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Municipality
Umasipala

**MINUTES OF AN ORDINARY MEETING OF THE SWARTLAND MUNICIPAL COUNCIL,
VIRTUALLY HELD ON TUESDAY, 12 MAY 2020 AT 14:00**

PRESENT:

Speaker, clr M A Rangasamy

Executive Mayor, alderman T van Essen

Deputy Executive Mayor, alderdame M S I Goliath

Bekebu, Z (ANC)

Bess, D G (DA)

Daniels, C (DA)

De Beer, J M (DA)

Humphreys, F S (ANC)

Maart, E S M (DA)

McQuire, V D (DA)

Mfutwana, L E (EFF)

O'Kennedy, E C (DA)

Penxa, B J (ANC)

Philander, D B (ANC)

Smit, N (DA)

Solomons, P E (DA)

Stanley, B J (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: Electrical Engineering Services, mr R du Toit

Director: Civil Engineering Services, mr L D Zikmann

Director: Financial Services, mr M A C Bolton

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 Speaker welcomed members of the municipal council to the virtual meeting and asked the Director: Protection Services, mr P A C Humphreys, to open the meeting with a prayer.

2. APOLOGIES

No apologies received.

3. DEPUTATIONS/DECLARATIONS AND COMMUNICATIONS/SUBMISSIONS

3.1 APPROVAL OF GENERAL RULES FOR THE HOLDING OF VIRTUAL MEETINGS OR SITTINGS (3/4/2/1)

The Municipal Manager stated that a Circular C18/2020 was received from SALGA on 11 May 2020 in respect of the rules with respect to the holding of virtual meetings or sittings, for approval by the Council.

RESOLUTION

(proposed by clr P E Solomons, seconded by clr E S M Maart)

That the Generic Rules for Virtual Meetings or Sittings as proposed by SALGA be adopted for virtual meetings held by the Swartland Municipal Council to apply to meetings of Council and its committees, to be read and applied in conjunction with the Swartland Municipality: By-Law relating to the Rules for the Conduct of Meetings as per Public Notice 7501 dated 2 October 2015.

4. MATTERS FOR DISCUSSION

4.1 REMUNERATION OF COUNCIL MEMBERS: 2019/2020 FINANCIAL YEAR (5/10/1)

The late promulgation of the increased allowances and bonuses for councillors in respect of the 2019/2020 financial year per Government Notice No. 475, promulgated in Government Gazette 43246 dated 24 April 2020, was circulated with the agenda.

The report contains the complete financial implications of the increased allowances and bonuses for the Municipality's councillors as a Grade 4 local authority.

The Speaker brought the matter to the vote and –

UNANIMOUS RESOLUTION

(proposed by add M S I Goliath, seconded by ald B J Stanley)

- (a) That the contents of Government Notice No 475 as published in Government Gazette 43246 dated 24 April 2020 be noted, as well as the implications of same in respect of the increased allowances and benefits payable in respect of the 2019/20 financial year by the Municipality as a Grade 4 local authority, as explained in Annexure B to this report;
- (b) That cognizance be taken that adequate provision has been made in the 2019/20 operating budget in order to cover the increased allowances and benefits, and that the implementation of same thereof be approved, with retrospective effect from 1 July 2019;
- (c) That approval be granted that the monthly allowance of R300 in respect of data bundles (with specific reference to paragraph 7.3 of the report) be paid to all councillors in terms of the Tools of Trade Policy;
- (d) That the consultation prescripts of the MEC for local government be complied with in order to obtain the latter's approval for the implementation of the amended allowances and benefits;
- (e) That the Municipal Manager ensures that the information required in terms of Paragraph 18 of the Government Notice be submitted to the MEC for local government.

4.2 SALGA: PROPOSED CONTRIBUTIONS TO MUNICIPAL SOLIDARITY FUND IN ORDER TO LIMIT THE SPREAD AND IMPACT OF COVID-19 (5/9/2/13)

The establishment of a Solidarity Fund in order to limit the impact of COVID-19 was announced on 23 March 2020 by President Cyril Ramaphosa with the invitation to South Africans to make a consolidated effort to contribute to the Fund.

Accordingly, members of the Cabinet and deputy ministers undertook on 9 April 2020 to forgo one third of their salaries for the ensuing three months as a contribution to the Fund. In the interim a number of public representatives and directors of large companies have also made contributions to the Fund.

During a meeting of the National Executive Committee of SALGA held on 10 April 2020 a decision was taken that local authorities collectively support the call from the President.

