

DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE (2)

ORDINARY MEETING HELD IN THE BIG COMMITTEE ROOM, FIRST FLOOR, CIVIC CENTRE, BERG RIVER BOULEVARD, PAARL ON WEDNESDAY, 28 MARCH 2018 AT 09:00.

PRESENT: The Executive Mayor, Clr C J Poole (Chairman)
The Deputy Executive Mayor, Clr 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

Also Present: Clr A Stowman (Speaker)
Clr R A Koegelenberg (Chief Whip)
Clr J Mathee (MPAC Chairperson)

Officials: Dr J H Leibbrandt (City Manager)
Mr D Hattingh (Executive Director: Engineering Services)
Mr G Boshoff (Executive Director: Community Services)
Mr J Carstens (Chief Financial Officer)
Ms R Jaftha (Chief Audit Executive)
Mr A V Marais (Senior Manager: Legal and Administration Services)
Ms F Qebanya (Manager: Strategic Planning)
Ms R Geldenhuys (Manager: Communications and Marketing)
Mr F P Goosen (Manager: Administrative Support Services)
Ms E Sieberhagen (Forensic Investigator)

ABSENT: Clr L Willemse (apology)
Mr S Johaar (Executive Director: Corporate Services)
Ms L Waring (Executive Director: Planning and Development)

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1. LEAVE ARRANGEMENT AND NON-AVAILABILITY OF COUNCILLORS AND SENIOR MANAGEMENT

Clr L Willemse (apology)
Mr S Johaar (Executive Director: Corporate Services)
Ms L Waring (Executive Director: Planning and Development)

2. ANNOUNCEMENTS BY THE EXECUTIVE MAYOR

None.

3. DECLARATION OF INTEREST BY COUNCILLORS/OFFICIALS

The City Manager and all Executive Directors in terms of item 7.4.

4. EXECUTIVE MAYOR

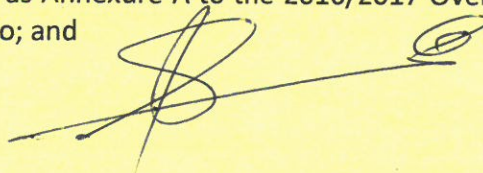
4.1 APPROVAL OF THE 2016-2017 OVERSIGHT REPORT ON THE 2016-2017 ANNUAL REPORT AND WRITTEN COMMENTS RECEIVED

GOEDKEURING VAN DIE 2016-2017 OORSIGVERSLAG OOR DIE 2016-2017 JAARVERSLAG EN SKRIFTELIKE KOMMENTAAR ONTVANG

UKUGQINISEKISWA KWENGXELO YOKONGAMELA KA 2016-2017 KWI NGXELO YONYAKA KA 2016-2017 KUNYE NEZIMVO EZIFUNYENWEYO

RECOMMENDED that

1. Council adopts the 2016/2017 Oversight Report on the 2016/2017 Annual Report;
2. Council approves the 2016/2017 Annual Report (attached as Annexure B to the 2016/2017 Oversight Report) without any reservations;
3. The 2016/2017 Oversight Report on the 2016/2017 Annual Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act;
4. Council notes the concerns raised by the Municipal Public Accounts Committee members as listed in the minutes of the Oversight Committee meeting held on 14 March 2018 (attached as Annexure A to the 2016/2017 Oversight Report) that management will attend to; and



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5. The 2016/2017 Oversight Report on the 2016/2017 Annual Report, the minutes of the Oversight Committee meetings held on 1 March 2018 and 14 March 2018 respectively (attached as Annexure A to the 2016/2017 Oversight Report) and the final 2016/2017 Annual Report (attached as Annexure B to the 2016/2017 Oversight Report) be submitted, in accordance with Section 129(2) and 132(2) of the Municipal Finance Management Act, to the Auditor General of South Africa, Western Cape Provincial Treasury, Western Cape Department of Local Government and the Western Cape Provincial Legislature.

Meeting: MC – 28/03/2018	Submitted by Directorate: Financial Services		
Ref No: 9/1/2	Author/s: J Carstens		
Coll Nr: 1291242	Referred from: Special Finance Portfolio Committee 26/3/2018		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

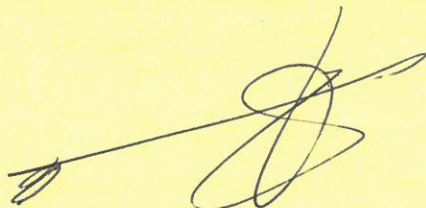
4.2 TABLING OF THE 2018/2019 DRAFT REVISED INTEGRATED DEVELOPMENT PLAN (IDP), IDP/BUDGET ROADSHOW SCHEDULE 2018/2019, THE DRAFT TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2018/2019 AND THE DRAFT DRAKENSTEIN DROUGHT OPERATIONAL RESPONSE PLAN

VOORLEGGING VAN DIE 2018/2019 KONSEP HERSIENE GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP), GOP/BEGROTING VERGADERINGSKEDULE 2018/2019, HOËVLAK DIENSLEWERING EN BEGROTINGSIMPLEMENTERINGSPLAN (DLBIP) EN DIE KONSEP DRAKENSTEIN DROOGTE OPERASIONELE REAKSIEPLAN

UKUBEKWA KWE 2018/2019 DRAFT REVISED INTEGRATED DEVELOPMENT PLAN (IDP), IDP/BUDGET ROADSHOW SCHEDULE 2018/2019, THE DRAFT TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2018/2019 AND THE DRAFT DRAKENSTEIN DROUGHT OPERATIONAL RESPONSE PLAN

RECOMMENDED that

1. The Draft Revised 2018/2019 IDP (attached as Annexure A to the departmental report) be approved by Council for further consultation in line with the IDP/Budget Public Participation Roadshow (attached as Annexure B to the departmental report);
2. The Draft Drakenstein Drought Operational Response Plan (attached as Annexure C to the departmental report) be approved for the further consultation with the public;



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3. An advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers to notify the public of the approval of the Draft Revised 2018/2019 IDP and invite public comments; and
4. The Draft Revised 2018/2019 Integrated Development Plan be submitted to the:-
 - 4.1 Department of Local Government: Western Cape;
 - 4.2 Provincial Treasury: Western Cape;
 - 4.3 Auditor General (AG) of South Africa; and
 - 4.4 National Treasury.

