

**DRAKENSTEIN MUNICIPALITY**

**MINUTES OF A VIRTUAL ORDINARY MEETING OF THE MUNICIPAL COUNCIL ON FRIDAY, 29 MAY 2020 AT 08:30.**

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**PRESENT: Councillors (see attendance register)**

<b>Senior Officials:</b>	<b>Dr J H Leibbrandt</b>	<b>(City Manager)</b>
	<b>Mr S Johaar</b>	<b>(Executive Director: Corporate Services)</b>
	<b>Mr G Esau</b>	<b>(Executive Director: Community Services)</b>
	<b>Mr M Wüst</b>	<b>(Executive Director: Engineering Services)</b>
	<b>Ms L Waring</b>	<b>(Executive Director: Planning and Development)</b>
	<b>Ms S Lategan</b>	<b>(Acting Chief Financial Officer)</b>
	<b>Ms R Jaftha</b>	<b>(Chief Audit Executive)</b>
	<b>Mr A V Marais</b>	<b>(Senior Manager: Legal and Administrative Services)</b>
	<b>Ms W Prins</b>	<b>(Performance Management Officer)</b>
	<b>Mr F P Goosen</b>	<b>(Manager: Administrative Support Services)</b>
	<b>Mr P January</b>	<b>(Administrative Officer)</b>

**ABSENT: Councillors (see attendance register)**



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**A Welcoming by the Speaker**

The Speaker welcomed everybody to the second virtual meeting.

A moment of silence was observed in honour of those who passed away during the covid-19 pandemic.

<b>1.</b>	<b>CONSIDERATION OF APPLICATIONS BY COUNCILLORS FOR LEAVE OF ABSENCE FROM COUNCIL/COMMITTEE MEETINGS</b>
	<b>OORWEGING VAN AANSOEKE DEUR RAADSLEDE VIR VERLOF VAN AFWESIGHEID VAN RAAD/KOMITEEVERGADERINGS</b>
	<b>UKUQWALASELWA KWEZICELO ZOCEBA ZOKUNGABIKO KWIBHUNGA/KWINTLANGANISO ZEBHUNGA</b>

**None.**

<b>2.</b>	<b>CONFIRMATION OF MINUTES</b>
	<b>BEKRAGTIGING VAN NOTULES</b>
	<b>UKUQINISEKISWA KWEMIZUZU</b>

The minutes of the Virtual Special Municipal Council meeting held on 15 May 2020 was confirmed as correct.

<b>2.1</b>	<b>IMPLEMENTATION OF COUNCIL DECISIONS</b>
	<b>IMPLEMENTERING VAN RAADSBSLUIE</b>
	<b>UKUMISELWA KWEZIGQIBO ZEBHUNGA WESIGQEBA</b>

**Noted.**

<b>3.</b>	<b>MINUTES: MAYORAL COMMITTEE</b>
	<b>NOTULE: BURGEMEESTERSKOMITEE</b>
	<b>IMIZUZU: IKOMITI KASODOLOPHU</b>

The minutes of the following meetings of the Mayoral Committee were **noted:**

- (i) Ordinary meeting held on 18 March 2020;
- (ii) Special meeting held on 26 March 2020; and
- (iii) Special Confidential meeting held on 26 March 2020.

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<b>4. STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR/ DEPUTY EXECUTIVE MAYOR</b>
<b>VERKLARINGS EN MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER/ UITVOERENDE ONDERBURGEMEESTER</b>
<b>INGXELO KUNYE NOQHAKAMSHELWANO NGU SODOLOPHU WESIGQEBA ISEKELA LIKASODOLOPHU WESIGQEBA</b>

None.

<b>5. STATEMENTS AND COMMUNICATIONS BY THE SPEAKER</b>
<b>VERKLARINGS EN MEDEDELINGS DEUR DIE SPEAKER</b>
<b>INGXELO KUNYE NOQHAKAMSHELWANO NGU SOMLOMO</b>

1. Congratulated Councillors who celebrated their birthdays in May; and
2. Reminded councillors that the due date for submissions to the Municipal Demarcation Board was 31 May 2020.

<b>5.1 DISCLOSURE OF INTERESTS BY COUNCILLORS / OFFICIALS</b>
<b>VERKLARING VAN BELANGE DEUR RAADSLEDE / AMPTENARE</b>
<b>UKUBHENGEZA KOMDLA NGOCEBA/AMAGOSA</b>

None.

<b>6. STATUTORY MATTERS</b>
<b>STATUTÊRE SAKE</b>
<b>IMIBA YOMTHETHO</b>

<b>6.1 ADOPTION OF RULES OF VIRTUAL MEETINGS AND SITTINGS OF THE COUNCIL AND COMMITTEES OF DRAKENSTEIN MUNICIPALITY</b>
<b>AANVAARDING VAN REËLS VIR VIRTUELE VERGADERINGS VAN DIE RAAD EN KOMITEES VAN DRAKENSTEIN MUNISIPALITEIT</b>

Questions were raised by the ANC with regard to the provision in the rules for recess and caucuses. The Speaker indicated that it will be investigated.

**UNANIMOUSLY RESOLVED that:**

1. The Rules of Order for Virtual Meetings of the Council and Committees of Drakenstein Municipality, marked as Annexure A attached to the departmental report be adopted by Council as supplementary to the existing bylaw on the Rules of Order of meetings of Drakenstein Municipality adopted by Council and promulgated on 25 July 2014;



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2. The existing bylaw on the Rules of Order of meetings of Drakenstein Municipality as adopted during 2014, be revised after the lifting of the State of Disaster in order to make provision for virtual meetings of Council and Committees; and
3. The Rules of Order for Virtual Meetings of the Council and Committees of Drakenstein Municipality (attached to the departmental report), which is supplementary to the existing bylaw, be implemented from date of Council resolution until the bylaw on the Rules of Order of Meetings of Drakenstein Municipality (2014) has been duly amended and adopted by Council.

Meeting: Council-29/05/2020	Submitted by Department: Corporate Services
Ref No: 3/3	Author/s: A Marais
Coll No: 1630159	Referred from:
<b>PAR:</b>	<b>ACTION:</b> Implement decision
	<b>RESPONSIBLE DEPT:</b> ED Corporate Services
	<b>DUE DATE:</b>

<b>7. CONSIDERATION OF REPORTS</b>
<b>OORWEGING VAN VERSLAE</b>
<b>UKUQWALASELWA KWEENGXELO</b>

<b>7.1 SALARY INCREMENTS: APPLICATION FOR EXEMPTION TO THE SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL (SALGBC) FOR 2020/2021</b>
<b>SALARISVERHOOGINGS: AANSOEK OM VRYSTELLING AAN DIE SUID-AFRIKAANSE PLAASLIKE BEDINGINGSRAAD (SALGBC) VIR 2020/2021</b>
<b>UKUNYUSWA KWEMIVUZO: ISICELO SOKOPHULELWA KWI SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL (SALGBC) KA 2020/2021</b>

The ANC indicated that it was not in support of the recommendations and enquired whether this was discussed with unions. It was confirmed that the matter was discussed with the unions.

Due to technical problems, some councillors indicated that they were unable to follow proceedings and a recess was called to attend to the technical problems.

After the resumption of the meeting, Cllr Mpulanyana of the ANC requested to be recused to seek medical attention. The Speaker granted his request.

The Deputy Executive Mayor explained that the recommendations were in keeping with a Treasury Circular and are necessary as a result of a 26% decrease in municipal account payments as a result of the Covid-19 pandemic.

