



MINUTES OF A VIRTUAL MEETING OF THE SWARTLAND MUNICIPAL COUNCIL, HELD ON THURSDAY 27 MAY 2021 AT 10:00

PRESENT:

Speaker, ald M Rangasamy

Executive Mayor, ald T van Essen

Deputy Executive Mayor: aldd M S I Goliath

Bess, D G (DA)

Bekebu, Z (ANC)

Daniels, C (DA)

De Beer, J M (DA)

Humphreys, F S (ANC)

Maart, E S M (DA)

Matthyse, S E (EFF)³

McQuire, V D (DA)

O'Kennedy, E C (DA)

Penxa, B J (ANC)

Philander, D B (ANC)

Smit, N (DA)

Sneewe, A M (ANC)¹

Solomons, P E (DA)

Stanley, B J (DA)²

Stemele, O M (DA)

Van der Westhuizen, R F (DA)

Van Zyl, M (DA)

Officials:

Municipal Manager, mr J J Scholtz

Director: Financial Services, mr M A C Bolton

Director: Protection Services mr P A C Humphreys

Director: Electrical Engineering Services, mr R du Toit

Director: Corporate Services, ms M S Terblanche

Director: Civil Engineering Services, mr L D Zikmann

Director: Development Services, ms J C Krieger

Manager: Secretarial and Records, ms N Brand

1. OPENING

The Speaker welcomed the Executive Mayor, the Deputy Mayor, alderdames, aldermen, councillors, officials, members of the press, members of the public and the interpreter.

The Manager: Legal and Credit Management, mr Preston Sheldon, opened the meeting with a scripture reading and prayer, at the invitation of the Speaker.

The Speaker congratulated councillors and officials who had celebrated birthdays during May with special good wishes to ald N Smit, the Director: Civil Engineering Services, mr L D Zikman and the Manager: Budgeting Office, ms H Papier who celebrated birthdays on this day.

The Speaker expressed his condolences to Ald B J Stanley on the death of his one brother and his other brother who is in hospital.

2. APOLOGIES

Apology received from clr N S Zatu.

3. DEPUTATIONS/DECLARATIONS AND COMMUNICATIONS/SUBMISSIONS

¹ Clr A M Sneewe left the meeting during the discussion of item 8.2 due to illness;

² Ald B J Stanley left the meeting during the discussion of item 8.2 as arranged with the Speaker;

³ Clr M E Matthyse left the meeting during the discussion of item 8.2, no reason given;

3.1 SWARTLAND: COVID-19 INOCULATION PROGRAMME

The Municipal Manager stated that information had been received from the Department of Health in respect of the Covid-19 inoculation programme for the Swartland Municipal area.

NOTE IS TAKEN that the information will be circulated to all councillors and ward committee members in order to inform all community members older than 60 years and to support them in receiving the inoculation.

4. MINUTES FOR APPROVAL

4.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 29 APRIL 2020

RESOLUTION

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

That the minutes of an Ordinary Council Meeting held on 29 April 2021 are approved and signed by the Speaker, subject to the correction of the English text:

ITEM 7.7: ANC MOTION IN RESPECT OF CONTENTIOUS VIOLATION OF THE CODE OF CONDUCT FOR COUNCILLORS AND/OR THE REGULATION (3/1/6)

The acting Speaker ... (in the absence of ~~two~~ ~~one~~ councillor) decided ...

5. REPORT IN RESPECT OF THE DELEGATED DECISION MAKING BY THE EXECUTIVE MAYOR

RESOLUTION

That note is taken of the decisions made by the Executive Mayor in accordance with his delegated competence, in respect of the following minutes:

5.1 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 13 APRIL 2021

6. REPORT IN RESPECT OF THE DELEGATED DECISION MAKING BY THE MUNICIPAL MANAGER

RESOLUTION

That note is taken of the decisions made by the Municipal Manager in accordance with his delegated competence, in respect of the following minutes:

6.1 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 20 APRIL 2021

7. MATTERS ARISING FROM THE MINUTES

7.1 MINUTES OF AN ORDINARY EXECUTIVE MAYOR'S COMMITTEE HELD ON 29 APRIL 2020

7.1.1 [ITEM 7.1] APPOINTMENT OF A REPRESENTATIVE OF SWARTLAND MUNICIPALITY TO THE WEST COAST DISTRICT MUNICIPALITY (3/3/1/1)

NOTE IS TAKEN that clr E C O'Kennedy was elected by the IEC to the West Coast District Municipality, in accordance with item 23 of Attachment 2 to the Local Government Act: Municipal Structures, 1998.