Meeting: MC – 28/03/2018	Submitted by Directorate: City Manager		
Ref No: 2/2/8	Author/s: Dr J Leibbrandt		
Coll Nr: 1291620	Referred from:		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

5. FINANCIAL SERVICES

5.1 APPROVAL OF THE TABLED 2018/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK OPERATING AND CAPITAL BUDGET AND REVENUES STREAMS INCREASES
GOEDKEURING VAN DIE VOORGESTELDE 2018/2023 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK BEDRYFS- EN KAPITAALBEGROTING EN INKOMSTE STROME VERHOEGINGS
UKUQINISEKISWA KOKUBEKWA KWE 2018/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK OPERATING AND CAPITAL BUDGET AND REVENUES STREAMS INCREASES

RECOMMENDED that

1. Council approves the tabled 2018/2023 MTREF capital budget expenditure of R361,729,206 for the 2018/2019 financial year as well as for the four outer years' capital expenditure as set out per GFS votes in the table below and in Annexure B of the tabled 2018/2023 MTREF Budget Report as set out in the table below:-



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2018/2023 MTREF HIGH LEVEL CAPITAL BUDGET PER GOVERNMENT FINANCIAL STATISTICS (GFS)							
Serial No.	Description	2018/2019 Tabled Operating Budget	2019/2020 Indicative Operating Budget	2020/2021 Indicative Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget	2023/2024 Budget Needs and Onwards
1	Community and Social Services: Core Function - Cemeteries, Funeral Parlours and Crematoriums	-	3,488,070	4,200,000	4,200,000	5,000,000	8,011,930
2	Community and Social Services: Core Function - Community Halls and Facilities	5,023,000	1,500,000	2,050,000	1,000,000	1,500,000	14,750,000
3	Community and Social Services: Non-core Function - Agricultural	800,000	-	-	-	-	-
4	Community and Social Services: Non-core Function - Cultural Matters	1,877,976	1,550,000	600,000	700,000	1,700,000	18,852,000
5	Community and Social Services: Non-core Function - Libraries and Archives	34,803	1,500,000	1,500,000	1,500,000	-	3,239,726
6	Energy Sources: Core Function - Electricity	86,069,565	59,906,838	67,744,601	39,877,826	42,607,826	684,646,307
7	Executive and Council: Core Function - Mayor and Council	3,300,000	-	-	-	-	57,420,000
8	Executive and Council: Core Function - Municipal Manager, Town Secretary and Chief Executive	-	340,000	370,000	160,000	160,000	2,880,000
9	Finance and Administration: Core Function - Administrative and Corporate Support	11,450,000	1,100,000	8,300,000	2,030,000	2,650,000	48,678,000
10	Finance and Administration: Core Function - Asset Management	-	-	-	-	262,500	328,125
11	Finance and Administration: Core Function - Budget and Treasury Office	-	-	-	-	-	10,000
12	Finance and Administration: Core Function - Finance	-	2,004,035	4,832,298	3,747,105	3,275,389	-
13	Finance and Administration: Core Function - Fleet Management	8,996,431	12,190,000	14,257,000	17,550,000	18,937,773	255,102,177
14	Finance and Administration: Core Function - Information Technology	6,041,789	4,220,000	4,335,000	4,385,000	4,390,000	60,876,912
15	Finance and Administration: Core Function - Property Services	5,650,000	2,250,000	150,000	-	-	1,100,000
16	Finance and Administration: Core Function - Supply Chain Management	1,000,000	-	-	-	-	-
17	Housing: Non-core Function - Housing	11,800,000	-	-	-	-	251,737,063
18	Other: Core Function - Tourism	-	400,000	1,000,000	2,300,000	-	-
19	Public Safety: Core Function - Fire Fighting and Protection	2,289,565	1,250,000	-	-	-	24,650,000
20	Road Transport: Core Function - Police Forces, Traffic and Street Parking Control	5,000,000	2,500,000	700,000	-	-	39,500,000
21	Road Transport: Core Function - Roads	41,375,811	36,113,043	87,173,913	26,000,000	28,000,000	849,873,883
22	Sport and Recreation: Core Function - Community Parks (including Nurseries)	250,000	300,000	268,596	300,000	300,000	-
23	Sport and Recreation: Core Function - Recreational Facilities	3,000,000	2,000,000	2,000,000	8,314,211	3,000,000	4,650,000
24	Sport and Recreation: Core Function - Sports Grounds and Stadiums	34,950,893	38,650,000	34,800,000	34,000,000	42,857,778	57,853,020
25	Waste Management: Core Function - Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	1,500,000
26	Waste Management: Core Function - Solid Waste Removal	3,000,000	-	-	3,500,000	-	69,197,972
27	Waste Water Management: Core Function - Public Toilets	1,000,000	1,500,000	-	1,000,000	1,000,000	-
29	Waste Water Management: Core Function - Waste Water Treatment	26,616,273	17,876,465	19,450,000	118,052,814	93,988,106	691,531,746
30	Water Management: Core Function - Water Distribution	102,202,100	89,398,070	73,930,331	11,750,000	39,274,397	2,042,082,401
31	Grand Total	361,729,206	280,036,521	327,661,739	280,366,956	288,903,769	5,188,471,262

2. Council approves the following single and/or multi-year capital projects in the five year 2018/2023 MTREF that exceeds the amount of R50 million referred to in Regulation 13(2)(c) of the Municipal Budget and Reporting Regulations: -

- 2.1 Paarl WWTW rehabilitation and upgrading project (R133,974,251);
- 2.2 Strawberry King Bulk Water Supply project (R83,393,858);
- 2.3 Upgrading of Bulk Sewer Paarl (Phase 3 and 4) (R64,500,000);
- 2.4 Upgrading of Berg River Boulevard North project (R122,663,767);
- 2.5 N1 Substation (R88,338,530); and
- 2.6 Replace existing 66KV cables between Dalweiding, Palmiet and Parys Substation project (R70,000,000).