**RESOLVED that**

1. The content of this report, specifically that no budgetary provision is made in respect of the matters below, be noted;

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2. Councillors will not implement salary increases for the 2020/2021 financial year effective from 1 July 2020;
3. The City Manager and Senior Managers (Chief Financial Officer and Executive Directors) will again not, as was the case in the 2019/2020 financial year, implement salary increases for the 2020/2021 financial year as from 1 July 2020;
4. The City Manager be authorised to submit an exemption application in terms of Clause 11.1.1 of the Salary and Wage Collective Agreement, 15 August 2018, from clauses 6.6, 6.9, 9.1.1.3, 9.3.3.2 and 10.1.3; and
5. Notwithstanding 4 and depending on the COVID-19 related future financial impact on the 2020/2021 municipal budget the Executive Mayor in consultation with the City Manager is authorised to take any decisions in respect of SALGBC and Non-SALGBC matters relating to remuneration, bonuses and conditions of services subject to the applicable labour, consultative and regulatory processes.

Meeting: Council – 29/05/2020		Submitted by Department: Corporate Services	
Ref No: 4/8/8/1		Author/s: S Johaar	
Coll No: 1651462		Referred from: Mayoral Committee – 28/05/2020	
<b>PAR:</b>	<b>ACTION:</b>	<b>RESPONSIBLE DEPT:</b>	<b>DUE DATE:</b>
1-5	Implement decision	ED Corporate Services	

<b>7.2 REPORT ON TENDER AWARDS: APRIL 2020</b>
<b>VERSLAG OOR TENDERTOEKENNINGS: APRIL 2020</b>
<b>INGXELO NGONIKEZELO LWETHENDA: APRIL 2020</b>

**UNANIMOUSLY RESOLVED that**

It be noted that no awards were adjudicated by the Bid Adjudication Committee for the month of April 2020.

Meeting: Council – 29/05/2020		Submitted by Department: Financial Services	
Ref No: 4/1/2/1		Author/s: C Hess	
Coll No: 1648490		Referred from: Mayoral Committee – 28/05/2020	
<b>PAR:</b>	<b>ACTION:</b>	<b>RESPONSIBLE DEPARTMENT:</b>	<b>DUE DATE:</b>

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<b>7.3</b>	<b>REPORT ON DEVIATIONS FROM PROCUREMENT PROCESSES: APRIL 2020</b>
	<b>VERSLAG VAN AFWYKINGS VAN VERKRYGINGSPROSESSE: APRIL 2020</b>
	<b>INGXELO YOKUPHAMBUKELA KUNYE NOLUNGISO OLUNCINCI LOKUPHEPHELA KWINKQUBO ZOKUFUMANA: APRELI 2020</b>

**UNANIMOUSLY RESOLVED that**

- In terms of paragraph 36(2) of the Supply Chain Management Policy, the deviations and the reasons for the deviations for the amount of R236,915 for April 2020 as recorded by the Accounting Officer in the annexures attached to the departmental report, be noted; and
- The Chief Financial Officer record the accumulated deviation amount of R11,285,705 for the financial year in the notes to the 2019/2020 annual financial statements as required by legislation.

Meeting: Council-29/05/2020	Submitted by Department: Financial Services		
Ref No: 9/1/1/5	Author/s: C Hess		
Coll No: 1648428	Referred from: Mayco-28/5/2020		
<b>PAB:</b>	<b>ACTION:</b>	<b>RESPONSIBLE DEPT:</b>	<b>DUE DATE:</b>

<b>7.4</b>	<b>ADOPTION OF DRAKENSTEIN SPATIAL DEVELOPMENT FRAMEWORK, 2020 - 2025</b>
	<b>AANVAARDING VAN DRAKENSTEIN RUIMTELIKE ONTWIKKELINGSRAAMWERK, 2020 - 2025</b>
	<b>UKUMILISELWA KWE DRAKENSTEIN SPATIAL DEVELOPMENT FRAMEWORK, 2020 - 2015</b>

**UNANIMOUSLY RESOLVED that**

- The Drakenstein Spatial Development Framework, 2020 – 2025, attached as “Annexure A” to the departmental report, be adopted in order to form part of the Amended 2019/2020 Second Reviewed 2017/2022 Drakenstein Integrated Development Plan, in terms of Section 6(8) of the Drakenstein Bylaw on Municipal Land Use Planning, 2018, read together with Section 34(b) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);
- The Drakenstein Spatial Development Framework, 2020 – 2025: Comments and Response Report, attached as “Annexure B” to the departmental report, be noted;
- The following documentation, together with the adopted 2020 Amended Drakenstein Integrated Development Plan, be submitted to the Member of the Provincial Executive Council (MEC) for Local Government, Environmental Affairs and Development Planning, within 10 days after the approval, in terms of Section 14 of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014), read together

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with Section 32(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000):

- 3.1 A written notice of the decision to adopt the Drakenstein Spatial Development Framework, 2020 – 2025, together with the reasons for the decision;
  - 3.2 The adopted Drakenstein Spatial Development Framework, 2020 – 2025, attached as “Annexure A” to the departmental report; and
  - 3.3 The Drakenstein Spatial Development Framework, 2020 – 2025: Comments and Response Report, attached as “Annexure B” to the departmental report;
4. A notice regarding the adoption of the Drakenstein Spatial Development Framework, 2020 – 2025, be placed in the Provincial Gazette within 14 days after the adoption decision, in terms of Section 20(1) of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013), read together with Section 6(8) of the Drakenstein Bylaw on Municipal Land Use Planning, 2018; and
  5. A notice regarding the adoption of the Drakenstein Spatial Development Plan, 2020 – 2025, be placed on the official website and Facebook page of the municipality, and the Paarl Post within 14 days after the adoption decision, in terms of Section 6(8) of the Drakenstein Bylaw on Municipal Land Use Planning, 2018.

Meeting: Council – 29/05/2020	Submitted by Department: Planning and Development
Ref No: 15/1/P	Author/s: W Hendricks
Coll No: 1646187	Referred from: Mayoral Committee – 29/05/2020
<b>PAR:</b> 1-5	<b>ACTION:</b> Implement decision
	<b>RESPONSIBLE DEPT:</b> ED Planning and Development
	<b>DUE DATE:</b>

<b>7.5</b>	<b>TABLING OF THE AMENDED 2019/2020 SECOND REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP)</b>
	<b>VOORLEGGING VAN DIE GEWYSIGDE 2019/2020 TWEEDE HERSIENDE GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP)</b>
	<b>UKUBEKWA KWEPLANI YOPHUHLISO EDIBENEYO ELUNGISIWEYO KA 2019/2020 EHLOLIWEYO OKWESIBINI (IDP)</b>

**UNANIMOUSLY RESOLVED that**

1. Council approves the adoption of the amended 2019/2020 second reviewed IDP in line with the 2020/2025 Spatial Development Framework (which serves as a core component of the IDP);

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2. An advertisement be placed on the official Municipal website, notice boards and in the local newspapers to notify the public of the amended IDP; and
3. The final amended IDP be submitted to:
  - Department of Local Government: Western Cape;
  - Provincial Treasury: Western Cape;
  - Auditor General (AG) of South Africa; and
  - National Treasury.

Meeting: Council – 29/05/2020	Submitted by Department: Corporate Services
Ref No: 2/2/5	Author/s: C September
Coll No: 1652668	Referred from: Mayoral Committee – 28/05/2020
<b>PAR:</b>	<b>ACTION:</b>
	Implement decision
	<b>RESPONSIBLE DEPARTMENT:</b>
	ED Corporate Services
	<b>DUE DATE:</b>

<b>7.6 APPROVAL OF BUDGET RELATED POLICIES</b>
<b>GOEDKEURING VAN BEGROTINGS VERWANTE BELEIDE</b>
<b>UKUQINISIKISWA KWEMIGAQO NKQUBO EDIBENE NOHLAHLA LWABIWO MALI</b>

**UNANIMOUSLY RESOLVED that**

The following budget related policies as attached to the departmental report be approved:

1. Annexure A: Credit Control and Debt Collection Policy;
2. Annexure B: Indigent Support Policy;
3. Annexure C: Accounting Policy;
4. Annexure D: Cash and Investment Management Policy;
5. Annexure E: Virement Policy;
6. Annexure F: Financial Asset Management Policy;
7. Annexure G: Insurance Management Policy;
8. Annexure H: Supply Chain Management Policy;
9. Annexure I: Travel and Subsistence Policy;
10. Annexure J: Tariff Policy;
11. Annexure K: Property Rates Policy;
12. Annexure L: Asset Transfer Policy;
13. Annexure M: Budget and Management Oversight Policy;
14. Annexure N: Events Policy;
15. Annexure O: Cost Containment Policy; and
16. Annexure P: Performance Management Policy.

