



MINUTES OF A MEETING OF THE SWARTLAND MUNICIPAL COUNCIL HELD IN THE TOWN HALL, MALMESBURY ON THURSDAY, 30 MARCH 2023 AT 10:00

PRESENT:

Speaker, Ald M A Rangasamy
Executive Mayor, Ald J H Cleophas Deputy
Executive Mayor, Cllr J M de Beer

COUNCILLORS:

Bess, D G (DA)	Penxa, B J (ANC)
Booyesen, A M (VF ⁺)	Pieters, C (ANC)
Daniels, C (DA)	Pypers, D C (DA)
Duda, A A (EFF)	Smit, N (DA)
Fortuin, C (ANC)	Soldaka, P E (ANC)
Jooste, R J (DA)	Stanley, B J (DA)
Le Minnie, I S (DA)	Van Essen, T (DA)
Ngozi, M (ANC)	Vermeulen, G (VF ⁺)
O'Kennedy, E C (DA)	Warnick, A K (DA)

Officials:

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

1. OPENING

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

The Speaker welcomed the Executive Mayor, aldermen, alderladies, councillors, officials and members of the public.

The Speaker congratulated councillors who had celebrated birthdays recently.

2. APOLOGIES

Apologies received from Ald M van Zyl and Cllr J R Papier.

3. DEPUTATIONS/DECLARATIONS AND COMMUNICATIONS/SUBMISSIONS

3.1 CONDOLENCES WITH PASSING OF FORMER COUNCILLORS AND OFFICIAL

The Speaker voiced his sympathy on the passing of former councillors – Ms Valery McQuire, Mr Corrie McKrieling and Mr Ben Geel – and official, Mr Mathys Roy who worked at the Yzerfontein Caravan Park.

The Executive Mayor referred to the meritorious number of years service of the deceased councillors and official and requested a minute of silence whereafter candles are lit in remembrance of the deceased.

3.2 SICK LEAVE: MUNICIPAL MANAGER

The Speaker mentioned that the Municipal Manager will go for a knee replacement operation and will be on sick leave for ±6 weeks during which the Director: Development Services will serve as acting Municipal Manager.

3.3 INFORMATION SESSION FOR COUNCILLORS ON THE 2023 INTEGRATED DEVELOPMENT PLAN (IDP)

The Municipal Manager invited all councillors to an information session on the IDP to be held on Tuesday, 4 April 2023 at 14:00 where the content of the IDP will be studied in detail.

4. MINUTES FOR APPROVAL

4.1 MINUTES OF AN ORDINARY COUNCIL MEETING HELD ON 26 JANUARY 2023

RESOLUTION

(proposed by Cllr A K Warnick, seconded by Cllr J M de Beer)

That the minutes of an Ordinary Council Meeting held on 26 January 2023 are approved and signed by the Speaker.

5. REPORTING IN RESPECT OF THE DECISION MAKING BY THE EXECUTIVE MAYOR

RESOLUTION

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

5.1 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 18 JANUARY 2023

5.2 MINUTES OF AN ORDINARY MEETING OF THE EXECUTIVE MAYOR'S COMMITTEE HELD ON 15 FEBRUARY 2023

read in conjunction with

MINUTES OF A MEETING OF THE PORTFOLIOS COMMITTEE HELD ON 8 FEBRUARY 2023

6. REPORTING 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 authority in the following minutes:

6.1 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 14 DECEMBER 2022

6.2 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 19 JANUARY 2023

6.3 MINUTES OF A TENDER AWARD COMMITTEE MEETING HELD ON 26 JANUARY 2023

7. MATTERS ARISING FROM THE MINUTES

None

8. MATTERS FOR DISCUSSION

8.1 ADOPTION OF OVERSIGHT REPORT ON 2021/2022 ANNUAL REPORT (7/1/1/1)

The Draft Annual Report for the 2021/2022 financial year was submitted to the Council on 26 January 2023 in accordance with section 127 of the Municipal Finance Management

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Act, 2003 after which the annual report was made available to the public and state authorities for comment.

The Municipal Public Accountability Committee, under the chairmanship of cllr E C O'Kennedy, met on the 9 March 2023 to consider comments received on the draft annual report in the drawing up of the 2021/2022 Oversight Report.

The 2021/2022 Oversight Report was brought to the vote by the Speaker and decided (in the absence of two councillors) with 20 votes in favour thereof, and two councillors abstaining.