8. MATTERS FOR DISCUSSION

8.1 APPROVAL OF THE FOURTH AMENDMENT TO THE 2017-2022 INTEGRATED DEVELOPMENT PLAN (IDP) AND AREA PLANS (2/1/4/4/1)

The Executive Mayor, ald T van Essen, in view of the local elections on 27 October 2021, and therefore his last tabling of the Integrated Development Plan (IDP) and budgets, gave an overview of the successes achieved by the Swartland Municipality during the last twelve years (the presentation by the Executive Mayor is attached hereto as Attachment A for completeness).

8.1/...

The Speaker gave the Executive Mayor further opportunity to table the amendments to the 2017-2022 Integrated Development Plan (IDP) arising from the fourth revision of the IDP.

The Executive Mayor stated specifically that due to the local elections in October 2021 it will not be possible to present a new 2022-2027 IDP to a new Council by March 2022. It will therefore be recommended that the new Council approves the 2017-2022 IDP (with or without amendments).

The Executive Mayor dealt with the amendments which have been made since the presentation of the draft IDP during March 2021. Although there was no input/comment received from the public, there were other factors which had to be taken into consideration, inter alia, the new Economic Development and Recovery Plan and the amended budget.

The Speaker gave the councillors the opportunity to comment, whereupon clr D B Philander, on behalf of the ANC, again stated that the IDP does not succeed in addressing the inequality of the past, with reference to the following disadvantaged areas:

- (1) Inadequate storm water systems;
- (2) Lack of economic development;
- (3) Inaccurate recording of the history of Riebeeck Kasteel;
- (4) Funding to fence the Riebeeck West Town Hall, but no funding as a contribution to Early Childhood Development (ECD centre).

With the mention of the contentious corruption case against the Executive Mayor, clr D B Philander was requested, on a point of order by clr E S Maart, to stick to the agenda. The Speaker confirmed that the contention is of a political nature and not within the ambit of the Municipality, and ruled that if there is any further mention in respect of this by a councillor, the relevant councillor would be asked to leave the council meeting.

The Speaker brought the matter to the vote and (in the absence of one councillor) decided with 15 DA councillors and 1 EFF councillor in favour thereof, and the rest of the councillors who abstained from voting.

RESOLUTION

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

That the -

- (a) fourth amendment of the 2017-2022 Integrated Development Plan (IDP), and
- (b) the revision of the area plans be approved.

8.2 CONSIDERATION AND APPROVAL OF THE FINAL MULTI-YEAR CAPITAL AND OPERATING BUDGETS, AMENDED BUDGET RELATED POLICIES, PROPERTY RATES AND TAXES AND REBATES, TARIFFS AND OTHER LEVIES FOR 2021/2022, 2022/2023 and 2023/2024 (5/1/1/1-2020/21, 5/1/1/2-2021/22 AND 5/1/4)

At the request of the Speaker, the Executive Mayor gave a presentation (see Attachment A) in respect of factors which played a role in the drawing up of the multi-year budget.

The following focus areas, inter alia, were highlighted:

- (1) grants to local government were reduced by R19,4 million, including a decrease of R14,7 million for the destitute;
- (2) the impact of Covid-19 on the economy, job losses, income generation by local authorities, salary increases negotiated at national level;
- (3) the pressure on local authorities to consider tariff increases which ensure sustainability against the electricity tariff increases by Eskom;
- (4) the maintenance of collection rates of $\pm 95\%$ and attempts to collect arrear debt;
- (5) to create an environment conducive to economic development, specifically to advance the informal sector and township economy in order to combat further joblessness, increased levels of poverty, food insecurity and social unrest.

In terms of Section 23 of the Local Government: Municipal Financial Management Act, Act 56 of 2003 (MFMA), the Executive Mayor dealt with the public input/comment received during the public participation process up to 30 April 2021, and the impact thereof on the amendment of the 90 day to 30 day budget.

8.2/...

The capital and operating budgets were also dealt with and the projects exceeding R50 million were pointed out, which include the upgrading of the Moorreesburg and Darling Purification Works, and the building and resealing of roads. The Executive Mayor indicated where roads will be built in the various towns.

The Speaker gave the councillors the opportunity to comment on the submission by the Executive Mayor, whereupon clr D B Philander requested that consideration is given to extending the 6 kl free water grant to the backyard dwellers, and not only to the "main household."

Clr B J Penxa requested that, in considering the building and resealing of roads, consideration is given to the complete rebuilding of Rolihlaha Street in Ilinge Lethu with speed bumps, because the road carries a lot of traffic.