Meeting: Council – 29/05/2020	Submitted by Department: Financial Services
Ref No: 2/2/5	Author/s: K Fredericks
Coll No: 1649770	Referred from: Mayoral Committee – 28/05/2020
<b>PAR:</b>	<b>ACTION:</b>
	1. Implement decision
	2. Update policy register and place on Intranet
	3. Update municipal website
	<b>RESPONSIBLE DEPARTMENT:</b>
	1. Chief Financial Officer
	2. Administration
	3. Communication
	<b>DUE DATE:</b>



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<b>7.7</b>	<b>APPROVAL OF THE 2020/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK AND 2020 OPERATING AND CAPITAL BUDGET, FUNDING SOURCES, RATES, FEES, CHARGES AND TARIFFS</b>
	<b>GOEDKEURING VAN DIE 2020/2025 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK EN 2020/2021 BEDRYFS-EN KAPITAALBEGROTING, BELASTINGS, FOOIE, HEFFINGS EN TARIEWE</b>
	<b>UKUQINISEKISWA KWE 2020/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK AND 2020 OPERATING AND CAPITAL BUDGET, FUNDING SOURCES, RATES, FEES, CHARGES AND TARIFFS</b>

The Executive Mayor introduced the budget, its key features, major achievements in the current financial year as well as the challenges facing the economy following the Covid-19 pandemic as fully set out in the enclose budget speech. Thereafter the recommendations for the adoption of the Budget was tabled by the Deputy Executive Mayor.

Parties were allowed to respond to the Budget. Both ICOSA and the ACDP supported the budget.

Councillor Richards indicated that the ANC would not support the budget due to the negative impact of the Covid-19 pandemic will have on the budget, municipality's cash flow problems, its financial distress and uncertainty about its ability to service the loan repayments due to the increase in loans. The ANC stated that the salary bill increased with over R270 million over the past 5 years, and requested that a detail breakdown on how the money on salary bill was spent and what staff appointments were made over the past 5 years.

The Executive Mayor responded, inter alia, that salaries comprises 30% of the operational budget which is below the norm.

Hereafter the recommendations of the Executive Mayor were put to the vote and carried by 41 votes to 9 votes, with 1 abstention.

**RESOLVED that**

1. Council approves the 2020/2025 MTREF capital budget expenditure of R216,972,433 for the 2020/2021 financial year as well as for the four outer years' capital expenditure as set out per vote in the table below.

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2020/2025 MTREF HIGH LEVEL CAPITAL BUDGET EXPENDITURE PER VOTE (DEPARTMENT)							
Serial Number	Description	2020/2021 Capital Budget	2021/2022 Indicative Capital Budget	2022/2023 Indicative Capital Budget	2023/2024 Indicative Capital Budget	2024/2025 Indicative Capital Budget	2025/2026 Indicative Capital Budget
Column Reference	A	B	C	D	E	F	G
1	1: City Manager	-	-	-	-	-	-
2	2: Financial Services	2,082,860	-	-	-	-	984,375
3	3: Corporate Services	2,467,294	1,400,000	1,400,000	1,400,000	1,400,000	40,176,912
4	4: Community Services	35,431,346	15,269,646	32,049,831	6,050,000	6,050,000	194,827,289
5	5: Planning and Development	-	-	-	-	-	21,567,851
6	6: Engineering Services	176,990,933	98,309,354	79,252,169	102,332,000	102,332,000	5,267,256,558
7	7: Internal Audit	-	-	-	-	-	-
8	8: Risk Management	-	-	-	-	-	-
9	9: IDP/PMS	-	-	-	-	-	-
10	10: Communication and Marketing	-	-	-	-	-	-
11	<b>Grand Total</b>	<b>216,972,433</b>	<b>114,979,000</b>	<b>112,702,000</b>	<b>109,782,000</b>	<b>109,782,000</b>	<b>5,524,812,985</b>

2. Council approves the following single and/or multi-year capital projects that exceeds the amount of R50 million referred to in Regulation 13(2)(c) of the Municipal Budget and Reporting Regulations:
  - 2.1 Saron: Bulk Storage and Water Treatment (R58,761,814);
  - 2.2 Upgrading of Oosbosch Street between Bergriver Boulevard and Jan van Riebeeck Road project (R57,029,546);
  - 2.3 Electrification Housing Projects (R112,000,000); and
  - 2.4 New Bulk Sewer Simondium project (R79,564,000).
  
3. Council takes note that the estimated future operational costs and revenue on the above-mentioned capital projects over the next five years are set out in detail in Table 11 in paragraph 1.4.7 of the Annual Budget 2020/2021 to 2024/2025 MTREF Forecast document attached as Annexure D to this item.
  
4. Council approves the 2020/2025 MTREF capital budget expenditure funding sources of R216,972,433 for the 2020/2021 financial year as well as for the four outer years' capital expenditure funding sources as set out in the table below.

2020/2025 MTREF HIGH LEVEL CAPITAL BUDGET EXPENDITURE PER FUNDING SOURCE							
Serial Number	Description	2020/2021 Capital Budget	2021/2022 Indicative Capital Budget	2022/2023 Indicative Capital Budget	2023/2024 Indicative Capital Budget	2024/2025 Indicative Capital Budget	2025/2026 Indicative Capital Budget
Column Reference	A	B	C	D	E	F	G
1	CRR	63,300,476	50,000,000	50,000,000	50,000,000	50,000,000	5,135,837,348
2	Grants	153,671,957	64,979,000	62,702,000	59,782,000	59,782,000	388,975,637
3	<b>Grand Total</b>	<b>216,972,433</b>	<b>114,979,000</b>	<b>112,702,000</b>	<b>109,782,000</b>	<b>109,782,000</b>	<b>5,524,812,985</b>

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5. Council takes note that R5,524,812,985 of the capital programme and identified IDP needs could not be accommodated in the 2020/2025 MTREF capital budget of the next five years as set out in the table above.
6. Council approves the 2020/2025 MTREF operating budget revenue of R2,693,203,372 for the 2020/2021 financial year as well as for the four outer years' operating revenue as set out per vote in the table below.

2020/2025 MEDIUM TERM OPERATING REVENUE PER VOTE (DEPARTMENT)						
Serial Number	Description	2020/2021 Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget	2023/2024 Indicative Operating Budget	2024/2025 Indicative Operating Budget
Column Reference	A	B	C	D	E	F
1	1: City Manager	-	-	-	-	-
2	2: Financial Services	(350,710,512)	(376,868,056)	(405,096,717)	(432,187,858)	(461,292,649)
3	3: Corporate Services	(1,493,424)	(1,106,395)	(1,121,064)	(1,136,468)	(1,152,642)
4	4: Community Services	(242,661,892)	(249,446,348)	(257,651,219)	(253,858,682)	(258,737,092)
5	5: Planning and Development	(7,636,204)	(4,549,509)	(4,563,735)	(4,578,948)	(4,595,218)
6	6: Engineering Services	(2,090,701,340)	(2,133,457,299)	(2,286,980,762)	(2,443,320,887)	(2,607,567,910)
7	7: Internal Audit	-	-	-	-	-
8	8: Risk Management	-	-	-	-	-
9	9: IDP/PMS	-	-	-	-	-
10	10: Communication and Marketing	-	-	-	-	-
11	Grand Total	(2,693,203,372)	(2,765,427,607)	(2,955,413,497)	(3,135,082,843)	(3,333,345,511)

7. Council approves the 2020/2025 MTREF operating budget expenditure of R2,609,018,595 for the 2020/2021 financial year as well as for the four outer years' operating expenditure as set out per vote in the table below.

