

DRAKENSTEIN MUNICIPALITY**MINUTES: EXECUTIVE MAYOR AND MAYORAL COMMITTEE**

**SPECIAL MEETING HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC CENTRE,
BERG RIVER BOULEVARD, PAARL ON TUESDAY, 24 JANUARY 2017 AT 14:00.**

- PRESENT:** The Executive Mayor, Cllr C J Poole (Chairperson)
The Deputy Executive Mayor, Cllr G C Combrink
- Councillors:** M A Andreas
F Jacobs
C Kearns
J F Le Roux
J Miller
L P Mokoena
R Smuts
L T van Niekerk
R H van Nieuwenhuyzen
L Willemse
- Also Present:** Cllr R A Koegelenberg (Chief Whip)
Cllr J Matthee (MPAC Chairperson)
- Officials:** Ms L Waring (Acting Municipal Manager)
Ms A de Beer (Executive Manager: Corporate Services)
Mr G Boshoff (Executive Manager: Community Services)
Mr D Louw (Executive Manager: Infrastructure Services)
Ms N Keketsi (Acting Chief Financial Officer)
Mr H Strijdom (Acting Executive Manager: Planning and Economic Development)
Mr A V Marais (Senior Manager: Legal and Administration)
Mr F Goosen (Manager: Administrative Services)
- Absent:** Mr J Carstens (CFO) (Sick Leave)



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APOLOGIES

J Carstens (Sick Leave)

DISCLOSURE OF INTEREST BY COUNCILLORS/ OFFICIALS

None.

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| <p>1. TENDERS, QUOTATIONS AND CONTRACTS: REPORT ON WRITTEN AND FORMAL WRITTEN QUOTATIONS WHERE THREE QUOTATIONS WERE NOT OBTAINED & DEVIATIONS AND RATIFICATION OF MINOR BREACHES FROM PROCUREMENT PROCESSES: DECEMBER 2016/ TENDERS, KWOTASIES EN KONTRAKTE VIR DIE MAAND DESEMBER 2016: PROSESSERING VAN SKRIFTELIKE EN FORMELE SKRIFTELIKE KWOTASIES WAAR DRIE KWOTASIES NIE VERKRY WAS NIE EN AFWYKING EN RATIFIKASIE VAN GERINGE OORTREDINGE VAN VERKRYGINGSPROSESSE: KONDONERING VAN ONREGMATIGE UITGAWES DEUR DIE RAAD/ ITHENDA, IZINIKI MAXABISO KUNYE NENKONTILAKI ZENYANGA KA DISEMBA 2016: UKUQHUBEKEKA KOKUBHALA KUNYE NOKUBHALA OKUSEMTHETHWENI KWEZINIKI MAXABISO EZINTATHU KUNYE NOKUNGALANDELI INKQUBO KUNYE NOKULUNGISWA KOKWAPHULWA KWEMITHETHO UNCINCI KWINKQUBO YOKUFUMANA</p> |
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RESOLVED

that it be recommended to Council:-

1. that the deviations and minor breaches from Council's SCM Policy and procurement processes for the month of December 2016 to the amount of R 8,061,462 **be condoned**;
2. that in terms of paragraph 36(2) of the SCM Policy, the deviations and the reasons for the deviations as recorded by the Accounting Officer under the annexures to the departmental report, **be noted**; and
3. that the Chief Financial Officer records the deviation amount of R 8,061,462 for the financial year in the notes to the annual financial statements for the 2016/2017 financial year as required by legislation.

Meeting: Spec EM&MC – 24/01/2017		Submitted by Directorate: Financial Services	
Ref No: 8/1/B		Author/S: H Vergotine	
Coll No: 1176850		Referred from:	
PARAGRAPH:	ACTION:	RESPONSIBLE DEPT:	DUE DATE:

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**2. FINANCE: LOCAL GOVERNMENT: MUNICIPAL FINANCE
MANAGEMENT ACT: SECTION 52 QUARTERLY AND SECTION 71
MONTHLY BUDGET MONITORING REPORT FOR DECEMBER 2016/
FINANSIES: WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE
BESTUUR: SEKSIE 52 KWARTAALLIKSE EN SEKSIE 71 MAANDELIKSE
BEGROTING VERSLAGDOENING VIR DESEMBER 2016/ EZEZIMALI:
UMTHETHO WOKULAWULWA KWEMALI ZIKAMASIPALA: ICANDELO 52
NGOKWEKOTA KUNYE NECANDELO 71 NGENYANGA INGXELO
YOKONGAMELA KOHLAHLA LWABIWO MALI YENYANGA KA DISEMBA
2016**