Clr B J Penxa also stated that, with the decision not to enforce credit management during the Covid-19 restrictions, there may be a misunderstanding amongst residents in respect of the payment of services provided during this period, to the extent that some residents are left with high municipal accounts. Clr Penxa wondered if it is possible to come to an arrangement with these users. The Director: Financial Services stated that the Municipality is obliged by law to collect debt in arrears, but any user is welcome to request the Municipality to investigate individual cases.

The multi-year capital and operating budgets, amended budget related policies, levying of property rates and taxes, tariffs and other levies for 2021/2022, 2022/2023 and 2023/2024 were tabled for final approval and put to the vote. The matter was decided (in the absence of four councillors) with 14 DA councillors in favour thereof, with the rest of the councillors abstaining from voting.

RESOLUTION (as recommended by the Executive Mayor's Committee on 20 May 2021) (proposed by ald T van Essen, seconded by ald O M Stemele)

- (a) That cognisance be taken of the inputs received from the public and province and that the comments and responses thereto (**Annexure E, Inputs received on the Draft Budget**) be accepted as recommendations by the Budget Steering Committee and Executive Mayoral Committee, insofar as it relates to the consideration of the final 2021/2022 MTREF Budget;
 - (i) That council specifically note the Executive Mayor's decision in the above regard as allowed for in Section 23 of the MFMA, resulted in the following changes to the draft final budget:-
 - o Reduced property rates increase for the 2021/22 financial year from 5.9% to 3.9%(linked to estimated headline inflation) resulting in reduced planned revenue around R 2, 780 million;
 - o Water tariffs reduced from 6% and 4.9% to a low 3.5% for all users inclusive of reducing the block tariff for consumption between 26-35 KL and no increase for consumption from 36 KL and more. The planned increases tabled in the draft budget for the outer years were further reduced to 4,5% from a planned 6%;
 - o Electricity Increases– Tariff 12 (block 1) of the residential prepaid tariff to increase by only 13.8% instead of 14.59% tabled in the draft budget and that the deficit be recovered from the energy components of the bulk industrial tariffs (Tariff 3 and Tariff 10) by means of an increase of 15%;
 - o Salary increases were revised/limited to 2.8% resulting in a reduced salary bill in the final budget as SALGA, contrary to the 0% mandate provided by the municipality, entered into negotiations with the aforementioned 2.8%;
- (b) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per (**Annexure A, Section 1: 2021/22 – 2023/24 Final Budget and Tariff File**) and consider same;
- (c) That council prior to approving the capital projects above R50 million as listed in (**Annexure B: 2021/22 – 2023/24 Capital Projects ito Sec 19**), first consider the projected cost covering all financial years until the project is operational and the

future operational costs and revenue on the project, including municipal tax and tariff implications;

- (d) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	Final Budget 2021/2022	Final Budget 2022/2023	Final Budget 2023/2024
Capital Replacement Reserve (CRR)	R 119 720 229	R 88 134 732	R 87 207 848
Municipal Infrastructure Grant (MIG)	R 22 700 000	R 23 810 000	R 24 711 000
Dept. Human Settlements	R 14 600 000	R 15 800 000	R 19 760 000
Integrated National Electrification Programme (INEP)	R 8 355 000	R 5 000 000	R 5 000 000
Dept. Cultural Affairs and Sport	R 1 033 000	R -	R -
Community Safety Grant	R 27 500	R -	R -
GRAND TOTAL	R 166 435 729	R 132 744 732	R 136 678 848

- (e) That council deemed it appropriate to consider the entire capital program excluding the 2 contractually combined projects above R 50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (f) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A, Section 1: 2021/22 – 2023/24 Final Budget and Tariff File)**;
- (g) That the final high-level multi-year Capital and Operating budgets with respect to the 2021/22 – 2023/24 financial years be approved as final, in accordance with sections 16, 17 and 19 of the MFMA;

	Original Budget 2020/21	Special Adj Budget 2020/21	Final Budget 2021/22	Final Budget 2022/23	Final Budget 2023/24
Capital budget	212 435 837	212 204 973	166 435 729	132 744 732	136 678 848
Operating Expenditure	810 670 080	812 407 741	911 967 151	983 835 346	1 055 314 274
Operating Revenue	882 786 413	895 651 145	968 875 619	1 048 008 388	1 119 714 984
Budgeted (Surplus)/ Deficit	(72 116 333)	(83 243 405)	(56 908 468)	(64 173 042)	(64 400 709)
Less: Capital Grants, Donations & Development Charges	86 863 600	80 767 351	47 912 409	45 865 556	50 788 078
(Surplus)/ Deficit	14 747 267	(2 476 054)	(8 996 059)	(18 307 486)	(13 612 631)

- (h) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the final property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2021/2022 financial year with effect from 1 July 2021;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5361
Business and Commercial properties	1: 1,4367	0,7702
Industrial properties	1: 1,4367	0,7702
Agricultural properties	1: 0,25	0,1340
Mining properties	1: 1,4367	0,7702
Public Service Infrastructure	1: 0,25	0,1340
Public Benefit Organisations	1: 0	0,0000
Vacant properties	1: 1,347	0,7221
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000
Informal Settlements	1: 0	0,0000

Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R300 000.