2020/2025 MEDIUM TERM OPERATING EXPENDITURE PER VOTE (DEPARTMENT)						
Serial Number	Description	2020/2021 Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget	2023/2024 Indicative Operating Budget	2024/2025 Indicative Operating Budget
Column Reference	A	B	C	D	E	F
1	1: City Manager	925,492	1,269,484	1,471,686	1,697,538	1,949,294
2	2: Financial Services	57,554,067	59,614,707	64,280,385	68,270,579	67,644,511
3	3: Corporate Services	82,140,564	84,710,348	89,780,744	95,333,445	100,754,730
4	4: Community Services	518,929,172	531,127,780	555,724,196	575,890,618	599,970,605
5	5: Planning and Development	50,689,217	59,466,494	63,295,573	67,451,884	71,961,631
6	6: Engineering Services	1,891,381,967	2,005,597,891	2,102,322,353	2,190,232,236	2,225,838,876
7	7: Internal Audit	1,663,740	2,048,304	2,410,510	2,815,087	3,266,127
8	8: Risk Management	474,079	784,316	897,894	1,024,771	1,166,255
9	9: IDP/PMS	2,827,790	2,661,835	2,819,894	2,996,391	3,192,942
10	10: Communication and Marketing	2,432,507	2,193,429	2,415,090	2,662,734	2,938,790
11	Grand Total	2,609,018,595	2,749,474,588	2,885,418,325	3,008,375,283	3,078,683,761

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8. Council takes note that a budgeted operating surplus of R84,184,777 is realised for the 2020/2021 financial year as set out in the table below.

2020/2025 MEDIUM TERM OPERATING REVENUE AND EXPENDITURE						
Serial Number	Description	2020/2021 Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget	2023/2024 Indicative Operating Budget	2024/2025 Indicative Operating Budget
Column Reference	A	B	C	D	E	F
1	Total Operating Revenue	(2,693,203,372)	(2,765,427,607)	(2,955,413,497)	(3,135,082,843)	(3,333,345,511)
2	Total Operating Expenditure	2,609,018,595	2,749,474,588	2,885,418,325	3,008,375,283	3,078,683,761
3	Operating (Surplus) / Deficit	(84,184,777)	(15,953,019)	(69,995,172)	(126,707,560)	(254,661,750)

9. Council takes note that any actual cash surpluses at year-end will be used to boost Drakenstein's Capital Replacement Reserve to be utilised for future infrastructure assets investment.
10. Council approves the following revenue increases for the revenue streams of property rates, fees, charges and tariffs with effect from 1 July 2020:
- 10.1 Electricity revenue stream increase of approximately 6.22% for life line consumers;
  - 10.2 Electricity revenue stream increase of approximately 4.9% for other domestic consumers;
  - 10.3 Electricity revenue stream increase of approximately 6.22% for all other electricity consumers;
  - 10.4 Water revenue stream increase of approximately 6.9%;
  - 10.5 Property rates revenue stream increase of approximately 7.5%;
  - 10.6 Refuse removal revenue stream increase of approximately 7.8%; and
  - 10.7 Sewerage/sanitation revenue stream Increase of approximately 8.3% to ensure that this economic service expenditure and revenue move towards a break-even point.
11. Council takes note of the envisaged increases in the property rates, fees, charges and tariffs as set in the Tariff Book attached as Annexure B to this item.
12. Council approves the annual budget of Drakenstein Municipality for the 2020/2021 financial year as well as the indicative estimates for the four outer financial years (2021/2022 to 2024/2025) as set out in the mSCOA version 6.4 Schedules A1 to A10 and SA1 to SA38 included in Annexure D to this item.
13. Council takes note that Drakenstein's investments and cash as at 30 April 2020 amounted to R187,174,008 made up of investments with:
- 13.1 FNB Primary account (R85,839,013);
  - 13.2 ABSA investments (R48,206,657);
  - 13.3 Investec investments (R19,276);
  - 13.4 Nedbank investment (R10,000,000);

**DRAKENSTEIN MUNICIPALITY**  
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- 13.5 Grindrod investments (R43,021,426); and  
 13.6 Eskom (R87,635).
14. Council takes note of the proposed total cost to municipality expenses for the salary, allowances and benefits of the Executive Mayor, Speaker, Deputy Executive Mayor, Chief Whip, Mayoral Committee members, Chairperson of MPAC, ordinary councillors, City Manager, Chief Financial Officer and Executive Directors as set out in SA23 included in Annexure D.
15. Council takes note that Drakenstein Municipality do not have any current service delivery agreements, including material amendments to existing service delivery agreements, with any service provider who renders any power or function on behalf of Drakenstein Municipality as defined in Section 1 of the Municipal Systems Act.
16. Council takes note that Drakenstein Municipality do not have any municipal entities.
17. Council approves the measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's Integrated Development Plan, as set out in SA7 included in Annexure D.
18. Council takes note of the comments as set out in Annexure A (Written Comments Received on the 2020/2021 Draft Budget) to this item as Council's views on the written comments received during the public participation process on the 2020/2021 Draft Budget.
19. Council takes note that the approved electricity tariffs are subject to the approval of it by the National Energy Regulator of South Africa.
20. Council approves the ten year Capital Expenditure Framework (CEF) for the Integrated Urban Development Grant attached as Annexure C to the item.

Councillor Meyer of the VF+ asked to leave the meeting and was not present when this matter was considered.

Meeting:	Council – 29/05/2020	Submitted by Department:	Financial Services
Ref No:	2/2/5	Author/s:	K Fredericks
Coll No:	1650980	Referred from:	Mayoral Committee – 28/05/2020
PAR:	<b>ACTION:</b>	<b>RESPONSIBLE DEPARTMENT:</b>	<b>DUE DATE:</b>
1-20	Implement decision	Chief Financial Officer	



**DRAKENSTEIN**

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# Executive Mayor Budget Speech

2020/2021 Budget

29 May 2020

A city of excellence

**Speaker;**

**Deputy Executive Mayor;**

**Chief Whip;**

**Members of the Mayoral Committee;**

**Councillors;**

**City Manager, Acting CFO and Executive Directors;**

**Members of the public;**

**Representatives of the Media; and**

**All protocol observed.**

**Good morning ladies and gentlemen,**

**Speaker, Plato, a philosopher from ancient Greece, once said and I quote:**

***"Wise men speak because they have something to say. Fools because they have to say something".***

**Speaker, never before has our community, our country and the world been affected and united in its efforts against a single force – the Corona Virus. We are living in uncertain times and the COVID-19 pandemic caused a financial as well as a social crisis. The COVID-19 pandemic will deepen the socio-economic pressures on local, provincial and national government. The municipality and community of Drakenstein will have to work together to get through these difficult times.**

**The promises of humanitarian relief for Drakenstein residents from the Department of Social Development and SASSA have been, to say the least, a huge disappointment. As the Mayor of Drakenstein I personally received hundreds of calls from the community as well as visits to my home asking me when will they receive their promised food hampers. As a result of this and to**



**Executive Mayor  
Ald CJ Poole**

assist in filling the gaps left by the empty promises I had no other option but to intervene in this matter.

Subsequently the City Manager and I launched a Food Security project. It is important to note that it is not a municipality's mandate to provide food to the community. Given that the pandemic was declared a disaster, no supply chain management process was required and we concluded a MOA in accordance with the Disaster Management and Municipal Finance Management Acts with Valcare, a registered non-profit organisation with audited financial statements and who works with a network of approximately 200 Drakenstein NGOs. This partnership with Valcare proved to be very successful and effective.

To date we are proud to announce that Valcare and their private sponsors contributed R2.1 million towards the distribution of 5 000 food hampers in Drakenstein. We as a municipality contributed a total of R1.8 million which is primarily used to provide electronic food vouchers. The e-food voucher, sent directly to the phone of the beneficiary, is redeemable at a number of local Drakenstein stores.