RESOLUTION

(proposed by cllr E C O'Kennedy, seconded by aldd M van Zyl)

- (a) That Council, having considered the 2021/2022 Annual Report of Swartland Municipality, adopts the Oversight Report in terms of section 129 of the Municipal Finance Management Act;
- (b) That the 2021/2022 Annual Report of Swartland Municipality be approved without reservations, in terms of section 129 of the MFMA;
- (c) That the minutes of the meetings where the Annual Report was discussed, in the presence of the accounting officer (Municipal Manager) be submitted to the Auditor-General, the Provincial Treasury and the Western Cape Department for Local Government as attached to the report, in terms of section 129(2) of the MFMA;
- (d) That the 2021/2022 Oversight Report of Swartland Municipality be made public in terms of section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of section 132(2) of the MFMA;
- (e) That, in acceptance of the Oversight Report, the payment of a performance bonus be approved by Council as per paragraph 3.1.2 of the Oversight Report.

8.2 APPROVAL OF THE 2023/2023 SPECIAL ADJUSTMENT CAPITAL AND OPERATIONAL BUDGET (5/1/1/1, 5/1/1/2)

The 2022/2023 Special Adjustment Capital- and Operating Budget was considered by the Executive Mayoral Committee on 22 March 2023 for approval by Council.

The special adjustment budget is tabled in terms of section 28 of the MFMA, Act 56 of 2003 after an allocation of R10 945 000 was received from the Department of Local Government as a financial contribution to municipalities for the purchase and installation of back-up energy supply for water- and sanitation facilities to ensure basic service delivery and prevent potential health risks.

The Speaker thanked the Director: Civil Engineering Services for the thorough business plans submitted to ensure that Swartland Municipality received some of the highest allocations.

Cllr B J Penxa, with reference to the description of item 6 of the special adjustment budget, stated that the water tower in Wesbank is wrongly referred to, and that the latter should be amended to Ilinge Lethu.

The Speaker brought the matter to a vote and it is –

UNANIMOUSLY RESOLVED

(proposed by Cllr N Smit, seconded by Cllr A K Warnick)

- (a) That approval be granted to amend the high-level capital and operating budget for 2022/2023 with no amendments to the outer years as follows:

	Original Budget 2022/23	Mid-Year Adj Budget 2022/23	Special Adj Budget 2022/23	Adjustments	Original Budget 2023/24	Original Budget 2024/25
Capital budget	191 095 805	167 894 804	178 839 804	10 945 000	195 834 903	165 690 722
Operating Expenditure	1 029 331 855	1 025 575 992	1 025 575 992	-	1 061 375 491	1 139 864 061
Operating Revenue	1 093 983 961	1 087 072 579	1 098 017 579	10 945 000	1 123 993 179	1 174 158 797
Budgeted (Surplus)/ Deficit	(64 652 106)	(61 496 587)	(72 441 587)	(10 945 000)	(62 617 688)	(34 294 736)
Less: Capital Grants & Contributions	77 109 000	67 945 510	78 890 510	10 945 000	73 351 000	35 935 000
(Surplus)/ Deficit	12 456 894	6 448 923	6 448 923	-	10 733 312	1 640 264

- (b) That it be noted that the changes to the budget will have no impact on tariffs in respect of the 2022/2023 financial year or beyond and the budgeted net deficit of R6 448 923 will remain unchanged;
- (c) That the adjusted budget schedules as required by the Budget and Reporting Regulations be approved as set out in **(Annexure B: Budget Report and B-Schedules 2022/23 – 2024/25)**;
- (d) 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;
- (e) That the Service Delivery Budget Implementation Plan (SDBIP) where appropriate be amended accordingly.

8.3 2023 INTEGRATED DEVELOPMENT PLAN (2/1/4/4/1)

The Integrated Development Plan (IDP) is the Municipality's principal strategic plan that deals with the most critical development needs of the municipal area (external focus) as well as the most critical governance needs of the organisation (internal focus).

The 2023 IDP was drawn up in terms of the legislative requirements after a very thorough consultation process with role players from various sectors, ward committees and councillors.

The Speaker congratulated the Senior: Manager Strategic Services on the format of the IDP which makes the document easy to read and it is confirmed that the IDP, as well as the consultation process of the Swartland Municipality, is considered a best practice in the Province.

The Speaker brought the matter to vote and it is –

UNANIMOUSLY RESOLVED

(proposed by Cllr D G Bess, seconded by Cllr I S le Minnie)

- (a) That the draft Integrated Development Plan (IDP) for the Swartland municipal area be accepted in principle in terms of Chapter 5 of the Municipal Systems Act No 32 of 2000 for the purposes of obtaining public inputs and comments;
- (b) That the draft IDP be advertised for public inputs and comments during April 2023;
- (c) That the draft IDP be submitted to Local Government, Provincial Treasury, National Treasury and the West Coast District Municipality;

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- (d) That the IDP be submitted to the Mayoral Committee on 17 May 2023 for a recommendation and to Council on 25 May 2023 for final approval;
- (e) that the revision of the area plans be approved.

