

DRAKENSTEIN MUNICIPALITY

MINUTES OF AN ORDINARY MEETING OF THE MUNICIPAL COUNCIL HELD IN THE COUNCIL CHAMBERS, CIVIC CENTRE, BERG RIVER BOULEVARD, PAARL ON WEDNESDAY, 24 FEBRUARY 2016 AT 14:00.

PRESENT: Councillors (see attached schedule)

Senior Officials:	Mr J Carstens	(Acting Municipal Manager)
	Ms A De Beer	(Executive Manager: Corporate Services)
	Mr D Louw	(Executive Manager: Infrastructure Services)
	Mr A Adam	(Executive Manager: Planning and Development)
	Mr G Boshoff	(Executive Manager: Community Services)
	Ms C Lategan	(Acting Chief Financial Officer)
	Mr A V Marais	(Senior Manager: Legal and Administration)
	Ms R Jaftha	(Chief Audit Executive)



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

The following applications for leave were approved in terms of the Rules of Order of Council:-

- | | | |
|----|-----------------------|----------------------------|
| 1) | A Allom | 24 February 2016 |
| 2) | A N Jacobs | 24 February 2016 |
| 3) | C S Ross | 24 February 2016 |
| 4) | CC Van der Westhuizen | 24 February 2016 |
| 5) | G J Witbooi | 24 February 2016 |
| 6) | Z L Gwada | 29 February – 3 March 2016 |

2. CONFIRMATION OF MINUTES
BEKRAGTIGING VAN NOTULE
UKUQINISEKISWA KWEMIZUZU

The minutes of the following meetings of the Municipal Council were confirmed as correct:-

- i) Ordinary meeting held on 27 January 2016; and
- ii) Special meeting held on 10 February 2016.

2.1 IMPLEMENTATION OF COUNCIL DECISIONS
IMPLEMENTERING VAN RAADSBESLUIE
UKUMISELWA KWEZIQIBO ZEBHUNGA

Noted.

3. MINUTES: EXECUTIVE MAYOR AND MAYORAL COMMITTEE
NOTULES: UITVOERENDE BURGEMEESTER EN BURGEMEESTERSKOMITEE
IMIZUZU: USODOLOPHU WESIGQEBAKUNYE NEKOMITI KASODOLOPHU WESIGQEBA

Noted.

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

1. The Executive Mayor reported that a reward was issued to the municipality for receiving a clean Audit for the 2014/2015 Financial Year and thanked councillors and officials for their diligent work; and
2. The Executive Deputy Mayor expressed a word of thanks to everyone involved in the relocation of the residents on the banks of the Palmiet River to a more suitable location and better living conditions.

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

The Speaker made the following announcements:-

1. Congratulated councillors celebrating their birthdays in February;
2. Informed councillors who are members of the Municipal Councillors Pension Fund, of a members meeting to be held in Cape Town on 11 March 2016 at 13:00;
3. Reminded councillors of the changes to the meeting program for March 2016; and
4. Informed councillors of Human Rights Day celebrations organised by the Speaker of the Cape Winelands District Municipality to be held in Tulbagh on 21 March 2016 at 10:00.

5.1 DECLARATIONS OF INTERESTS BY COUNCILLORS
VERKLARINGS VAN BELANGE DEUR RAADSLEDE
UKUBHENGEZA KOMDLA NGOCEBA/AMAGOSA

None.

6. STATUTORY MATTERS
STATUTÈRE SAKE
IMIBA YOMTHETO

None.

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Ref No:		Author/s:	
Coll No:		Referred from:	
PAR:	ACTION:	RESPONSIBLE DEPT:	DUE DATE:

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7.	CONSIDERATION OF REPORTS BY THE EXECUTIVE MAYOR AND MAYORAL COMMITTEE
	OORWEGING VAN VERSLAE DEUR DIE UITVOERENDE BURGEMEESTER EN BURGEMEESTERSKOMITEE
	UKUQWALASELWA KWEENGXELO YI EXECUTIVE MAYOR NE MAYORAL COMMITTEE

7.1	REPORT AND RECOMMENDATIONS TO COUNCIL FROM THE AUDIT COMMITTEE MEETING HELD ON 7 DECEMBER 2015
	VERSLAG EN AANBEVELINGS VAN DIE OUDITKOMITEE VERGADERING GEHOU OP 7 DESEMBER 2015
	INGXELO NENCEBISO KWIBHUNGA EZIVELA KWIKOMITI YOPHICHOTO ZINCWADI YENTLANGANI

SAPCO requested that Council be informed of fraud cases being investigated.