There are 41 informal settlements in Drakenstein, all of which have access to clean drinking water and sanitation. Since the start of the COVID-19 pandemic, these services have been improved and additional water tanks and toilet facilities have been distributed to informal settlements and farms within Drakenstein.

A total of 30 water tanks were installed. Twenty seven of these tanks have a capacity of five thousand litres and three have a capacity of two thousand five hundred litres. COVID-19 brought about the need for additional hygiene measures and these extra water tanks, which are kept full using a roving water tanker, provide millions of litres of extra clean drinking water to these residents.

Extra toilet facilities have also been provided to informal settlements and rural farming communities since the start of the Lockdown. We also distributed 900 bars of soap to residents to sanitize their hands.



I would like to use this opportunity to once again thank the City Manager his management team, essential services workers and all other staff who have been working in the front line during the lockdown, we appreciate your commitment and efforts.

Perhaps the biggest and obvious impact of the Covid-19 pandemic to the economy is the loss of income suffered by households, businesses and government due to the shutdown of the economy since 26 March 2020. Many companies and institutions had to pay their monthly bills despite not generating any revenue. Most companies that distribute perishable goods will be negatively impacted as demand dropped significantly with the restrictions on movement and the closure of fast food outlets and restaurants.

There are no official estimates of the impact of the lockdown of the South African economy yet, but what is definite is that there has been a significant decrease in the consumption of goods and services by households, businesses, government and foreigners, which will result in a decrease in GDP.

Speaker, allow me to reflect on the impact closer to home. Modelling of the Drakenstein economy undertaken by economists show that for the first two months of the lockdown:

- The Drakenstein economy has lost over R800 million in income;
- We have lost approximately 2 200 jobs;
- Manufacturing, retail trade and transport will account for over 50 percent of the loss in income;
- Tourism, construction and the informal sector will account for over 80 per cent of the job losses during the same period;
- Drakenstein's tourism sector has lost approximately R65 million in income; and
- Tourism has shed 700 jobs after two months of lockdown.

Speaker, the impact of Covid-19 will result in weak economic performance, high unemployment, increasing poverty, constrained government finances and therefore reprioritisation of the whole of government's expenditure which will have a severe impact on the municipality's ability to deliver on its mandate. In



response, the City Manager, Chief Financial Officer and Executive Directors will again, as in the current year not receive salary increases for the 2020/2021 financial year. Councillors will also not implement salary increases for the next financial year. This will also affect all our employees and an application will be submitted to the South African Local Government Bargaining Council to request a waiver relating to matters of remuneration.

Hence the final IDP and Budget are very different from what was tabled two months ago. A review of projects and programmes were required in order to best serve the community with limited resources and financial strain caused by the current and projected revenue loss.

### **2019/2020 BUDGET HIGHLIGHTS**

Speaker, let us reflect on the highlights of the current financial year. Various commitments were made to the community and some of the achievements include the following:

1. **Bulk and basic infrastructure services for the Vlakkeland Housing Project, to the amount of R60 million will be completed in the 2019/2020 financial year. This will ensure that approximately 507 houses will be build;**



2. **The construction of basic infrastructure services at Lantana and Schoongezicht at a cost of R8.3 million;**

3. **The construction of basic services in informal settlements at a cost of R3.3 million;**
4. **The acquisition of land at Simondium for future housing development at a cost of R14.1 million financed through a grant from the Department of Human Settlements;**
5. **An estimated amount of R54.1 million was spent on the upgrade and construction of water treatment plants, a reservoir and bulk water networks, providing water to Paarl and Wellington. This includes an amount of R10.6 million for the bulk water pipeline at Saron from the catchment area to the village;**
6. **Boreholes with pumps and filtration plant equipment were completed at a cost of R3.2 million with a total project cost of R79 million;**



7. **The Wellington and Paarl Waste Water Treatment Works, a multi-year project over three financial years, was completed at a cost of R306.9 million;**



8. An amount of **R18.2 million** was spent on the upgrade and design of bulk and other waste water reticulation systems of which **R8.5 million** was funded by Infrastructure Investment Programme of South Africa grant funding programme administered by the Development Bank of Southern Africa;
9. An amount of **R25 million** was spent on the electrification of informal settlements and the bulk infrastructure upgrade for the proposed Vlakkeland housing project. An estimated 302 structures will be electrified by 30 June 2020. These structures are in the following areas: Siyahlala 2, OR, remainder of Simondium, remainder of Brickfields, Bosbok phase 2 and Ribbok.



10. Bulk electricity supply in Vlakkeland and Paarl through the upgrade of 11KV electricity cables and substations at an estimated cost of **R29.5 million**;

11. An amount of **R3 million** was contributed towards the upgrading of the floodlights at Boland Park, thus enabling the hosting of International events;
12. Upgrading and resealing of roads across Drakenstein at an estimated cost of **R16.1 million**;
13. Construction of the Oosbosch Street class 1 dual carriage way project from the Berg River Boulevard to the R301 has started and **R32.5 million** of the total estimated costs of **R129 million** will be spent on the widening of the bridges over the Berg River and the railway line. This project is largely funded by the provincial government as it is classified as a provincial road;



14. The Van der Stel Street Project was completed at an estimated cost of **R21.9 million** of which **R5.5 million** was spent in this financial year;



15. The construction and upgrading of sport facilities at Boy Louw, New Orleans, Dal Josaphat, De Kraal, Pelican Park, Mbekweni, Parys, Newton and Faure Stadium was done at a cost of **R19.5 million**;



16. Swimming pools were upgraded at an estimated cost of **R3.8 million**;
17. The construction of the wall at the Champagne Cemetery at an estimated cost of **R1.6 million**;
18. Parks, open spaces and play grounds were upgraded at a cost of **R3.2 million**;
19. An amount of **R4.6 million** will be spent on the construction of aprons around the housing rental stock;
20. A further **R2.7 million** was spent on the upgrading of the rental stock;
21. An amount of **R2 million** was spent on the establishment of the new Control Centre equipped with CCTV cameras and the monitoring thereof which is crucial for the Drakenstein Smart Safety Network project;

22. An estimated R1.4 million was spent on the "Paint my Story" project, which entailed the repainting of housing rental stock;



23. An amount of R3 million was spent to promote tourism in Drakenstein;
24. R1.5 million was spent on bursaries and driver license training programmes for the youth, with a particular focus on the rural youth.
25. The impact of COVID-19 also resulted in unfunded expenditure requirements. These included inter alia:
- a. Humanitarian aid of R1.8 million, of which R800 000 came from own funding;
  - b. Personal protective equipment;
  - c. Overtime and standby; and
  - d. Sanitising and health precautions for municipal buildings and employees.

Speaker, actual and committed capital expenditure after ten months of the financial year stands at 85.71%. The national lockdown during April and May 2020 has resulted in a halt in spending and will adversely affect the actual capital expenditure at year end but the administration is hard at work trying to get all projects back on track.

## **PUBLIC PARTICIPATION PROCESS**

**Council approved the draft IDP, draft Budget, draft budget related policies and draft tariffs on 26 March 2020.**

**Speaker, with the onset of the 2020 year, preparations for public participation was well underway. Venues were confirmed and presentations prepared for discussions with the public per ward on the proposed IDP and budget for the 2020/2021 financial year. As usual our standard public participation process would have extended over the month of April, going into early May.**

**However, these plans and preparations were put on hold by the announcement from the President on 24 March 2020 regarding the start of the national lockdown commencing at midnight 26 March 2020. The lockdown entailed people staying in their homes and only being allowed to leave for essential purposes. Public gatherings were not allowed which meant a different approach to our annual public participation process.**

**This approach entailed advertising the draft Budget and draft IDP on all our online platforms. We had to utilize electronic and non-personal contact communication methods to ensure public participation. We did this through newspaper advertisements, radio talks, loud hailing, Facebook, our website, sms communication etcetera. The comments and inputs window period was also extended with a week to allow ample opportunity to participate and submit comments.**

**Housing and Indigent Household Summits were conducted in municipal wards during March 2019 until it was cancelled due to the national lockdown imposed. In total, 6 summit meetings were conducted. The objectives of the summits were to share information on indigent household subsidies and the current state of housing in the municipality as well as planned interventions. These summits were generally well received and feedback sessions are planned towards the end of 2020 if permitted.**



## **COMMENTS RECEIVED FROM THE PUBLIC**

Fourteen written comments were received on the draft budget and one of these were the Provincial IDP and Budgeting Assessment Report. Detailed feedback to comments are attached to the budget item as Annexure A.