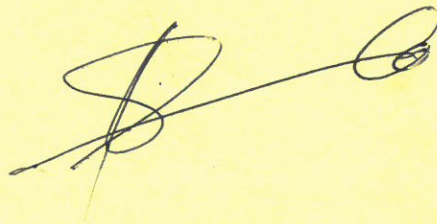
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3. Council takes note that the estimated costs of the above-mentioned capital projects over the next five years are set out in detail in Annexure B attached to the tabled 2018/2023 MTREF Budget Report;
4. Council approves the tabled 2018/2023 MTREF capital budget expenditure funding sources of R361,729,206 for the 2018/2019 financial year as well as the four outer years' capital expenditure funding sources as set out in the table below:-

2018/2023 MTREF HIGH LEVEL CAPITAL BUDGET PER FUNDING SOURCE							
Serial No.	Description	2018/2019 Tabled Operating Budget	2019/2020 Indicative Operating Budget	2020/2021 Indicative Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget	2023/2024 Budget Needs and Onwards
1	CRR	47,698,618	50,000,000	55,000,000	60,000,000	65,000,000	566,372,700
2	External Loan	239,523,632	180,000,000	180,000,000	180,000,000	180,000,000	4,481,631,160
3	Grants	74,506,956	50,036,521	92,661,739	40,366,956	43,903,769	140,467,402
4	Grand Total	361,729,206	280,036,521	327,661,739	280,366,956	288,903,769	5,188,471,262

5. Council takes note that R5,188,471,262 of the capital programme and identified IDP needs could not be accommodated in the 2018/2023 MTREF Capital Budget of the next five years as set out in the table below;
6. Council approves the tabled 2018/2023 MTREF operating budget revenue of R2,391,232,816 for the 2018/2019 financial year as well as for the four outer years' operating revenue as set out per GFS votes in the table below:-



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TABLED 2018/2023 MEDIUM TERM OPERATING REVENUE PER GFS CATEGORIES						
Serial No.	GFS Vote Description	2018/2019 Tabled Operating Budget	2019/2020 Indicative Operating Budget	2020/2021 Indicative Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget
1	Community and Social Services: Core Function - Cemeteries, Funeral Parlours and Crematoriums	(2,595,460)	(2,854,984)	(3,140,459)	(3,454,481)	(3,799,906)
2	Community and Social Services: Core Function - Community Halls and Facilities	(596,955)	(641,727)	(689,856)	(741,594)	(799,069)
3	Community and Social Services: Non-core Function - Agricultural	-	-	-	-	-
4	Community and Social Services: Non-core Function - Cultural Matters	-	-	-	-	-
5	Community and Social Services: Non-core Function - Libraries and Archives	(334,423)	(367,865)	(404,652)	(445,117)	(489,629)
6	Energy Sources: Core Function - Electricity	(1,169,890,820)	(1,271,351,580)	(1,379,489,866)	(1,489,500,070)	(1,602,253,138)
7	Executive and Council: Core Function - Mayor and Council	(22,553,316)	(24,136,949)	(25,832,703)	(27,648,549)	(29,593,035)
8	Executive and Council: Core Function - Municipal Manager, Town Secretary and Chief Executive	-	-	-	-	-
9	Finance and Administration: Core Function - Administrative and Corporate Support	(28,080,309)	(24,701,729)	(25,849,985)	(26,574,070)	(27,370,564)
10	Finance and Administration: Core Function - Asset Management	-	-	-	-	-
11	Finance and Administration: Core Function - Budget and Treasury Office	-	-	-	-	-
12	Finance and Administration: Core Function - Finance	(309,387,698)	(368,492,370)	(406,920,144)	(446,941,573)	(487,436,226)
13	Finance and Administration: Core Function - Fleet Management	(5,450)	(5,995)	(6,594)	(7,254)	(7,979)
14	Finance and Administration: Core Function - Human Resources	(1,777,988)	(1,874,553)	(1,976,550)	(2,084,302)	(2,198,156)
15	Finance and Administration: Core Function - Property Services	(1,964,922)	(2,097,422)	(2,240,460)	(2,401,168)	(2,573,430)
16	Finance and Administration: Core Function - Supply Chain Management	-	-	-	-	-
17	Housing: Non-core Function - Housing	(131,430,200)	(165,909,177)	(94,493,073)	(97,125,483)	(100,047,157)
18	Planning and Development: Core Function - Corporate Wide Strategic Planning (IDPs, LEAs)	-	-	-	-	-
19	Planning and Development: Core Function - Economic Development/Planning	(136,857)	(147,147)	(158,210)	(170,107)	(183,320)
20	Planning and Development: Core Function - Town Planning, Building Regulations and Enforcement	(181,754)	(199,929)	(219,922)	(241,915)	(266,105)
21	Public Safety: Core Function - Fire Fighting and Protection	(1,744,565)	(287,723)	(316,496)	(348,145)	(382,959)
22	Road Transport: Core Function - Police Forces, Traffic and Street Parking Control	(87,789,212)	(89,633,613)	(91,662,459)	(93,894,187)	(96,349,086)
23	Road Transport: Core Function - Roads	(38,706,538)	(16,065,491)	(60,072,041)	(79,245)	(87,169)
24	Sport and Recreation: Core Function - Community Parks (including Nurseries)	(91,025)	(100,129)	(110,140)	(121,155)	(133,269)
25	Sport and Recreation: Core Function - Recreational Facilities	(3,194,299)	(3,512,490)	(3,862,405)	(4,247,216)	(4,670,553)
26	Sport and Recreation: Core Function - Sports Grounds and Stadiums	(563,004)	(360,129)	(387,139)	(416,174)	(448,428)
27	Waste Management: Core Function - Solid Waste Disposal (Landfill Sites)	(373,000)	(409,181)	(448,872)	(492,412)	(540,176)
28	Waste Management: Core Function - Solid Waste Removal	(153,291,508)	(173,674,190)	(195,543,068)	(219,056,765)	(241,873,920)
29	Waste Management: Core Function - Street Cleaning	(639,874)	(703,818)	(774,153)	(851,516)	(936,611)
30	Waste Water Management: Core Function - Sewerage	(1,695,420)	(1,949,733)	(2,242,193)	(2,578,521)	(2,965,300)
31	Waste Water Management: Core Function - Waste Water Treatment	(164,726,113)	(183,198,358)	(210,173,210)	(238,770,505)	(274,018,505)
32	Water Management: Core Function - Water Distribution	(269,482,106)	(289,947,680)	(310,896,763)	(332,713,486)	(355,287,132)
33	Grand Total	(2,391,232,816)	(2,622,623,962)	(2,817,911,413)	(2,990,905,010)	(3,234,710,822)