8.4 TABLING OF THE DRAFT MULTI YEAR CAPITAL AND OPERATING BUDGETS, AMENDED BUDGET POLICIES, PROPERTY RATES, TARIFFS AND OTHER CHARGES FOR 2023/2024, 2024/2025 AND 2025/2026 FOR SPECIFIC PURPOSES OF GIVING EFFECT TO PUBLIC PARTICIPATION (5/1/1/1, 51/1/2, 5/1/4)

The Executive Mayor tabled the draft Capital- and Operating Budgets for the 2023/2024, 2024/2025 and 2025/2026 financial years in terms of section 16(2) of the Local Government Act: Municipal Financial Management (Act 56 of 2003) (MFMA), as considered during the meeting of the Executive Mayoral Committee held on 22 March 2023.

The Executive Mayor expressed his concern that the excessive tariff increases by Eskom may have a negative impact on the community, especially equitable share households, and businesses in the Swartland municipal area.

The establish of ±2000 housing opportunities are planned in the Swartland municipal area, which means that bulk infrastructure of more than R30 000 000 million must be made available, which further has a major impact on future budgets.

Cllr B J Penxa requests, on behalf of the ANC, that the location of the swimming pool at the Wesbank Sports Grounds be reconsidered. The location is not considered central to the communities the facility will be serving, namely Wesbank, Saamstaan, Ilinge Lethu, Phola Park and the new De Hoop development. Cllr Penxa requested that the land adjacent to the Indoor Sports Centre be considered.

The aforesaid proposal is supported by Cllr A A Duda, on behalf of the EFF.

The Speaker brought the matter to a vote and Cllr Penxa confirmed that the vote in support of the draft multi-year budget is subject to the request that a more central location for the new swimming pool be considered. It is –

UNANIMOUSLY RESOLVED

(proposed by Ald J H Cleophas, seconded by Cllr J M de Beer)

- (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: 2023/2024 – 2025/2026 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: 2023/2024 – 2025/2026 Capital Projects ito Sec 19)**, first considers 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 deemed it appropriate to consider the entire capital program excluding the 3 contractually combined projects above R50 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;
- (d) That the future capital budgets from year 3 be limited to 16.5% of the operating budget (based on NT's norm for *Capital Expenditure to Total Expenditure* that is between 10% to 20%) because of the upward pressure it has on the operating budget and the affordability of tariffs;
- (e)/...

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- (e) 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	Draft Budget 2023/2024	Draft Budget 2024/2025	Draft Budget 2025/2026
Capital Replacement Reserve (CRR)	R 99 051 292	R 103 813 866	R 117 124 689
Municipal Infrastructure Grant (MIG)	R 24 708 000	R 25 664 000	R 26 660 000
Dept. Human Settlements	R 55 314 000	R 64 890 000	R 30 000 000
Integrated National Electrification Programme (INEP)	R 23 658 000	R 25 000 000	R 35 000 000
RSEP	R 500 000	-	-
Contributions / Donations	R 1 224 943	-	-
Dept. Cultural Affairs and Sport	R 1 016 000	-	-
Community Safety Grant	R 40 000	R 40 000	-
Fire Service Capacity Building Grant	R 926 000	-	-
GRAND TOTAL	R 206 438 235	R 219 407 866	R 208 784 689

- (f) That Council approves the capital projects as part of its consolidated capital program as per **(Annexure A: 2023/2024 – 2025/2026 Draft Budget and Tariff File)**;
- (g) That Council in-principle approves the raising of an external loan to the amount of R50 million in year 2 of the new 2023/24 MTREF for the partial financing of the following capital projects: 132/11kV Eskom Schoonspruit Substation (R30 million) and the Development of Highlands New Landfill site Cell (R20 million), by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (h) That the draft high-level multi-year Capital and Operating budgets in respect of the **2023/2024 – 2025/2026** financial years, be approved as draft, in accordance with sections 16, 17 and 19 of the MFMA to allow for public participation;

	Original Budget 2022/23	Mid-Year Adj Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2024/25
Capital budget	191 095 805	167 894 804	206 438 235	219 407 866	208 784 689
Operating Expenditure	1 029 331 855	1 025 575 992	1 104 199 609	1 214 888 188	1 421 514 611
Operating Revenue	1 093 983 961	1 087 072 579	1 227 697 725	1 341 922 499	1 525 223 633
Budgeted (Surplus)/ Deficit	(64 652 106)	(61 496 587)	(123 498 116)	(127 034 311)	(103 709 022)
Less: Capital Grants & Contributions	77 109 000	67 945 510	107 386 943	115 594 000	91 660 000
(Surplus)/ Deficit	12 456 894	6 448 923	(16 111 173)	(11 440 311)	(12 049 022)

- (i) 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 draft property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2023/24 financial year with effect from 1 July 2023, for purposes of allowing for public participation;

Table/...