RESOLVED

that it be recommended to Council: -

1. that it be noted that the variance between the actual operating revenue (R 1,184,548,803) and the pro rata budgeted operating revenue (R 1,175,340,588) has a positive variance of R 9,208,215 or 0.78%;
2. that it be noted that the variance between the actual operating expenditure (R 905,587,756) and the pro rata budgeted operating expenditure (R 989,595,062) has a positive variance of R 84,007,306 or 8.49%;
3. that it be noted that the actual and committed capital expenditure of R 395,228,162 and the pro rata budgeted capital expenditure of R 406,511,115 realised under spending of R 11,282,953 or 2.78%;
4. that it be noted that the actual and committed capital expenditure of R 395,228,162 compared with the capital expenditure budget represent a spending percentage of 48.6% after six months of the financial year;
5. that it be noted that external borrowings amounted to R 837,548,173 as at 31 December 2016 and that it represents 41.33% of Drakenstein's total budgeted operating revenue of R 2,026,906,854 for the 2016/2017 financial year;
6. that it be noted that unspent conditional and unconditional grants amounted to R 28,273,365 at the end of December 2016;
7. that it be noted that the actual employee related cost expenditure of R 226,066,278 compared with the pro rata budgeted expenditure of R 249,171,124 relates to a positive variance of R 23,104,846 or 9.27%;
8. that it be noted that total outstanding debtors as at 31 December 2016 amounted to R 270,632,826 and that 30 days and older debt constitutes 60.2% of total outstanding debtors;
9. that it be noted that domestic consumers owe the municipality R 181,018,584 or 66.9% of the municipality's total debtor's book;
10. that it be noted that outstanding creditors amounted to R 153,791 as at 31 December 2016;

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11. that it be noted that the primary bank account had a positive bank balance at 31 December 2016 which amounted to R 24,112,146; and
12. that it be noted that total investments in cash and shares amounted to R 196,758,126 as at 31 December 2016 at the five local banks and Eskom.

Meeting: Spec EM&MC – 24/01/2017 Ref No: 9/1/1/4 Coll No: 1181497		Submitted by Directorate: Financial Services Author/S: A Viola Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

3. REPORTS AND RETURNS: MID-YEAR BUDGET ASSESSMENT REPORT (SECTION 72 OF THE MFMA) FOR THE 2016/2017 FINANCIAL YEAR/ VERSLAË EN OPGAWES: HALF-JAARLIKSE BEGROTINGS EVALUERINGSVERSLAG (ARTIKEL 72 VAN DIE WMFB) VIR DIE 2016/2017 FINANSIËLE JAAR/ INGXELO KUNYE NEZIBUYISI: INGXELO NGOKUHLOLWA KOHLAHLLO LWABIWO MALI LAPHAKATHI ENYAKENI

RESOLVED

that it be recommended to Council:-

1. that Council takes note of the Section 72 Mid-Year Budget Assessment Report;
2. that the Municipal Manager and Executive Management compiles an adjustments budget for 2016/2017 based on the findings within the Section 72 Mid-Year Budget Assessment Report; and
3. that the 2016/2017 adjustments budget be tabled to the Executive Mayor and his Mayoral Committee and Council during the month of February 2017 to be approved by Council by not later 28 February 2017.

Meeting: Spec EM&MC – 24/01/2017 Ref No: 9/1/1/4 Coll No: 1181073		Submitted by Directorate: Financial Services Author/S: C Lategan Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

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**4. DRAFT ANNUAL REPORT 2015/2016/ /KONSEP JAARLIKSE
VERSLAG 2015/2016/ UYILO LWENGXELO YONYAKA KA
2015/2016**

RESOLVED

that it be recommended to Council:-

1. that the Draft Annual Report 2015/2016 be **NOTED**;
2. that the Draft Annual Report 2015/2016 be **RELEASED** for public comment as prescribed by the MFMA; and
3. that the Draft Annual Report 2015/2016 be **SUBMITTED** to the Auditor General of South Africa, the Provincial Treasury: Western Cape and the Department of Local Government: Western Cape.