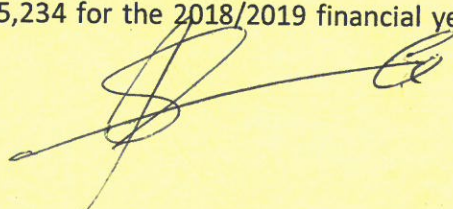
7. Council approves the tabled 2018/2023 MTREF operating budget expenditure of R2,391,378,050 for the 2018/2019 financial year as well as for the four outer years' operating revenue as set out per GFS votes in the table below:-

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TABLED 2018/2023 MEDIUM TERM OPERATING EXPENDITURE PER GFS CATEGORIES						
Serial No.	GFS Vote Description	2018/2019 Tabled Operating Budget	2019/2020 Indicative Operating Budget	2020/2021 Indicative Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget
1	Community and Social Services: Core Function - Aged Care	735,703	792,719	854,155	920,354	991,679
2	Community and Social Services: Core Function - Cemeteries, Funeral Parlours and Crematoriums	5,909,908	6,299,203	6,738,489	7,389,188	7,877,666
3	Community and Social Services: Core Function - Child Care Facilities	262,343	275,984	290,335	332,454	349,742
4	Community and Social Services: Core Function - Community Halls and Facilities	12,087,740	12,983,298	13,543,237	13,920,052	14,759,671
5	Community and Social Services: Non-core Function - Agricultural	7,509,421	8,014,194	8,554,056	8,921,578	9,528,469
6	Community and Social Services: Non-core Function - Cultural Matters	9,884,150	10,508,768	11,197,534	12,350,927	13,134,631
7	Community and Social Services: Non-core Function - Disaster Management	2,513,389	2,706,500	2,914,467	3,142,915	3,384,467
8	Community and Social Services: Non-core Function - Libraries and Archives	3,173,830	3,334,411	3,535,350	3,643,287	3,829,772
9	Energy Sources: Core Function - Electricity	946,150,606	954,302,882	1,022,251,266	1,094,953,431	1,171,391,552
10	Environmental Protection: Core Function - Biodiversity and Landscape	1,028,414	1,105,899	1,189,274	1,298,737	1,396,306
11	Executive and Council: Core Function - Mayor and Council	52,461,621	55,285,608	58,294,458	61,745,158	65,158,775
12	Executive and Council: Core Function - Municipal Manager, Town Secretary and Chief Executive	60,011,732	96,169,138	113,610,203	134,750,037	159,574,492
13	Finance and Administration: Core Function - Administrative and Corporate Support	82,378,862	89,390,859	95,431,543	97,943,975	105,341,292
14	Finance and Administration: Core Function - Asset Management	8,405,752	180,996,104	189,158,547	194,679,894	204,879,488
15	Finance and Administration: Core Function - Budget and Treasury Office	1,480,218	1,575,818	1,680,562	1,971,472	2,097,574
16	Finance and Administration: Core Function - Finance	47,388,998	53,381,844	57,405,405	64,479,317	69,874,676
17	Finance and Administration: Core Function - Fleet Management	31,956,405	18,210,293	19,655,901	25,660,488	26,937,552
18	Finance and Administration: Core Function - Human Resources	10,315,491	9,902,301	10,373,251	16,123,886	16,905,582
19	Finance and Administration: Core Function - Information Technology	11,649,080	12,245,602	12,967,212	14,669,194	15,426,949
20	Finance and Administration: Core Function - Legal Services	-607,110	-654,475	-705,501	-757,741	-816,868
21	Finance and Administration: Core Function - Marketing, Customer Relations, Publicity and Media	5,972,763	6,344,266	6,744,125	4,650,655	4,969,042
22	Finance and Administration: Core Function - Property Services	31,164,707	32,817,592	34,828,681	37,376,691	39,386,053
23	Finance and Administration: Core Function - Supply Chain Management	5,123,970	5,463,913	5,833,732	6,262,958	6,684,516
24	Finance and Administration: Core Function - Valuation Service	1,841,405	1,951,922	2,069,333	2,623,478	2,778,398
25	Finance and Administration: Non-core Function - Risk Management	2,694,163	2,881,214	3,081,596	3,420,745	3,657,314
26	Housing: Non-core Function - Housing	179,690,549	212,139,588	142,958,885	146,721,120	151,646,124
27	Internal Audit: Core Function - Governance Function	3,684,368	3,922,519	4,177,958	4,610,688	4,908,563
29	Planning and Development: Core Function - Corporate Wide Strategic Planning (IDPs, LEDs)	4,057,255	4,298,015	4,556,536	5,093,508	5,395,867
30	Planning and Development: Core Function - Economic Development/Planning	12,575,806	13,423,193	14,337,021	16,371,126	17,471,372
31	Planning and Development: Core Function - Project Management Unit	8,620	9,138	9,688	11,067	11,729
32	Planning and Development: Core Function - Town Planning, Building Regulations and Enforcement	13,722,389	14,738,827	15,839,189	16,620,122	17,863,900
33	Public Safety: Core Function - Fire Fighting and Protection	39,011,225	41,787,435	44,796,425	48,250,137	51,698,534
34	Road Transport: Core Function - Police Forces, Traffic and Street Parking Control	92,597,960	94,732,936	97,251,334	99,713,196	102,574,336
35	Road Transport: Core Function - Pounds	241,977	254,560	267,797	310,941	327,110
36	Road Transport: Core Function - Roads	153,086,707	159,728,580	177,873,010	150,378,250	158,492,465
37	Road Transport: Non-core Function - Road and Traffic Regulation	3,396,037	3,659,229	3,942,820	4,257,710	4,587,681
38	Sport and Recreation: Core Function - Community Parks (including Nurseries)	36,302,031	38,894,624	41,649,940	44,293,712	47,419,605
39	Sport and Recreation: Core Function - Recreational Facilities	28,225,087	30,147,655	32,249,351	33,456,966	35,769,411
40	Sport and Recreation: Core Function - Sports Grounds and Stadiums	29,296,366	31,065,958	32,944,017	32,508,592	34,581,826
41	Waste Management: Core Function - Solid Waste Disposal (Landfill Sites)	18,632,461	18,722,160	19,783,744	21,724,499	22,844,352
42	Waste Management: Core Function - Solid Waste Removal	69,449,169	69,366,792	74,315,941	80,869,197	86,562,993
43	Waste Management: Core Function - Street Cleaning	57,800,705	55,122,008	56,989,863	60,737,056	62,946,917
44	Waste Water Management: Core Function - Public Toilets	7,016,629	7,533,522	8,093,249	8,411,213	9,040,929
45	Waste Water Management: Core Function - Sewerage	35,275,136	37,940,698	40,829,562	43,986,239	47,314,693
46	Waste Water Management: Core Function - Waste Water Treatment	107,757,329	77,931,850	82,935,709	90,736,227	95,862,680
47	Water Management: Core Function - Water Distribution	157,356,848	159,359,629	171,307,944	183,242,209	196,488,185
48	Water Management: Core Function - Water Treatment	699,835	754,071	812,512	876,733	944,680
49	Grand Total	2,391,378,050	2,641,818,844	2,749,419,706	2,905,653,638	3,104,252,742

