartland municipal area a disaster area as a result of the ongoing drought and the resultant water shortage being experienced.

7.15/...

The original declaration was valid for a period of three months, after which it must be renewed on a monthly basis.

The situation has not changed in the interim, and an extension of the declaration is necessary in order to get national and provincial support with solutions to ensure the sustained provision of water.

RESOLUTION

- (a) That the Mayor in terms of section 55 (5)(c) of the Disaster Management Act, 57 of 2002 as a result of the magnitude and severity of the continuing drought affecting Swartland herewith extend the declaration of a local disaster within the Swartland Municipality from 8 February 2018 to 9 March 2018;
- (b) That Swartland Municipality requests the West Coast District Municipality to support the extension of the local state of disaster;
- (c) That the approved extension of the declaration be sent to the Provincial Government for publication in the next Provincial Gazette.

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