Speaker, the majority of the comments received centers around the impact of COVID-19 and the subsequent lockdown period on the economy as previously mentioned. It should however be noted that a detailed exercise was undertaken in preparing the draft budget that was tabled in March 2020. When comparing the tariff increases year on year it is clear that the increase for the 2020/2021 financial year is less than the previous financial year.

To fund the capital projects, we will not take up any new external loans over the next five financial years. This will ensure that our current gearing ratio decreases to an estimated 67% in 2020/2021 and to an estimated 42.9% in the 2024/2025 financial year.

## **CAPITAL AND OPERATING BUDGET**

Speaker, the total proposed budget for the 2020/2021 financial year amounts to R2.909 billion, comprising of a R2.693 billion operating and R216.972 million capital budget. I will discuss the budget in terms of the following categories:

1. Expanded Public Works Programme;
2. Human Settlements;
3. Water and Sanitation;
4. Electricity;
5. Refuse Removal;
6. Roads and Stormwater;
7. Sport Facilities, Parks and Cemeteries;
8. Tourism and Economic Development;
9. General Community Projects;

10. Ward Projects;
11. New Initiatives; and
12. Financial Assistance to the Poor.

### **EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

Speaker, it is important for us to facilitate the creation of job opportunities and recruitment in a fair and transparent manner. Participation in the programme must increase the chances of beneficiaries to create sustainable livelihoods and improve service delivery. In this regard the EPWP Policy and procedures to increase control over recruitment, selection and contract administration were implemented.

The Expanded Public Works Programme for 2020/2021 makes provision for approximately 1,316 job opportunities at an estimated cost of R17 million. The National Department of Transport and Public Works EPWP grant contributes R4.1 million whilst Drakenstein Municipality contributes R12.9 million and we aim to secure the balance through additional training funding. The programme will focus on the following projects, with a much bigger focus on training:

#### **Social Sector Projects (5 projects):**

1. Illegal structure removal team;
2. Training and accreditation of Peace Officers;
3. Caretakers for resorts and community facilities;
4. Training and accreditation of security guards; and
5. Emergency response / traffic violation call centre operators.

#### **Environmental Sector Projects (10 projects):**

1. Street based resident cleaning marshals in informal settlements;
2. Cleaning of dumping hotspots and main routes;
3. Solid waste rapid response team;
4. Additional CBD cleaning shifts;



5. **Cleaning of stormwater systems, with brush cutter training;**
6. **Cleaning of public toilets response team, with technical training;**
7. **Cleaning and maintenance of Informal settlement toilets;**
8. **Cleaning of swimming pools and sport fields;**
9. **Cleaning of parks and cemeteries, with pesticide and brush cutter training;  
and**
10. **Cleaning of community amenities.**

**Infrastructure Sector Projects with technical skills training (5 projects):**

1. **Maintenance of swimming pools and community facilities;**
2. **Maintenance of rental stock;**
3. **Pump station maintenance;**
4. **Informal settlement plumbing team; and**
5. **Mechanical workshop technical training.**

**HUMAN SETTLEMENTS**

Speaker, in terms of Schedule 4 (Part A) of the Constitution, housing is a National and Provincial Government competence. National housing legislation prescribes that a municipality must perform this function on behalf of national government with financial assistance from the national fiscus.

In this regard, a grant allocation of R78,2 million has been awarded to the municipality for the 2020/2021 financial year which will be used to service 459 sites and build 398 new houses.

During the new financial year, we will also focus on restoring the pride and dignity of our communities in informal settlements through the following projects:

1. **Improve the access to basic services at a cost of R1.1 million. Improving access to basic services are set to continue in future years; and**

2. Provide basic services at the Schoongezicht Emergency Housing project at an estimated R6.9 million.

### **WATER AND SANITATION**

Two basic services that Drakenstein must provide is clean drinking water and sanitation. For the 2020/2021 financial year we are budgeting R44.1 million for these services and will include the following:

1. Construction of a bulk storage and water treatment works at Saron with IUDG grant funding – R23.6 million;
2. Replacement of water reticulation networks – R5.6 million; and
3. Slip lining and pipe cracking of sewer network backlogs – R1.25 million.

### **ELECTRICITY**

The 2020/2021 budget makes provision for R39.9 million to cater inter alia for the following electricity infrastructure projects:

1. Substation upgrading – R9.25 million
2. Bulk electricity supply to the Vlakkeland Housing Project – R27 million;
3. Upgrading of electricity switch gear – R2.2 million; and
4. Electrification of informal settlements – R1.5 million.

### **REFUSE REMOVAL**

Speaker, we have provided R3 million for refuse removal projects which include the following:

1. The construction of a Material Recovery Facility (MRF) and drop-off facilities in Drakenstein at an estimated cost of R2 million; and
2. The procurement of bulk refuse containers, street refuse bins and wheelie bins at an estimated cost of R1 million.

## **ROADS AND STORMWATER**

Speaker, integrated urban planning, economic growth and sustainable development starts with a well-developed and maintained integrated road network. Therefore maintenance of and investment in roads and stormwater infrastructure is very important and we have provided **R87.3 million** for the 2020/2021 financial year. The main projects catered for are the following:

1. Continuing with the construction of a dual carriageway in Oosbosch Street from the Berg River Boulevard to R301;
2. The resealing of streets; and
3. The tarring of sidewalks.

## **SPORT FACILITIES, PARKS AND CEMETERIES**

Speaker, the infrastructure for sport, parks and cemeteries is also an important focus area in our IDP and we provided **R22.7 million** for the 2020/2021 financial year. The main capital and operating projects for next year are:

1. The upgrading and construction of parks, swimming pools and sporting infrastructure and facilities at Fairyland and De Kraal – **R10.1 million**;
2. The upgrading and development of a Climate Park at the Arboretum – **R2.8 million** mainly through a grant from a German Grant Programme; and
3. The development of a new cemetery – **R4.9 million**

## **TOURISM AND ECONOMIC DEVELOPMENT**

Speaker, one of our key performance areas is to promote and facilitate economic development. Tourism is one of the main economic drivers in Drakenstein and this budget provides funding for the following projects and initiatives:

1. Boland Park Floodlights – **R3 million**; and

2. **Contribution towards the Drakenstein Local Tourism Association – R3 million.**

### **GENERAL PROJECTS**

**Speaker, other general projects, programmes and initiatives that we will support to improve service delivery and the living conditions of our community in the next financial year are:**

1. **Extension and upgrading of the traffic centre – R500 thousand;**
2. **Tarring of aprons around housing rental stock – R2 million to ensure that aprons are walkable during the rainy season;**
3. **The purchasing of vehicles and equipment – R1.1 million;**
4. **Construction of a canopy, fence and container office for the petrol pumps to be relocated – R1.5 million;**
5. **Investing in information technology infrastructure – R2.3 million;**
6. **Rural development programmes that will include skills development and bursaries – R600 thousand.**

### **WARD COMMITTEE SUPPORT**

**Speaker, due to the impact of the COVID-19 pandemic we had to review the impact we want to make and leave in each ward. It was therefore decided that each ward allocation will consist of the following projects:**

1. **War on waste (cleaning projects in the ward);**
2. **Greening and upgrading of parks;**
3. **Drakenstein Smart Safety Network Project;**
4. **Drakenstein Newspaper; and**
5. **Funding for soup kitchens and related food security programs.**