UNANIMOUSLY RESOLVED

1. Internal Audit

- 1.1 that it be noted that the Audit Committee confirmed that the organisational structure of the Internal Audit is adequate and independent;
- 1.2 that it be noted that audit reports submitted to the Audit Committee are on schedule with the Internal Audit Plan and Management has acted effectively on the recommendations made; and
- 1.3 that it be noted that the Internal Audit team is still inadequately resourced and that steps are in place to rectify this.

2. Performance Management

- 2.1 that the management reviews and supervisory checks of the portfolios of evidence be continuously reviewed and where necessary incorporated into the standard operating procedures for the performance indicators.

3. Annual Financial Statements

- 3.1 that the Annual Financial Statements for the year ended 30 June 2015 be approved as read with the Auditor General's report;
- 3.2 that management complete their draft annual report with sufficient time for proper review by Management and the Audit Committee prior to submission to the Auditor General.

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4. Administrative Matters

- 4.1 that the Fraud and Risk Management Committee be encouraged to meet quarterly to reflect the commitment of Management to maintain an effective fraud and risk management process. Furthermore that the Fraud and Risk Management Committee considers undertaking a fraud awareness campaign; and
- 4.2 that Council encourage Management to include the underlying cause of deviations in their monitoring reports to Council.

Meeting: Council – 24/02/2016 Ref No: 3/3/13/13 Coll Nr: 979596	Submitted by Directorate: Office of the Municipal Manager Author/s: R Jafta Referred from: EM&MC 17/02/2016
PAR:	ACTION: Note/Implement decision
	RESPONSIBLE DEPT: EMT
	DUE DATE:

7.2 REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2015/2016
HERSIENE HOËVLAK DIENSLEWERING EN BEGROTING IMPLEMENTERINGSPLAN 2015/2016
UHLOLWA LOMALEKO OPHEZULU WOBONELELO LWENKONZO KUNYE NOYILO LOLUMILISELWA KOHLAHO LWABIWO MALI LIKA 2015/2016

UNANIMOUSLY RESOLVED

1. that the Revised TL SDBIP 2015/2016 be approved;
2. that the Revised TL SDBIP 2015/2016 be published on the Municipal Website; and
3. that the Revised TL SDBIP 2015/2016 be submitted to the
 - a) Internal Audit Unit (for notification);
 - b) Department of Local Government: Western Cape;
 - c) Provincial Treasury: Western Cape;
 - d) Auditor General (AG) of South Africa; and
 - e) National Treasury.

Meeting: Council – 24/02/2016 Ref No: 2/2/8 Coll Nr: 987247	Submitted by Directorate: Office of the Municipal Manager Author/s: R Jafta Referred from: EM&MC 17/02/2016
PAR:	ACTION: Implement decision
	RESPONSIBLE DEPT: IDP Manager
	DUE DATE:

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7.3	TENDERS, QUOTATIONS AND CONTRACTS: REPORT ON WRITTEN AND FORMAL WRITTEN QUOTATIONS WHERE THREE QUOTATIONS WERE NOT OBTAINED AND DEVIATIONS AND RATIFICATION OF MINOR BREACHES FROM PROCUREMENT PROCESSES: DECEMBER 2015
	TENDERS, KWOTASIES EN KONTRAKTE VIR DIE MAAND DESEMBER 2015: PROSESSERING VAN SKRIFTELIKE EN FORMELE SKRIFTELIKE KWOTASIES WAAR DRIE KWOTASIES NIE VERKRY WAS NIE EN AFWYKING EN RATIFIKASIE VAN GERINGE OORTREDINGE VAN VERKRYGINGSPROSESSE: KONDONERING VAN ONREËLMATIGE UITGAWES DEUR DIE RAAD
	ITHENDA, IZINIKI MAXABISO KUNYE NENKONTILAKI ZENYANGA KA DISEMBA 2015: UKUQHUBEKEKA KOKUBHALA KUNYE NOKUBHALA OKUSEMTHETHWENI KWEZINIKI MAXABISO EZINTATHU KUNYE NOKUNGALANDELI INKQUBO KUNYE NOKULUNGISWA KOKWAPHULWA KWEMITHETHO UNCINCI KWINKQUBO YOKUFUMANA