RESOLUTION

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

- (a) That SALGA's recommendations (as per Circular 16/2020) regarding a proposed pledge by councillors to contribute the 4% annual increment for the months of April, May and June 2020, as well as regarding the establishment of a Municipal Solidarity Fund for such contributions, not be approved by the Swartland Municipal Council, for the following reasons:
 - (i) Councillors are the least paid public office bearers which is evidenced by the huge salary gap between local and both provincial and national public office bearers;

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- (ii) Due to a failure of provincial and national systems to ensure that lockdown measures are implemented effectively, municipalities (including both councillors and officials) are required to take on responsibilities beyond their mandates to ensure that initiatives, e.g. social relief programmes, are implemented within communities, and to deal with all the associated challenges on grassroots level;
 - (iii) Local authority councillors have over the past two years only qualified for a 4% annual increase in remuneration. Similarly, senior managers who are remunerated in terms of the Upper Limits Notices for Senior Managers have seen even lower increases in their remuneration, to the extent that in some instances their subordinates now earn more than them. These low increases are below SA inflation, which has been seen levelling off between 4.58 and 6.3 percent over the past few years;
 - (iv) CoGTA's failure over many years to timeously promulgate the upper limit notices for implementation with effect from July each year has been to the financial detriment of councillors (and also senior managers), who had to bear with no additional income for many months, and the impact of meeting the increased cost of living and loss of interest on earnings. In respect of the 2019/20 year, the upper limits notice for councillors was promulgated end April only, i.e. ten months into the financial year, a clear indication that there is little or no understanding for councillors from national level;
 - (v) A resolution was taken by the Executive Mayoral Committee on 15 April 2020 that SALGA National be requested to approach the South African Local Government Bargaining Council to be exempted from the Salary and Wage Collective Agreement in respect of the 2020/21 financial year, because of the economic hardship and job losses foreseen as a result of COVID-19, and subsequent loss of municipal income. Should negotiations in this regard be successful, employees (including those senior managers who are not remunerated under the Upper Limits Notice for Senior Managers) will only qualify for a notch increase, if applicable, and will forfeit their 6.25% salary increase and 6.25% increase in all benefits linked to salary. This is foreseen to have a significant impact on especially those senior managers nearing retirement, whose retirement fund and other investments are already crippled by the vulnerable economic markets as a result of COVID-19 and foreseen economic aftermath of same.
 - (vi) The personal and financial circumstances of councillors and managers vary, which complicate taking a collective approach in this matter.
- (b) That cognizance is taken that at the Council meeting held 25 March 2020, it was noted that senior managers have already pledged to make individual contributions towards curbing the impact of COVID-19 in their respective communities, either by making financial contributions to NGOs of their choice, or to assist vulnerable households known to them with food or financial assistance. To this end, the declaration that was drawn up and signed by all the senior managers, is noted and respected, in addition to those reasons as noted in subparagraphs (iii), (v) and (vi) above, in as far as it applies to senior managers;
 - (c) That it be noted that it appears as though SALGA as employer's organization does not comprehend the economic impact of COVID-19 on municipalities and communities, since in response to the Municipal Manager's request that their membership fees be reconsidered, the only allowance that was made was to extend the 'early bird special' for the payment of membership fees with one month, until the end of May (instead of April) 2020;
 - (d) That, although payment of the membership fees is required by law, SALGA be requested to seriously reconsider their membership fees; alternatively, that the Municipality be afforded the opportunity to first consider whether payment of the membership fees (amounting to 1% of the municipal salary budget, i.e. almost R2,4 million in respect of the 2020/21 financial year) is financially sustainable, in view of other budget priorities as well as the economic impact of COVID-19 on its budget;

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- (e) That, for now, no SALGA membership fees be paid for the 2019/2020 financial year due to the fact that the Municipality must save on expenses due to the impact of COVID-19;
- (f) That the following reasons, inter alia, be noted for the non-payment of SALGA membership fees, namely:
 - (i) SALGA exceeds its powers by requesting municipalities to establish a Municipal Solidarity Fund to which councilors, senior managers and municipal officials must make a certain contribution, while National Treasury's instruction is very clear that any funds may only be contributed to the National RDP fund;
 - (ii) SALGA failed to exert pressure on CoGTA to announce the upper limit notifications timeously and further expects from councillors to give up the 4% adjustment of April, May and June's which was supposed to be implemented on 1 July 1 2019;
- (g) That SALGA be requested to host virtual meetings in future and to reconsider the payment of sitting fees to councillors for the attendance of meetings, as non-payment of councillors may result in a reduction in membership fees which is considered to be meaningful, and that SALGA is further requested to indicate what measures they are putting in place to keep membership fees as low as possible.

4.3 CONSIDERATION AND APPROVAL OF CONTRACTS WITH FUTURE BUDGET IMPLICATIONS AS REQUIRED BY SECTION 33 OF THE MFMA: AWARD OF TENDERS T22/19/20 AND T23/19/20 FOR THE UPGRADING OF THE MOORREESBURG AND DARLING SEWERAGE WORKS (5/1/B; 16/3/B)

The report attached to the agenda contains a full motivation and the financial implications in respect of the two projects for the upgrading of the Moorreesburg and Darling Sewerage Works, respectively.

The Municipal Manager stated that the presentation of the contracts is not aimed at involving councillors in the awarding of the tenders, but to inform the Council with respect to the budget implications of the contracts, in compliance with Section 33 of the Municipal Financial Management Act, Act 56 of 2003 (MFMA).