8. Council takes note that the tabled 2018/2023 MTREF realises a budgeted operating deficit of R145,234 for the 2018/2019 financial year as set out in the table below:-

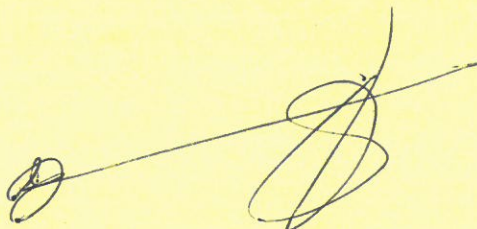


DRAKENSTEIN MUNICIPALITY

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TABLED 2018/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)						
Serial No.	Description	2018/2019 Tabled Operating Budget	2019/2020 Indicative Operating Budget	2020/2021 Indicative Operating Budget	2021/2022 Indicative Operating Budget	2022/2023 Indicative Operating Budget
1	Total Operating Revenue	(2,391,232,816)	(2,622,623,962)	(2,817,911,413)	(2,990,905,010)	(3,234,710,822)
2	Total Operating Expenditure	2,391,378,050	2,641,818,844	2,749,419,706	2,905,653,638	3,104,252,742
3	Operating (Surplus) / Deficit	145,234	19,194,882	(68,491,707)	(85,251,372)	(130,458,080)
4	Less: Capital Expenditure Grants	(74,506,957)	(50,036,522)	(92,661,739)	(40,366,957)	(43,903,770)
5	Grand Total	(74,361,723)	(30,841,640)	(161,153,446)	(125,618,329)	(174,361,850)
6	Deficit / (Surplus) Capital Grants Included =	145,234	19,194,882	(68,491,707)	(85,251,372)	(130,458,080)
7	Plus: Transfers Recognised: Capital =	74,506,957	50,036,522	92,661,739	40,366,957	43,903,770
8	Deficit / (Surplus) Capital Grants Excluded =	74,652,191	69,231,404	24,170,032	(44,884,415)	(86,554,310)
9	Plus: Redemption on External Loans =	179,726,243	178,703,911	194,446,019	209,481,845	221,395,653
10	Less: Depreciation =	(199,673,156)	(199,673,156)	(199,673,156)	(199,673,156)	(199,673,156)
11	Less: Expended Housing Inventory =	-	-	-	-	-
12	Less: Provision for Interest on External Borrowings =	-	-	-	-	-
13	Less: Losses on Sale of Assets =	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)
14	Less: Impairment on Assets =	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
15	Less: Actuarial Losses: Employee Benefits (Medical) =	-	-	-	-	-
16	Less: Contribution to Employee Benefits (Leave) Provision =	(4,339,238)	(4,675,529)	(5,037,883)	(5,428,319)	(5,849,013)
17	Less: Contribution to Employee Benefits (Ex Gratia Pensioners) Provision =	(235,000)	(235,000)	(235,000)	(235,000)	(235,000)
18	Less: Contribution to Employee Benefits (Medical) Provision =	(16,170,000)	(17,545,000)	(19,036,922)	(20,655,708)	(22,412,145)
19	Less: Contribution to Employee Benefits (Long Service Awards) Provision =	(6,349,356)	(6,704,586)	(7,079,691)	(7,475,781)	(7,894,031)
20	Less: Provision for Landfill Site Rehabilitation =	(25,169,404)	(25,169,404)	(25,169,404)	(25,169,404)	(25,169,404)
21	Revised Cash Deficit / (Surplus) =	(1,307,720)	(9,817,360)	(41,366,005)	(97,789,938)	(130,141,406)