**Each ward committee member will still receive a quarterly stipend of R750 for assisting the ward councillor in the ward.**

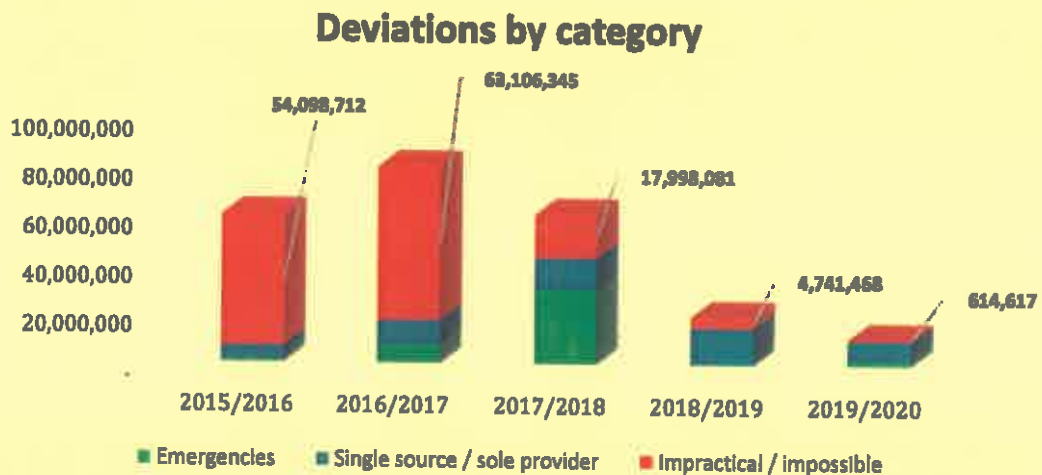


## NEW INITIATIVES

### 1. Reducing Deviations

An initiative that proved to be successful was the reduction of impractical/impossible deviations approved by Council. During the 2014/2015 financial year the impractical/impossible deviations amounted to R62.9 million. It then decreased to R54.1 million in 2015/2016 before it increased to R63.1 million in 2016/2017 and decreased to R17.9 million in 2017/2018. In 2018/2019 it reduced to R4.7 million and currently it stands at R614 thousand for the 2019/2020 financial year.

This significant decrease was achieved through improved procurement planning and by ensuring that rates tenders are in place.



### 2. Revenue, Expenditure and Cost Containment Management

The City Manager established a project team to focus on revenue, expenditure and cost containment management. The purpose of the project is to streamline all business processes involved in revenue management and billing as well as expenditure. All revenue leakages will be detected and standard operating procedures needs to be developed to ensure that all revenue are billed and

collected. All unnecessary expenditure is eliminated as far as possible. The project team meets every week under the leadership of the City Manager.

### **3. Municipal Court**

The municipal court project was previously delayed because of uncertainty regarding the new Administrative Adjudication of Road Traffic Offences Act (AARTO). We need our own municipal court to strengthen the enforcement of traffic law offences and municipal bylaws. The business plan has been submitted to the National Department of Justice and renovations at 60 Breda Street will ensure that we open the Drakenstein Municipal Court within the next three months.

### **4. Drakenstein Smart Safety Network (DSSN) Project**

The DSSN is a partnership project between the Drakenstein Municipality, Provincial Department of Community Safety, the South African Police Services (SAPS), community-based safety organisations (neighbourhood and farm watches) and the private sector (security companies). The DSSN provides a platform to work together and share information on safety and security incidents and threats in real time using cutting edge technology. Phase one (1) of the project was rolled out during the 2019/2020 financial year and an amount of R2.1 million has been spent. During phase two the centre will be renovated and expanded to accommodate different safety partners. The latter will enable the Drakenstein Central Operational Centre (DCOC) to effectively communicate with all safety partners from a central point and receive and deal with complaints.

In addition, discussions were held with provincial government regarding cooperation and funding opportunities for the project as well as innovative ways to improve safety and security within the municipal area.





## 5. Homeless People

A significant challenge throughout South Africa is the growing number of homeless people. We will increase our focus on a multi stakeholder intervention, including measures to support the provision of adequate shelter and on job creation measures to proactively engage homeless people with the aim of reintegrating them into social family structures.

### FINANCIAL ASSISTANCE TO THE POOR

Speaker, the equitable share we receive to assist indigent households is insufficient and we made some changes to our Indigent Support Policy.

It is now proposed that we give financial assistance to all households (people receiving SASSA allowances, child headed families, retired people, the disabled and the unemployed) based on the following sliding scale:

1. **Category A: All households with a monthly income of up to R4,550 will receive 100% of the financial assistance package we offer;**
2. **Category B: All households with a monthly income between R4,551 to R4,950 will receive 80% of the financial assistance package we offer;**
3. **Category C: All households with a monthly income between R4,951 to R6,200 will receive 50% of the financial assistance package we offer; and**
4. **Category D: All households with a monthly income between R6,201 to R6,500 will receive 20% of the financial assistance package we offer.**

Speaker, the financial assistance we will provide to all households described in categories A, B, C and D above comprise of the following:

1. **Property rates will be subsidised up to the first R950,000 of the municipal valuation of the property;**
2. **The basic charge of 30 ampere electricity connections will be subsidised – please note that 20 ampere electricity connections do not have a basic charge;**

3. One hundred (100) free units of electricity for Category A and B households and fifty (50) free units of electricity for Category C and D households;
4. The basic charge for water connections will be subsidised;
5. Six (6) kiloliters of free water for all categories;
6. One refuse bin per household will be subsidised;
7. Basic sewerage charge will be subsidised based on that for an erf of 550m<sup>2</sup>;
8. One toilet per household will be subsidised; and
9. Flat rentals up to the maximum of the basic services will be subsidised.

Speaker, no policy on the matters raised above can be cast in stone. There will always be exceptional circumstances that needs to be catered for. The City Manager, in consultation with the Chief Financial Officer, will have the delegated powers to migrate households from Category D to C, C to B and B to A in exceptional circumstances as noted in the revised Indigent Support Policy.

#### **INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)**

Speaker, some good news. Drakenstein Municipality was identified by COGTA as one of six (6) secondary cities qualifying to take part in the IUDG programme. The IUDG allocation for the 2020/2021 financial year is R58.6 million. For this purpose we had to compile a Capital Expenditure Framework (CEF) for the next ten financial years and the CEF Business Plan is attached to the budget item as Annexure C for Council's approval.

#### **NEW TARIFFS**

Speaker, due to the impact of COVID-19, comments were received on our new tariffs to be implemented as from 1 July 2020.

Based on the Draft NERSA guidelines issued on electricity tariffs, the electricity tariffs will on average increase with 6.22% with domestic consumer's tariffs increasing with only 4.9%. We have submitted our electricity tariffs to NERSA



and await their approval. The remaining tariffs are unchanged as communicated with the public.

Speaker, at this stage I want to thank the public for honouring their commitments in paying their property rates and service charges even during the difficult and trying times experienced with the outbreak of the COVID-19 virus. Due to the outbreak of the COVID-19 virus and its negative impact on the economy we had to adjust the budgeted revenue collection rate from 97.8% to 94% of the billed revenue and for the shortfall of 6% we made provision for bad debt impairment. The quality of services we render is only possible due to the cooperation of our community in honouring the payment of their municipal bills.

#### **CONCLUDING REMARKS**

Speaker, building on our successes over the past nine years, the proposed final budget is pro-poor, supports economic growth, the socio-economic needs of the residents of Drakenstein and our financial sustainability. Drakenstein's Vision 2032 and its strategic objectives are aligned to the national, provincial and district strategic objectives and outcomes. The proposed final budget is based on realistic revenue streams and is credible and sustainable as the assessment report from Provincial Government confirms.