Clr D B Philander earnestly requested that contractors make use of local labour.

RESOLUTION

(proposed by clr C Daniels, seconded by clr J M de Beer)

- (a) That cognisance be taken that the awarding of tenders T22.19.20 and T23.19.20 for the upgrading of the Moorreesburg and Darling waste water treatment works will impose the following financial obligations on the Municipality which does not form part of the approved 2019-2020 multi-year budget:
 1. provision for the amount of R7 646 177 in the capital budget of the 2022/2023 financial year;
 2. increased sanitation tariffs from a current tariff of R 234.35 to R 251.96 p/m in 2020-2021;
 3. further increases of 7,51% over the outer years (an increase of 7,51% instead of 6% p/m equating to an approximate additional R 3.55 p/m to finance the loan) due to the partial financing of the project by way of an external loan of R 50 million payable over a term of 10 years.
- (b) That cognisance be taken that comments in accordance with section 33(1)(b)(iii) and (iv) of the Municipal Finance Management Act (MFMA) were only received from Darling Black Business Forum;
- (c) That the comments from the Darling Black Business Forum and that no further actions result from same be noted;

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- (d) That cognisance be taken that tenders T22.19.20 and T23.19.20 were invited and evaluated in accordance with Council's Supply Chain Management Policy;
- (e) That the contracts for tenders T22.19.20 and T23.19.20 be approved as follows:
 1. Tender T22.19.20 for the civil works for the upgrading of the Moorreesburg WWTW and the Dewatering Plant for the Darling WWTW to Haw and Inglis (Pty) Ltd for the amount of R80 344 598.13 inclusive of VAT (R69 864 867.94 VAT exclusive) and a planned construction period of 104 weeks.
 2. That tender T23.19.20 for the mechanical and electrical installation for the upgrading of the Moorreesburg WWTW and the Dewatering Plant for the Darling WWTW to Inenzo Water (Pty) Ltd for the amount of R 75 470 322.36 inclusive of VAT (R 65 626 367.27 VAT exclusive) and a planned construction period of 93 weeks.
- (f) That the Municipal Manager be authorised to sign contracts arising from the award of tenders T22.19.20 and T23.19.10.

4.4 IRREGULAR EXPENDITURE AS REPORTED BY THE AUDITOR GENERAL IN THE REPORT FOR THE 2018/2019 FINANCIAL YEAR. (5/15/1/5)

Section 32 of the Municipal Financial Management Act, Act 56 of 2003 (MFMA), stipulates that irregular expenditure must be reported to the Council.

The report attached to the agenda contains full details in respect of the investigations which were launched, including the report and the recommendations from the Disciplinary Council.

RESOLUTION

(proposed by clr O M Stemele, seconded by ald R F van der Westhuizen)

The investigations regarding the procurement of goods and services under the contracts secured by Drakenstein Municipality and Cape Winelands District Municipality respectively have been completed;

- (a) A report in respect of Drakenstein Municipality was submitted to Council on 26 March 2020 as indicated in item 2.3.4 above;
- (b) That the content of the Record of Decision of the Disciplinary Board as per Annexures A to this report in respect of Cape Winelands District Municipality be noted that the allegation is unfounded as insufficient grounds exist to regard the expenditure of R744 633.12 as irregular;
- (c) That the recommendations of the Disciplinary Board as contained in Annexure A to the report be approved and implemented regarding the following:
 - (i) The amount of R1 833.26 paid in excess to the service provider to be considered as Fruitless and Wasteful expenditure;
 - (ii) Recover the above amount from the Kgolo Institution and if the amount is not paid, to recover it from the officials responsible for the overpayment; and
 - (iii) The existing controls for the processing and verification of payments to 3rd parties are at all times adhere to, to prevent a repeat of this type of human error in future.
- (d) That the irregular expenditure in terms of section 32(4) amounting to R 953 705.38 and R8 099 615.02 respectively be reported in writing to the MEC for Local Government and the Auditor-General.

4.5 QUARTERLY REPORT (SECTION 52 OF THE MFMA): JANUARY TO MARCH 2020 (7/1/2/2-2)

The presentation of the quarterly report is prescribed by section 52(d) of the Municipal Financial Management Act, Act 56 of 2003 (MFMA) as one of the general responsibilities of the Executive Mayor to inform the Council with respect to the implementation of the budget and the state of the Municipality's financial matters.

4.5/...

The quarterly report in respect of Quarter 3 ending 31 March 2020 was circulated with the agenda.

RESOLUTION

(proposed by clr N Smit, seconded by clr D G Bess)

That Council cognisance be taken of the attached quarterly report, as required by Section 52 of the Municipal Finance Management Act, Act 56 of 2003 in respect of the implementation of the budget as well as the performance against the Top Layer Service Delivery and Budget Implementation Plan of the municipality for the period 1 January 2020 to 31 March 2020.

**SIGNED:
SPEAKER**