9. Council takes note that after capital grants are counted back the tabled 2018/2019 operating budget realises a budgeted surplus of R74,361,723 as set out in the table above;
10. Council takes note that after non-cash expenditure items [off-setting depreciation, losses on sale of assets, impairment of assets, employee benefits (leave provision), ex gratia pensioners' provision, employee benefits (medical provision), employee benefits (long service awards provision)] as well as redemption on external borrowings are taken into account the tabled 2018/2019 operating budget realises a budgeted cash surplus of R1,307,720 as set out in the table above;
11. 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;



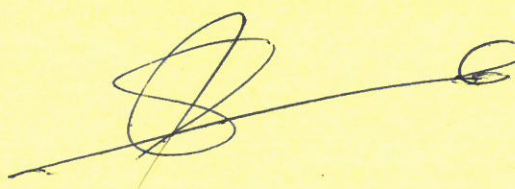
DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE

28 MARCH 2018

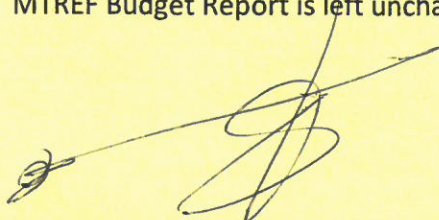
12. Council approves the following revenue increases as set out in Annexure C attached to the item for the revenue streams of property rates, fees, charges and tariffs with effect from 1 July 2018:-
- 12.1 Property rate revenue stream increase of approximately 8.2%;
 - 12.2 Water revenue stream increase of approximately 7.0%;
 - 12.3 Sewerage / sanitation revenue stream increase of approximately 15.0% to ensure that this economic service's costs and revenue move towards a break-even point;
 - 12.4 Refuse removal revenue stream increase of approximately 9.7%;
 - 12.5 Electricity revenue stream increase of approximately 6.84% for life line consumers;
 - 12.6 Electricity revenue stream increase of approximately 6.84% for all other consumers;
 - 12.7 Rental revenue stream increase of approximately 7.5%; and
 - 12.8 Sundry revenue stream increases of 10% as set out in Tariff List.
13. Council takes note of the following envisaged tariff increases in the revenue streams of property rates, fees, charges and tariffs over the four outer years of the 2018/2023 MTREF period as set out in the table below and the Draft Tariff Book attached as Appendix 22:-

2018/2023 MTREF TARIFF INCREASES						
Serial No.	DESCRIPTION	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
1	Property rates revenue increase	8.20%	8.50%	8.50%	8.50%	8.50%
2	Refuse removal services revenue increase (PPP)	9.70%	9.70%	9.70%	9.70%	9.70%
3	Sanitation services revenue increase	15.00%	11.00%	11.00%	11.00%	11.00%
4	Water services revenue increase	7.00%	6.00%	6.00%	6.00%	6.00%
5	Electricity life line consumers	6.84%	6.84%	6.84%	6.84%	6.84%
6	Electricity other consumers	6.84%	6.84%	6.84%	6.84%	6.84%
7	Housing rental revenue	7.50%	7.50%	7.50%	7.50%	7.50%
8	Other tariffs on average (Excluding special requests)	10.00%	10.00%	10.00%	10.00%	10.00%



DRAKENSTEIN MUNICIPALITY**MINUTES: MAYORAL COMMITTEE****28 MARCH 2018**

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14. Council approves the annual budget of Drakenstein Municipality for the 2018/2019 financial year as well as the indicative estimates for the four outer financial years (2019/2020 to 2022/2023) as set out in Schedules A1 to A10 and Schedules SA1 to SA38 in Annexure C to the tabled 2018/2023 MTREF Budget Report;
15. The following new draft policies be approved as attached to the tabled 2018/2023 MTREF Budget Report:-
- 15.1 Appendix 3: Budget and Management Oversight Policy; and
 - 15.2 Appendix 4: Water Management and Loss Control Policy.
16. The following reviewed budget related policies with its amendments be approved (effective 1 July 2018) as attached to the tabled 2018/2023 MTREF Budget Report:-
- 16.1 Appendix 5: Long-Term Financial Sustainability Policy;
 - 16.2 Appendix 6: Accounting Policy;
 - 16.3 Appendix 7: Prioritisation Model for Capital Assets Investment Policy;
 - 16.4 Appendix 8: Cash and Investment Management Policy;
 - 16.5 Appendix 9: Virement Policy;
 - 16.6 Appendix 10: Asset Management Policy;
 - 16.7 Appendix 11: Financial Asset Management Policy;
 - 16.8 Appendix 12: Insurance Policy;
 - 16.9 Appendix 13: Supply Chain Management Policy;
 - 16.10 Appendix 14: Stock Management Policy;
 - 16.11 Appendix 15: Travelling and Subsistence Policy;
 - 16.12 Appendix 16: Petty Cash Policy;
 - 16.13 Appendix 17: Customer Care, Credit Control, Debt Collection and Indigent Support Policy;
 - 16.14 Appendix 18: Tariff Policy;
 - 16.15 Appendix 19: Property Rates Policy;
 - 16.16 Appendix 20: Writing-off of Irrecoverable Debt Policy; and
 - 16.17 Appendix 21: Asset Transfer Policy.
17. All other budget related policies as listed in Table 1 of the tabled 2018/2023 MTREF Budget Report is left unchanged;