UNANIMOUSLY RESOLVED

1. that the deviations and minor breaches from Council's SCM Policy and procurement processes for the month of December 2015 for the amount of R 6,582,712 be **condoned**;
2. that in terms of paragraph 36(2) of the SCM Policy, the deviations and the reasons for the deviations as recorded by the Accounting Officer under the annexures attached to the report, be **noted**; and
3. that the Chief Financial Officer records the deviation amount of R 6,582,712 in the notes to the annual financial statements for the 2015/2016 financial year as required by legislation.

Meeting: Council – 24/02/2016		Submitted by Directorate: Financial Services	
Ref No: 8/2/4		Author/s: Heinrich Vergotine	
Coll Nr: 977722		Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

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7.4	FINANCE: TAKING UP OF EXTERNAL LOANS TO FINANCE CAPITAL PROJECTS FOR 2015/2016 FINANCIAL YEAR
	FINANSIES: OPNEEM VAN EKSTERNE LENINGS OM DIE KAPITAAL PROJEKTE VIR 2015/2016 TE FINANSIER
	EZEMALI: UKUTHATHA KWEMBOLEKO MALI NGAPHANLE KUSENZELA UKUXASA IPROJEKTI EZIYINKUNZI ZIKANYAKA MALI KA 2015/2016

The ANC expressed concern with regard to the sustainability of the external loans and indicated that the party would abstain from voting on this matter. It was indicated by the Portfolio holder for Finance that the external loans were necessary for new infrastructure and upgrading of existing infrastructure, which in turn would result in further development and job creation in the municipality. External loans are also taken up in a responsible way. The PDM also indicated that it does not support the taking up of the loans.

RESOLVED

1. Three year loan period:

- 1.1 that the loan agreement with conditions for the R 6,723,010 loan for the purchase of infrastructure and equipment (2015/2016 capital budget) be approved;
- 1.2 that it be noted that the instalments (R 1,308,217.59 x 6) for the loan in point 1.1 above is based on a re-payment period of three years and a fixed interest rate of 9.230% as at 9 November 2015;
- 1.3 that it be noted that the fixed interest rate (9.230% as at 9 November 2015) might still change depending on the base rate on the date of the signing of the loan agreements referred to in point 1.1 above;
- 1.4 that the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point 1.1 above;
- 1.5 that the Acting Municipal Manager and Acting Chief Financial Officer be authorized to sign the debt agreement referred to in point 1.1 above on behalf of Council;
- 1.6 that it be noted that the debt agreement is for external loans to be raised to finance property, plant and equipment capital expenditure; and
- 1.7 that it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.

2. Five year loan period:

- 2.1 that the loan agreement with conditions for the R 6,410,000 loan for the purchase of infrastructure and equipment (2015/2016 capital budget) be approved;
- 2.2 that it be noted that the instalments (R 825,371.89 x 10) for the loan in point 2.1 above is based on a re-payment period of five years and a fixed interest rate of 9.760% as at 9 November 2015;



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- 2.3 that it be noted that the fixed interest rate (9.760% as at 9 November 2015) might still change depending on the base rate on the date of the signing of the loan agreements referred to in point 2.1 above;
- 2.4 that the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point 2.1 above;
- 2.5 that the Acting Municipal Manager and Acting Chief Financial Officer be authorised to sign the debt agreement referred to in point 2.1 above on behalf of Council;
- 2.6 that it be noted that the debt agreement is for external loans to be raised to finance property, plant and equipment capital expenditure; and
- 2.7 that it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.