Speaker, Drakenstein for the 2018/2019 financial year also received a twelfth consecutive unqualified audit opinion from the Auditor-General. It was also the fifth clean audit opinion the Municipality received. As Executive Mayor, I am proud of these achievements and I would like to thank all Councillors, the City Manager, the Acting CFO, Executive Directors and staff members for their contributions to achieve these outstanding results.

Speaker, with these remarks, I herewith present Drakenstein's Final 2020/2021 Budget.

I thank you.



**DRAKENSTEIN MUNICIPALITY  
MINUTES: COUNCIL/RAAD/IBHUNGA  
29 MAY 2020**

<b>8. MATTERS FOR CONSIDERATION/INFORMATION</b>
<b>SAKE VIR OORWEGING/INLIGTING</b>
<b>IMIBA YOKUQWALASELWA/YOKWAZISA</b>

**None.**

<b>9. URGENT MATTERS SUBMITTED BY CITY MANAGER</b>
<b>DRINGENDE SAKE VOORGELÊ DEUR DIE STADSBESTUURDER</b>
<b>IMIBA ENGXAMISEKILEYO NGU MANEJALA WESIXEKO</b>

The City Manager provided an update on the Covid-19 situation. He reported that Drakenstein area currently have 476 cases of which 322 are active cases, 144 have recovered, with 10 deaths. The following areas have been identified as hotspots in the Drakenstein Municipal area:

- Paarl East;
- Mbekweni; and
- Wellington.

Councillors were requested to assist at malls and shops to ensure that the public complies with the regulations and health and safety protocol.

The submission of the City Manager was **Noted**.



**DRAKENSTEIN MUNICIPALITY  
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<b>10. CONSIDERATION OF NOTICES OF MOTIONS AND NOTICES OF QUESTIONS</b>
<b>OORWEGING VAN KENNISGEWINGS VAN MOSIES EN KENNISGEWINGS VAN VRAE</b>
<b>UKUQWALASELWA KWEZAZISO ZEZIPHAKAMISO KUNYE NEZAZISO ZEMIBUZO</b>

<b>10.1 NOTICES OF QUESTIONS: VARIOUS MATTERS</b>
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Councillor TR Mpulanyana of the ANC earlier requested the matter be held over due to him as submitter of the motion not being able to participate in the discussions. The Speaker ruled that the motion would be debated at this meeting after which Councillor Mpulanyana indicated that he would like to withdraw the motion of questions.

The matter proceeded as per the ruling of the Speaker and the tabled at the meeting.

The response by the Executive Mayor was **Noted**.

<b>11. SUPPLEMENTARY AGENDA (IF ANY)</b>
<b>AANVULLENDE AGENDA (INDIEN ENIGE)</b>
<b>I AJENDA EYONGEZIWEYO (UKUBA IKHONA)</b>

**None.**



**DRAKENSTEIN MUNICIPALITY  
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IN-COMMITTEE/ IN-KOMITEE/ KWI-KOMITI	
<b>12.</b>	<b>CONSIDERATION OF CONFIDENTIAL MATTERS</b>
	<b>OORWEGING VAN VERTROULIKE SAKE</b>
	<b>UKUQWALASELWA KEMIBA EYIMFIHLO</b>

(See confidential agenda)  
(Sien vertroulike agenda)  
(Jonga I Ajenda eyimfihlo)

The meeting ended at 12:00.

**CHAIRPERSON:**

*A. C. Stuurman*

**DATE:**

*24 JUNIE 2020*

Confirmed ~~with~~ without amendments.  
*FG/pj*

**DRAKENSTEIN MUNICIPALITY  
ATTENDANCE REGISTER:  
29 MAY 2020**

40

SURNAME	INITIALS	TITLE	CELL NO	SIGNATURE
ADRIAANSE	MM	MS	0795089815	✓
AFRIKA	AF	MS	0795021437	✓
ANDERSON	JV	MS	0768851088	✓
ANDREAS	MA	MS	0767901066	✓
ARNOLDS	RB	MS	0824450022	✓
BEKEER	A	MR	0793726947	✓
BESTER	TG	MR	0823767839	✓
BLANCKENBERG	DS	MR	0833493386	✓
BOOYSEN	VC	MS	0798342556	✓
BUCKLE	AML	MR	0834608060	✓
COMBRINK	GC	MR	0824553445	✓
CUPIDO	FP	MR	0724874744/ 0728975802	✓
CUPIDO	PBA	MS	0764467741	✓
DAVIDS	CO	MS	0790529085	X
DE GOEDE	HR	MR	0824369830	✓
DE WET	J	MS	0837386623 0609687358	✓
DUBA	BP	MS	0739679829	X
FORD	GH	MR	0726016418	X
GEORGE	NN	MS	0736722618	✓
GOUWS	E	MS	0824479711	✓
JACOBS	F	MD	0837600466	✓
JONAS	SX	MS	0728621981	✓
KEARNS	C	MS	0765018441/ 0769406814	✓
KLAAS	MT	MR	0843507787	X
KOEGELENBERG	RA	MR	0832693138	✓
KOTZE	HJ	MR	0794311560 0824477693	✓
KROUTZ	C	MR	0722522866	✓

Office of the / Kantoor van die  
CHIEFWHIP / HOOFSWEEP  
Clr / Rd. R.A. KOEGELENBERG  
Drakenstein

*[Handwritten Signature]*

✓ PRESENT  
X ABSENT

*[Handwritten Mark]*

**DRAKENSTEIN MUNICIPALITY**  
**ATTENDANCE REGISTER:**  
**29 MAY 2020**

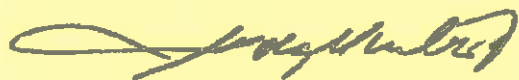
SURNAME	NAME	TITLE	CELL NO	SIGNATURE
LANDU	L	MS	0729187202	✓
LE HOE	MJ	MR	084 218 4999 / 086 214 3637	X
LE ROUX	JF	MR	0834595965	✓
LUGGOLA	A	MS	0730899963	✓
MANGENA	TC	MR	0725937804	✓
MASOKA	ZL	MR	0791202895	✓
MATTHEE	HJN	MR	0824795315	✓
MBENENE	NP	MS	0804141567	X
MDUNUSIE	MN	MS	0604531733	✓
MEYER	WPD	MR	081 556 8224	✓
MILLER	J	ADV	0834400507	✓
MPULANYANA	TR	MR	0769042103	✓
MOKOENA	LP	MS	0734198671	✓
NELL	RH	MR	0710898969	✓
NIEHAUS	LW	MR	0844216780	✓
NOBULA	MD	MR	0826947333	✓
NOMANA	TZ	MS	0790639041 0731622287	X
NZELE	LV	MR		✓
POOLE	CJ	MR	0785304285 0824979048	✓
RENS	SC	MR	0795580013 0827980053	✓
RICHARDS	AM	MR		✓
RIX	B	MR	0836753742	✓
ROSS	S	MS	0748214155	✓
SAMBOKWE	LS	MS	0712664622	✓
SAUERMAN	ND	MR	0628991005	✓
SEPTEMBER SMIT	SE	MS	0840218770	✓
	MR	MR	0817364487	✓

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 Drakenstein



**DRAKENSTEIN MUNICIPALITY  
ATTENDANCE REGISTER:  
29 MAY 2020**

SURNAME	INITIALS	TITLE	CELL NO	SIGNATURE
SMUTS	R	MR	0824948467	✓
SOLOMONS	EA	MS	0736503007	✓
STOWMAN	AC	MR	0791895358	✓
VAN NIEKERK	LT	MS	0818858365	✓
VAN NIEWENHUYZEN	RH	MR	0826296239	✓
VAN SANTEN	AJ	MS	0824226339	✓
VIKA	M	MS	0797044556/ 0732433998	X
WINDVOGEL	E	MS	071 591 4188	✓
WILLEMSE	L	MS	0820799421	✓
ZIKHALI	N	MS	0764000130	X



Office of the / Kantoor van die  
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Clr / Rdl R.A. KOEGELEBERG  
Drakenstein

✓ PRESENT  
X ABSENT.