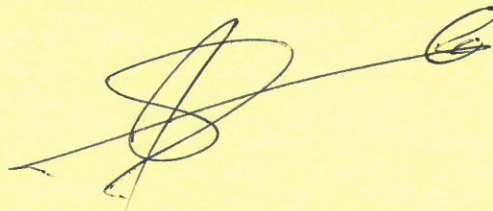


DRAKENSTEIN MUNICIPALITY

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18. Council takes note that Drakenstein's investments and cash as at 28 February 2018 amounted to R296,651,556 made up of investments with:-
- 18.1 First National Bank primary bank account (R200,119,007);
 - 18.2 ABSA investments (R1,525,711);
 - 18.3 First National Bank investments (R94,491,684);
 - 18.4 Standard Bank investments (R382,164) and
 - 18.5 Eskom (R132,990).
19. 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 the tabled 2018/2023 MTREF Budget Report;
20. 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;
21. Council takes note that Drakenstein Municipality do not have any municipal entities;
22. The City Manager in terms of legislation invite the local community through advertisements in the local press to submit representations in connection with the 2018/2019 tabled operational and capital budget as required by the MFMA and the Municipal Systems Act;
23. The IDP and budget road show programme be followed in April 2018 as approved by Council in the IDP review item.

Meeting: MC – 28/03/2018	Submitted by Directorate: Financial Services		
Ref No: 5/1	Author/s: J Carstens		
Coll Nr: 1291442	Referred from: Special Finance Portfolio Committee		
	26/3/2018		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>



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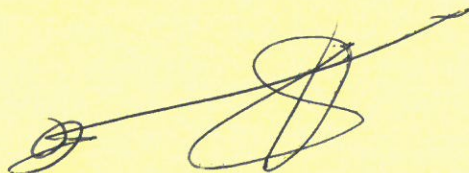
5.2 MUNICIPAL FINANCE MANAGEMENT ACT: SECTION 71 MONTHLY BUDGET MONITORING REPORT FOR FEBRUARY 2018
--

MUNISIPALE FINANSIËLE BESTUUR: ARTIKEL 71 MAANDELIKSE BEGROTING VERSLAGDOENING VIR FEBRUARIE 2018
--

UMTHETHO WOKULAWULWA KWEMALI ZIKAMASIPALA: ICANDELO 71 NGENYANGA INGXELO YOKONGAMELA KOHLAHLLO LWABIWO MALI YENYANGA KA FEBRUWARI 2018

RECOMMENDED that

1. It be noted that the variance between the actual operating revenue (R1,467,057,901) and the pro rata budgeted operating revenue (R1,472,825,308) has a negative variance of R5,767,407 or 0.39%;
2. It be noted that the variance between the actual operating expenditure (R1,179,292,858) and the pro rata budgeted operating expenditure (R1,185,932,433) has a positive variance of R6,639,575 or 0.56%;
3. It be noted that the actual capital expenditure of R351,446,957 and the pro rata budgeted capital expenditure of R407,264,109 realised under spending of R55,817,152 or 13.71%;
4. It be noted that the actual capital expenditure of R351,446,957 represents 44.55% of the total capital budget of R788,869,081 after eight months of the financial year;
5. It be noted that the actual and committed capital expenditure of R619,160,028 compared with the capital expenditure budget of R788,869,081 represent a spending percentage of 78.49% after eight months of the financial year;
6. It be noted that external borrowings amounted to R1,197,072,897 as at 28 February 2018 and that it represents 60.77% of Drakenstein's total budgeted operating revenue of R1,969,874,057 for the 2017/2018 financial year;
7. It be noted that unspent conditional and unconditional grants amounted to R31,320,866 at the end of February 2018;
8. It be noted that the actual employee related cost expenditure of R343,646,547 compared with the pro rata budgeted expenditure of R343,945,050 relates to a positive variance of R298,503 or 0.09%;



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9. It be noted that total outstanding debtors as at 28 February 2018 amounted to R331,013,067 and that 30 days and older debt constitutes 62.6% of total outstanding debtors;
10. It be noted that domestic consumers owe the municipality R224,377,172 or 67.8% of the municipality's total debtor's book;
11. It be noted that outstanding creditors amounted to R3,829,592.03 as at 28 February 2018;
12. It be noted that the primary bank account had a positive bank balance at 28 February 2018 which amounted to R200,119,007; and
13. It be noted that total investments in cash and shares amounted to R96,532,550 as at 28 February 2018 at the five local banks and Eskom.

Meeting:	MC – 28/03/2018	Submitted by Directorate:	Financial Services
Ref No:	9/1/1/4	Author/s:	A Viola
Coll Nr:	1289489; 1291262	Referred from:	Special Finance Portfolio Committee 26/3/2018
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

5.3 SUPPLY CHAIN MANAGEMENT: NOTIFICATION OF MONTHLY TENDER AWARDS: FEBRUARY 2018
VOORSIENINGSKANAALBESTUUR: TENDERTOEKENNINGS VIR FEBRUARIE 2018
ULAWULO LOTHUNGELWANO LWEZIBONELELO: ISAZISO SONIKEZELO LWETHENDA: FEBRUWARI 2018

RECOMMENDED that

1. The awards above R200,000 that were adjudicated by the Bid Adjudication Committee and the City Manager for the month of February 2018, **be noted**; and



DRAKENSTEIN MUNICIPALITY

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2. The tenders and/or contracts and the reasons for the awards as recorded by the Accounting Officer as attached to the departmental report, **be noted.**

Meeting: MC - 28/03/2018	Submitted by Directorate: Financial Services		
Ref No: 8/1/2/1 X 9/1/1/5	Author/s: H Vergotine		
Coll Nr: 1287413; 1291256	Referred from: Special Finance Portfolio Committee 26/3/2018		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

5.4 REPORT ON DEVIATIONS AND RATIFICATION OF MINOR BREACHES FROM PROCUREMENT PROCESSES: FEBRUARY 2018
VERSLAG VAN AFWYKINGS EN RATIFIKASIE VAN GERINGE OORTREDINGE VAN VERKRYGINGSPROSESSE: FEBRUARIE 2018
INGXELO YOKUPHAMBUKELA KUNYE NOLUNGISO OLUNCINCI LOKUPHEPHELA KWINKQUBO ZOKUFUMANA: FEBRUWARI 2018

Detail regarding the spending on the swimming pools was requested. The reasons for the deviations at the swimming pools were provided.