NB: Please refer to the municipality's property rates policy in respect of all rebates offered.

- (i) That council approve the final tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2021/22 – 2023/24 Final Budget and Tariff File)**;
- (j) That council approve the electricity tariffs as final for the 2021/2022 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (k) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure C: Budget Report and A-Schedules 2021/22 – 2023/24)**;
- (l) That the amended budget and related policies as set out in **(Annexure D: Final Budget Related Policies 2021/22)** hereto, be approved as final;
- (m) That the training budget limited to **0,70%** of the salary budget in the amount of **R1 820 006** for the 2021/2022 financial year be approved as final;
- (n) That SALGA be informed of Council's dissatisfaction that, despite a 0% mandate received from various municipalities, SALGA went to the negotiations with a 2.8% increase;
- (o) That Council takes note of the increases of the directors: Corporate, Electrical Engineering Services and Protection Services that are contractually linked to the other personnel which is negotiated and determined at a national level:

- In respect of all personnel, an increase of 2.8% for 2021/2022; 2.8% for 2022/2023 and 2.8% for the 2023/2024 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
 - In respect of the Directors: Corporate Services, Electrical Engineering Services and Protection Services, a 2.8% increase with effect from 1 July 2021;
 - In respect of the Municipal Manager a 2.5% increase with effect from 1 July 2021;
 - That it be noted that the Directors: Civil Engineering Services, Financial Services and Development Services received no increase for the 2020/21 year with no indication of increases for 2021/22 either;
 - That it be noted that all councillors received no increase to their allowances during 2020/21;
 - Provision has been made for a 2.8% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (p) That Council takes note of the budgeted operating surpluses and that the budget is “cash-funded” as a result of cash reserves in table A8, the total expenditure growth of **12.3%** from the current to the new financial year and the reduced revenue streams with minimal growth in revenue of **8.2%** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the budgeted risk factor for cash coverage for operating expenses is **8.9 months** for 2021/2022, **8.8 months** for 2022/2023 and **8.3 months** for 2023/2024 financial years (this can materially be impacted but not possible to determine scientifically at this stage);
 - over the next three financial years the planning is such that operating surpluses are envisaged for 2021/2022 to an amount of **R 8 996 059**, for 2022/2023 an amount of **R 18 307 486** and for 2023/2024 an amount of **R 13 612 631 (excluding capital grant income)**;
- (q) 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;
- (r) That Council take note that the budget was prepared in the new mSCOA Version 6.5 as required by National Treasury.

8.3 ADOPTION OF THE PROPERTY RATES AND TAXES REGULATION (1/1)

The draft Property Rates and Taxes Regulation was presented to the Council on 30 March 2021 in order to follow a public participation process.

The draft regulation was drawn up according to an example of a regulation which was provided by the Department of Co-operative Governance and Traditional Affairs (CoGTA). The relevant department proposed further amendments on 18 May 2021, now included in the attached regulation, but it was not deemed essential to follow another public participation process.

The Speaker put the matter to the vote and it was decided (in the absence of four councillors) with 14 DA councillors in favour thereof, and the rest of the councillors abstaining from voting.

RESOLUTION

(proposed by clr J M de Beer, seconded by clr E C O’Kennedy)

That the Swartland Municipality: Property Rates By-law (as per Annexure A) be recommended for approval by the Council, to come into operation on the date of publication in the Provincial Gazette.

8.4 CAPE WEST COAST/SWARTLAND TOURISM ASSOCIATION: RENEWAL OF SERVICE LEVEL AGREEMENT (9/1/3/B)

A Service Level Agreement was entered into with the Cape West Coast/Swartland Tourism Association (STO) in order to carry out tourism functions on behalf of the Municipality.

It has been recommended that the service level agreement is continued, for another term, in order to create the opportunity for the phasing in of the new tourism model.

Clr D B Philander stated that the tourism in the Swartland municipal area is not on an integrated and transformative basis and that the ANC is very opposed to the agreement. The Speaker confirmed that this is one of the reasons why the Executive Mayor has requested a revision of the tourism model.