Meeting: Spec EM&MC – 24/01/2017		Submitted by Directorate: Office of the Municipal Manager	
Ref No: 9/1/2		Author/S: F Qebonya	
Coll No: 1192053		Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

**5. QUARTERLY PERFORMANCE ASSESSMENT REPORT (QUARTER 2: 01
OCTOBER – 31 DECEMBER 2016/ KWARTAALLIKSE PRESTASIE
EVALUERINGSVERSLAG (KWART 2: 01 OKTOBER 2016 – 31 DESEMBER
2016/ INGXELO YOKUHLOLWA INDLELA YOKUSEBENZA YEKOTA (IKOTA
2: 01 OKTOBA 2016 – 31 DISEMBA 2016**

The Executive Mayor expressed concern that in certain instances the reasons for under-performance and corrective measures had not been duly recorded.

RESOLVED

that it be recommended to Council:-

1. that the Quarterly Performance Assessment Report 2016/2017 (Quarter 2: 01 October – 31 December 2016) be **ADOPTED**;
2. that the Quarterly Performance Assessment Report be placed on the Municipal Website after Council adoption; and

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3. that the approved Quarterly Performance Assessment Report be submitted to the Auditor General of South Africa, the Provincial Treasury: Western Cape, National Treasury, and the Department of Local Government: Western Cape.

Meeting: Spec EM&MC – 24/01/2017		Submitted by Directorate: Office of the Municipal Manager	
Ref No: 2/2/8		Author/S: F Qebonya	
Coll No: 1191993		Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

6. **MID-YEAR PERFORMANCE ASSESSMENT REPORT 2016/2017 (01 JULY- 31 DECEMBER 2016)/ HALF JAARLIKSE PRESTASIE EVALUERINGSVERSLAG 2016/2017 (01 JULIE- 31 DESEMBER 2016)/ INGXELO YOKUHLOLWA INDELA YOKUSEBENZA YAPHAKATHI KONYAKA 2016/2017 (01JULAYI - 31 DISEMBA 2016)**

RESOLVED

that it be recommended to Council:-

1. that cognizance be taken of the performance of the municipality against the set objectives contained in the Mid-year Performance Assessment Report 2016/2017 for the Drakenstein municipality as attached to the departmental report (distributed under separate cover);
2. that the Mid-year Performance Assessment Report 2016/2017 be submitted to the:-
 - 2.1 Internal Audit and the Audit Committee;
 - 2.2 Provincial Treasury, Western Cape;
 - 2.3 Provincial Department of Local Government, Western Cape;
 - 2.4 National Treasury; and
3. that the Mid-year Performance Assessment Report 2016/2017 be published on the Municipal website.

Meeting: Spec EM&MC – 24/01/2017		Submitted by Directorate: Office of the Municipal Manager	
Ref No: 2/2/8		Author/S: F Qebonya	
Coll No: 1191967		Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

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7. PROPOSED PROVINCIAL BUDGET: EXPENDITURE ON PROCLAIMED MAIN ROADS: 1 JULY 2017 TO 30 JUNE 2018 / VOORGESTELDE PROVINSIALE BEGROTING: UITGAWES AAN GEPROKLAMEERDE HOOFPAAIE: 1 JULIE 2017 TOT 30 JUNIE 2018 / ISINDULULO LOHLAHLLO LWABIWO MALI LWEPHONDO: INKCITHO KWINDLELA EZIPHASHIWEYO EZIYINTLOKO: 1 JULAYI UKUYA KWI

The Executive Mayor stressed the importance of Van der Stel Street extension to ease the pressure on traffic congestion. The directorate confirmed that this project was currently in planning phase.

RESOLVED

1. that the capital budget as reflected on the table attached to main report, Annexure A: Proposed Budget: Upgrading of Provincial Roads in Drakenstein: 2017/18, reflecting eight projects for the upgrading of proclaimed Provincial Main Roads in the Drakenstein municipal area, in the amount of R617 000 000, over a period of eight financial years, be approved;
2. that the maintenance budget for maintenance work on Proclaimed Provincial Main Roads, in the amount of R 1 500 000, in the Drakenstein municipal area for the 2017/18 financial year be approved;
3. that it be noted that the Provincial contribution in respect of the proposed budgets will be limited to 80% of the total subsidisable expences, and that Drakenstein Municipality will be liable for 20% of the expenses; and
4. that the proposed budgets as reflected above be submitted to the Department of Transport and Public Works, Western Cape Government for consideration.

Meeting: Spec EM&MC – 24/01/2017 Ref No: 16/3/6/4 Coll No: 1161833		Submitted by Directorate: Infrastructure Services Author/S: C Lotz Referred from:	
<u>PARAGRAPH:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE D12ATE:</u>
1-4	Implement decision	EM: Infrastructure Services	

The meeting ended at 12:12.

CHAIRPERSON:

DATE:

Confirmed on 15/2/2017 with/without amendments.

FG/rs