RECOMMENDED that

- In terms of paragraph 36(2) of the SCM Policy, the deviations and the reasons for the deviations for the amount of R857,586 for February 2018 as recorded by the Accounting Officer in the annexures to the departmental report, be noted; and
- The Chief Financial Officer record the accumulated deviation amount of R27,346,106 for the financial year in the notes to the 2017/2018 annual financial statements as required by legislation.

Meeting: MC - 28/03/2018	Submitted by Directorate: Financial Services		
Ref No: 9/1/1/5	Author/s: H Vergotine		
Coll Nr: 1287415; 1291250	Referred from: Special Finance Portfolio Committee 26/3/2018		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>



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5.5 DRAKENSTEIN'S OUTSTANDING DEBTORS REPORT AS AT 28 FEBRUARY 2018
DRAKENSTEIN SE UITSTAANDE SKULD VERSLAG SOOS OP 28 FEBRUARIE 2018
INGXELO YAMATYALA ASE DRAKENSTEIN NGOBUNJALO NGOMHLA WE
28 FEBRUWARI 2018

RESOLVED that

The report be noted.

Meeting: MC – 28/03/2018	Submitted by Directorate: Financial Services		
Ref No: 9/1/1/5	Author/s: A Abrahams		
Coll Nr: 1279417; 1291257	Referred from: Special Finance Portfolio Committee 26/3/2018		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

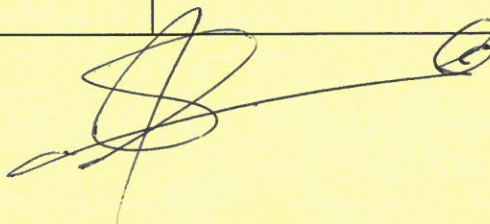
6. ENGINEERING SERVICES

6.1 WASTE TO ENERGY PROJECT
AFVAL TOT ENERGIE PROJEK
IPROJEKTI YE WASTE TO ENERGY

RECOMMENDED that

1. That the report be noted;
2. Authorisation be granted to the City Manager to review the Waste to Energy project and commence with the necessary intergovernmental processes and technical investigations to ensure that a sustainable long term solution is planned and reported on for a final decision before 31 May 2018;
3. Authorisation be granted to the City Manager to investigate possible extension of the lifespan of the Wellington solid waste site; and
4. Authorisation be granted to the City Manager to apply for Development Bank of South Africa (DBSA) grant funding.

Meeting: MC – 28/03/2018	Submitted by Directorate: Engineering Services		
Ref No: 16/6/4	Author/s: D Hattingh		
Coll Nr: 1291538	Referred from:		
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>



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7. CONFIDENTIAL MINUTES

7.1 MUNICIPAL EMPLOYEES OUTSTANDING DEBT REPORT AS AT 31 JANUARY 2018

See Confidential Minutes.

7.2 MUNICIPAL EMPLOYEES OUTSTANDING DEBT REPORT AS AT 28 FEBRUARY 2018

See Confidential Minutes.

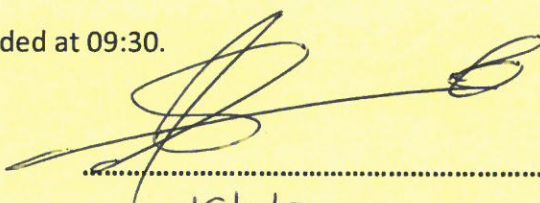
7.3 MONTHLY IMPLEMENTATION PROGRESS REPORT ON MUNICIPAL MINIMUM COMPETENCY LEVELS FOR SENIOR MANAGERS: MARCH 2018

See Confidential Minutes.

7.4 PERFORMANCE EVALUATIONS RESULTS FOR THE 2016/2017 FINANCIAL YEAR: CITY MANAGER AND SECTION 56 MANAGERS

See Confidential Minutes.

The meeting ended at 09:30.

CHAIRPERSON: 

DATE: 18/4/2018

Confirmed on with/without amendments.

FG/rs



Mayoral Committee Attendance Register

Date: 28 March 2018

Time: 09:00

Venue: Big Committee Room

SURNAME	INITIALS	TITLE	CELLPHONE	SIGNATURE
POOLE Executive Mayor	C J	MR	0785304285 0824979046	
COMBRINK Deputy Executive Mayor (Financial Services)	G C	MR	0824553445	
LE ROUX (Engineering Services)	J F	MR	0834595965	
ANDREAS (Rural Management)	M A	MS	0767901066	
JACOBS (Social Services)	F	MS	0837600466	
KEARNS (Environment, Parks and Open Spaces)	C	MS	0765018441 0769406614	
MILLER (Planning and Development)	J	MR	0834400507	
MOKOENA (Corporate Services)	L P	MS	0734198671	
SMUTS (Public Safety)	R	MR	0824948467	
VAN NIEKERK (Sport, Recreation, Arts and Culture)	L T	MS	0818858365	
VAN NIEUWENHUYZEN (Communication and Inter- Governmental Relations (IGR))	R H	MR	0826296239	
WILLEMSE (Human Settlements and Property Management)	L	MS	0820799421	Apology Housing budget spreads C.T.
STOWMAN SPEAKER	AC	MR	0791895359	
KOEGELENBERG CHIEF WHIP	RA	MR	0832693138	
MATTHEE CHAIRMAN: MPAC	J	MR	0824486180	
RICHARDS LEADER OF OPPOSITION	AM	MR	0827860053	

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