The Speaker brought the matter to the vote and it was decided (in the absence of four councillors) with 14 DA councillors in favour thereof, and four (ANC) councillors against the motion.

RESOLUTION

(proposed by aldd M van Zyl, seconded by clr P E Solomons)

- (a) That approval be granted for a Service Level Agreement (as per Annexure A hereto) to be signed with the Cape West Coast/Swartland Tourism Association with effect from 1 July 2021 until 30 June 2022;
- (b) That the Municipal Manager be authorized to sign the Service Level Agreement on behalf of the Council in order to fulfill Council's legislative mandate regarding tourism.

8.5 PROPOSED AMENDMENT TO AGREEMENT (T23/18/19): GROUP LIFE SOLUTIONS: UNDERWRITING OF THE MUNICIPALITY'S GROUP LIFE INSURANCE PORTFOLIO FOR PERIOD 1 JULY 2019 TO 30 JUNE 2022 (4/7/5/2)

Tender T23/18/19 was awarded to VERSO Financial Services for the underwriting of the Municipality's group life insurance portfolio for the period 1 July 2019 to 30 June 2022.

A letter dated 26 April 2021 was received from VERSO Financial Services in which the extent of the impact of the Covid -19 pandemic on the insurance industry was explained and accordingly the revision of the underwriter's pricing for deaths.

The matter was considered by the Executive Mayor's Committee on 20 May 2021 for recommendation to the Council.

RESOLUTION

(proposed by ald R F van der Westhuizen, seconded by clr E S M Maart)

- (a) That Council take note of the fact the COVID-19 negatively impacted the insurance industry given the current elevated level of death rates in the country and the expectation of a third and possibly more waves later in 2021, to the extent that the underwriter had no choice but to review their mortality pricing basis;
- (b) That cognisance be taken of the reasons tabled for the amendment of Contract T23/18/19 in terms of the enabling provisions of Section 16(3) of the Municipal Finance Management Act, (Act 56 of 2003);
- (c) That cognisance be taken that due process was followed and comments/representations are awaited by 4 June 2021 regarding the proposed amendment of Contract T23/18/19;
- (d) That should no comments/representations be received regarding the amendment of Contract T23/18/19, Council approves the amendment of the rates in terms of Contract T23/18/19 as follows with effect from 1 July 2021:

	Current	1 July 2021
Council (this rate affects the municipal expenditure)		
Compulsory Death and Instalment Disability	R0,4800	R0,6270

- (e) That the Municipal Manager be authorised to sign the amended certificate of participation, should no comments/representations be received;
- (f) That Council take note that if any comments/representations against the proposed amendment of Contract T23/18/19 are received the matter will be referred back to Council for consideration before end June 2021;
- (g) That the required adjustments to the multi-year operating budget be made for approval by Council by means of an adjustments budget.

8.6 REVISION OF SYSTEM OF DELEGATION (2/5/1, 2/5/2)

Section 59 of the Municipal Systems Act stipulates that a council must develop and maintain a System of Delegations that will optimize administrative and operational efficiency and make provision for adequate checks and balances.

The attachment to the agenda is the fifth revision of the System of Delegations which was approved by the Council on 11 August 2016.

RESOLUTION

(proposed by clr E S M Maart, seconded by aldd M S I Goliath)

- (a) That the amendments to the System of Delegation (5th Revision) as per Annexures A to C be approved, and cognisance be taken of the amendments as per Annexures D and E;
- (b) That cognisance be taken that no amendments were effected to the Section 53 Role Definition of political structures, political office bearers and the municipal manager, which document forms part of the System of Delegation.

8.7 APPOINTMENT OF MEMBERS TO THE DISCIPLINARY COUNCIL (5/15/1/5)

The aim of the Disciplinary Council is to serve as an independent advisory body to support the Council, in accordance with the *Financial Misconduct Regulations*, in investigating financial misconduct.

RESOLUTION (as recommended by the Executive Mayor's Committee on 20 May 2021)
(proposed by aldd M van Zyl, seconded by clr J M de Beer)

That paragraph 4 (3) of the Financial Misconduct Regulations stipulates that the term of office of members of the Disciplinary Board may not exceed a term of three years and that Council, taking into account the comment in paragraph 2 of the report, grant the following approval in order to ensure continuity in the existence of the Disciplinary Board:

- (a) The extension of the term of office of Mr P le Roux, Internal Audit Manager from 1 June 2021 to 31 May 2022.

**SIGNED
SPEAKER**