



**MINUTES OF A ORDINARY MEETING OF THE SWARTLAND MUNICIPAL COUNCIL, VIRTUALLY HELD ON TUESDAY, 30 MARCH 2021 AT 10:00**

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**PRESENT:**

Speaker, ald M A Rangasamy  
Executive Mayor, ald T van Essen  
Deputy Executive Mayor, alderdame M S I Goliath

Bekebu, Z (ANC)	Philander, D B (ANC)
Bess, D G (DA)	Smit, N (DA)
Daniels, C (DA)	Sneewe, A M (ANC)
De Beer, J M (DA)	Solomons, P E (DA)
Humphreys, F S (ANC)	Stanley, B J (DA)
Maart, E S M (DA)	Stemele, O M (DA)
Matthyse, S E (EFF)	Van der Westhuizen, R F (DA)
McQuire, V D (DA)	Van Zyl, M (DA)
O'Kennedy, E C (DA)	Zatu, N S (ANC)
Penxa, B J (ANC)	

Officials:

Municipal Manager, mr J J Scholtz  
Director: Electrical Engineering Services, mr R du Toit  
Director: Financial Services, mr M A C Bolton  
Director: Civil Engineering Services, Mr L D Zikmann  
Director: Protection Services, Mr P A C Humphreys  
Director: Corporate Services, ms M S Terblanche  
Director: Development Services, ms J S Krieger  
Manager: Secretarial and Records, ms N Brand

**1. OPENING**

The Speaker welcomed the Executive Mayor, alderdames, aldermen, councillors and officials.

The Director: Protection Services opened the meeting with a scripture reading and a prayer at the request of the Speaker.

**2. APOLOGIES**

**RESOLVED** that cllr C H Papers is absent without leave.

**EXCERPT:**

**8.2: TABLING OF THE MULTI YEAR CAPITAL AND OPERATING BUDGETS, AMENDED BUDGET AND RELATED POLICIES, PROPERTY RATES, TARIFFS AND OTHER CHARGES FOR 2021/2022; 2022/2023 AND 2023/2024 FOR SPECIFIC PURPOSES OF GIVING EFFECT TO PUBLIC PARTICIPATION (5/1/1/1, 5/1/1/2, 5/1/4)**

The Executive Mayor, ald T van Essen tabled the draft Capital and Operating Budgets for the 2021/2022, 2022/2023 and 2023/2024 financial years, which were considered during the Executive Mayoral Committee meeting held on 23 March 2021.

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The matter is brought to the vote by the Speaker and was decided (in the absence of one councillor) with 15 DA-councillors and 1 EFF-councillor in favour thereof and abstention by 6 ANC-councillors (see attached record of voting).

**RESOLUTION**

(proposed by Ald T van Essen, seconded by Ald O M Stemele)

- (a) 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 Draft Budget and Tariff File)** and consider same;
- (b) 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;
- (c) 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;

Table/...

<b>FINANCING SOURCES</b>	<b>Draft Budget 2021/2022</b>	<b>Draft Budget 2022/2023</b>	<b>Draft Budget 2023/2024</b>
Capital Replacement Reserve (CRR)	R 122 552 729	R 85 134 732	R 84 826 348
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 -
<b>GRAND TOTAL</b>	<b>R 169 268 229</b>	<b>R 129 744 732</b>	<b>R 134 297 348</b>

- (d) 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;
- (e) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A, Section 1: 2021/22 – 2023/24 Draft Budget and Tariff File)**;
- (f) That the draft high-level multi-year Capital and Operating budgets with respect to the 2021/22 – 2023/24 financial years be approved, in accordance with sections 16, 17 and 19 of the MFMA to allow for public participation;

Table/...