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5956
Business and Commercial properties	1: 1,4586	0,8769
Industrial properties	1: 1,4586	0,8769
Agricultural properties	1: 0,25	0,1489
Mining properties	1: 1,4586	0,8769
Public Service Infrastructure	1: 0,25	0,1489
Properties owned by an organ of state and used for public service purposes	1: 1,4586	0,8769
Public Benefit Organizations	1: 0	0,0000
Vacant properties	1: 1,3470	0,8022
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.

- (j) That Council approves the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2023/2024 – 2025/2026 Draft Budget and Tariff File)** for purposes of allowing for public participation;
- (k) That Council approves the electricity tariffs as draft for the 2023/2024 financial year, **bearing in mind that it is still subject to NERSA's final approval** and that Time of Use customers must note that the TOU slots are subject to change pending NERSA/Eskom's clarification;
- (l) 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 2023/2024– 2025/2026)**;
- (m) That the **amendments** to the budget and related policies as set out in **(Annexure D: Draft Amendments to Budget & Related Policies 2023/2024)** hereto, be approved for purposes of soliciting the views and comment from the public;
- (n) That the training budget limited to **0,60%** of the salary budget in the amount of **R1 968 095** for the 2023/2024 financial year be approved as draft;
- (o) That Council takes note of the increases of the Directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:

8.4(o)/...

- In respect of all personnel, an increase of **5.3%** for 2023/2024; **5%** for 2024/2025 and **5%** for the 2025/2026 financial years, excluding the increase in other benefits that are applicable and the annual 2.5% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;
 - Provision has been made for a **3%** 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”. The total expenditure growth of **7.7%** from the current to the new financial year and the revenue streams with growth in revenue of **12.9% (9.9% excluding capital grant income)** 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 are **9.8 months** for 2023/24, **9.2 months** for 2024/25 and **7.8 months** for the 2025/26 financial year (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 net surpluses are envisaged for 2023/24 to an amount of **R 16 111 173**, for 2024/25 an amount of **R 11 440 311** and for 2025/26 an amount of **R 12 049 022 (excluding capital grant income)**, which is well below the NT norm of at least a surplus of 10%.
- (q) That the Director: Financial Services adheres 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 also notes the content of the Provincial and National Treasury Budget Circulars as enclosed in “**Annexure E: Budget Circulars**”;
- (s) That Council takes note that the budget was prepared in the new mSCOA Version 6.7 as required by National Treasury;
- (t) That the process of soliciting public input, views or comments into the draft budget, **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 **28 April 2023**.

8.5 DRAFT 2023/2024 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) (2/4/2)

The Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) defines the Service Delivery and Budget Implementation Plan (SDBIP) as a detailed plan which the mayor of a municipality approves in accordance with section 53(1)(c)(ii) of the MFMA for implementing the municipality’s service delivery and annual budget.

The aim of the SDBIP is to support the municipal management in attaining the service delivery goals, as well as the spending of the capital budget within given time frames.

RESOLUTION

- (a) That the Council takes cognisance of the draft 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP) tabled in terms of regulation 14 of the Municipal Budget and Reporting Regulations;
- (b) That the SDBIP be submitted to National Treasury and Provincial Treasury in terms of regulation 15 of the Municipal Budget and Reporting Regulations.

8.6/...

8.6 CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS: ENTERING INTO A WATER SUPPLY AGREEMENT WITH THE DEPARTMENT OF WATER AND SANITATION: EXECUTION OF SECTION 33 OF MFMA (16/1/1/B)

During the drought in 2017 the Minister of Water and Sanitation Services requested to implement the Berg River, Voëlvlei Augmentation Scheme (BVRAS) project on a fast-tracked basis to assist in securing an additional source of water for the water users within the WCWSS to help alleviate drought impacts. The project entails the yielding of the Voëlvlei Dam by approximately 23 million m³/annum.

Swartland Municipality accordingly applied for an increased allocation from the BVRAS and confirmation was received that 1.66 million m³/year was allocated to the Municipality.

The next step is to enter into a Water Supply Agreement with the relevant department which has future budgetary implications for the Municipality and therefore section 33 of the MFMA becomes applicable.

RESOLUTION

(proposed by Ald T van Essen, seconded by Cllr R J Jooste)

- (a) That cognisance be taken of the increased allocation from the BRVAS from the initial 0.66 million m³/annum to 1.66 million m³/annum;
- (b) That it be noted further that in order to secure the allocation a Water Supply Agreement must be concluded with the Department of Water and Sanitation and that the Municipal Manager be authorised to sign the agreement, subject to certain conditions;
- (c) That it be noted further that the conclusion of the Water Supply Agreement will impose future financial obligations outside of the approved multi-year budget estimated at R7,088,000 per year at current year prices;
- (d) That it be noted further that the process as stipulated by section 33 of the MFMA will be followed.

**SIGNED
SPEAKER**