	<b>Original Budget 2020/21</b>	<b>Mid-Year Adj Budget 2020/21</b>	<b>Draft Budget 2021/22</b>	<b>Draft Budget 2022/23</b>	<b>Draft Budget 2023/24</b>
Capital budget	212 435 837	210 663 962	169 268 229	129 744 732	134 297 348
Operating Expenditure	810 670 080	812 208 752	913 771 237	988 593 746	1 064 251 201
Operating Revenue	882 786 413	892 883 145	965 667 337	1 043 066 063	1 115 492 048
<b>Budgeted (Surplus)/ Deficit</b>	<b>(72 116 333)</b>	<b>(80 674 394)</b>	<b>(51 896 100)</b>	<b>(54 472 316)</b>	<b>(51 240 847)</b>
Less: Capital Grants, Donations & Development Charges	86 863 600	79 226 340	47 912 409	45 865 556	50 788 078
<b>(Surplus)/ Deficit</b>	<b>14 747 267</b>	<b>(1 448 054)</b>	<b>(3 983 691)</b>	<b>(8 606 760)</b>	<b>(452 769)</b>

- (g) That council approves in-principle the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy the draft 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, for purposes of allowing for public participation;

<b>Category of property</b>	<b>Rate ratio</b>	<b>(c/R) rate determined for the relevant property category</b>
Residential properties	1: 1	0,5464
Business and Commercial properties	1: 1,4367	0,7850
Industrial properties	1: 1,4367	0,7850
Agricultural properties	1: 0,25	0,1366
Mining properties	1: 1,4367	0,7850
Public Service Infrastructure	1: 0,25	0,1366
Public Benefit Organisations	1: 0	0,0000
Vacant properties	1: 1,347	0,7360
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;

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- **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.

- (h) That council approve the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2021/22 – 2023/24 Draft Budget and Tariff File)** for purposes of allowing for public participation;
- (i) That council approve the proposed electricity tariffs as draft for the 2021/2022 financial year, bearing in mind that it is still subject to NERSA's final approval;
- (j) 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)**;
- (k) That the **amendments** to the budget and related policies **(Annexure D: Draft Amendments to Budget Related Policies 2021/22)** hereto, be approved for purposes of soliciting the views and comment from the public;
- (l) That the training budget limited to **0,50%** of the salary budget in the amount of **R1 294 339** for the 2021/2022 financial year be approved as draft;
- (m) That Council takes note and grant approval for the following increases as follows:
  - In respect of all personnel, an increase of **4%** for 2021/2022; **4,5%** for 2022/2023 and **4,5%** 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 Services and Protection Services, **excluding the CFO and Directors Civil and Development Services**, a **4%** increase with effect from 1 July 2021;
  - In respect of the Municipal Manager a 2,5% increase with effect from 1 July 2021;
  - Provision has been made for a **3%** increase for political office bearers which are within the upper band of the inflation targets set by the South African Reserve Bank (SARB).

**(NOTE:** The abovementioned provision for increases is for budgetary purposes only, based on the recommendations of NT (National Treasury) and should not be construed as any mandate or confirmation of affordability as the Municipality's anticipated revenue streams are under immense pressure over the new MTREF. With regard to mandates, the Municipality must still provide a mandate to SALGA, which mandate will be conservative in nature specifically taking into account the municipality's capacity to fund same from realistically anticipated revenue over the MTREF.)

- (n) 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 **12.5%** from the current to the new financial year and the reduced revenue streams with minimal growth in revenue of **8.1%** 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 **8.8 months** for 2021/2022, **8.6 months** for 2022/2023 and **8.1 months** for 2023/2024 financial years ( this can materially be impacted but not possible to determine scientifically at this stage);

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- over the next three financial years the planning is such that operating surpluses are envisaged for 2021/2022 to an amount of **R3 983 691**, for 2022/2023 an amount of **R 8 606 760** and for 2023/2024 an amount of **R 452 769 (excluding capital grant income)**;
- (o) 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;
- (p) That Council take note that the budget was prepared in the new mSCOA Version 6.5 as required by National Treasury and that the mSCOA data strings could not be uploaded for verification purposes at the time of finalising the budget due to technical issues experienced by the NT's system of validation;
- (q) That the process of soliciting public input, views or comments into the draft **revised** budget and related policies ( limited to the revisions from the previous year) and budget documents, inclusive of the property taxes and tariffs to close at 12 midday on 30 April 2021.

**SIGNED:  
SPEAKER**