3. Ten year loan period:

- 3.1 that the loan agreement with conditions for the R 281,397,906 loan for the purchase of infrastructure and equipment (2015/2016 capital budget) be approved;
- 3.2 that it be noted that the instalments (R 22,840,523.60 x 20) for the loan in point 3.1 above is based on a re-payment period of ten years and a fixed interest rate of 10.262% as at 9 November 2015;
- 3.3 that it be noted that the fixed interest rate (10.262 % as at 9 November 2015) might still change depending on the base rate on the date of the signing of the loan agreements referred to in point 3.1 above.
- 3.4 that the Executive Mayor be authorised to certify that Council has approved the debt agreement referred to in point 3.1 above;
- 3.5 that the Acting Municipal Manager and Acting Chief Financial Officer be authorised to sign the debt agreement referred to in point 3.1 above on behalf of Council;
- 3.6 that it be noted that the debt agreement is for external loans to be raised to finance property, plant and equipment capital expenditure; and
- 3.7 that it be noted that the property, plant and equipment forms part of the Integrated Development Plan prioritised needs.

(The ANC and PDM abstained from voting on this matter.)

Meeting: Council – 24/02/2016		Submitted by Directorate: Financial Services	
Ref No: 9/1/3		Author/s: A Viola	
Coll Nr: 985797		Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Acting CFO	<u>DUE DATE:</u>

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7.5 TENDERS, QUOTATIONS AND CONTRACTS: SUPPLY CHAIN MANAGEMENT: NOTIFICATION OF MONTHLY TENDER AWARDS: JANUARY 2016
TENDERS, KWOTASIES EN KONTRAKTE: VOORSIENINGSKANAAL BESTUUR: TENDERTOEKENNINGS VIR JANUARIE 2016
ITHENDA, IZINIKI MAXABISOKUNYE NENKONTILAKI: SUPPLY CHAIN MANAGEMENT: ISAZISO SOKUNIKWA KWETHENDA ZENYANGA: JANUWARI 2016

UNANIMOUSLY RESOLVED

1. that the tenders and contracts that was adjudicated by the Bid Adjudication Committee for the month of January 2016, **be noted**; and
2. that the tenders and contracts and the reasons for the awards as recorded by the Accounting Officer as attached to the departmental report, **be noted**.

Meeting: Council – 24/02/2016		Submitted by Directorate: Financial Services	
Ref No: 8/1/2/1		Author/s: Heinrich Vergotine	
Coll Nr:		Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

7.6 APPROVAL OF TENDER NO. P1/2015: COMPILATION AND MAINTENANCE OF THE GENERAL VALUATION ROLL 2016 AND THE SUPPLEMENTARY VALUATION ROLLS FOR THE PERIOD 1 JULY 2017 – 30 JUNE 2021
GOEDKEURING VAN TENDER NR. P1/2015: SAMESTELLING EN ONDERHOUD VAN ALGEMENE WAARDASIEROL VIR DIE PERIODE 1 JULIE 2017 - 30 JUNIE 2021
UKUQINISEKISWA KWE THENDA NOMBHOLO: P 1/2015: UKWENZA NOKULUNGISWA KOLUHLO LOKUXABISA JIKELELE LIKA 2016 KUNYE NOLUHLU OLWENGEZIWEYO LOKUXABISA LWEXESHA 1 JULAYI 2017 UKUYA KU 30 JUNI 2021

UNANIMOUSLY RESOLVED

1. that it **be noted** the Municipality will derive a financial benefit from the contract;
2. that the contract for the compilation and maintenance of the general valuation roll 2016 and supplementary valuation rolls for the period 1 July 2017 to 30 June 2021 under tender number P1/2015 be approved; and
3. that the Acting Municipal Manager be authorised to sign the contract on behalf of the Municipality.

Meeting: Council – 24/02/2016		Submitted by Directorate: Financial Services	
Ref No: 8/3/4 (P1/2015)		Author/s: Heinrich Vergotine	
Coll Nr: 986937		Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Acting CFO	<u>DUE DATE:</u>

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7.7	FINANCE: MFMA SECTION 71(1) – MONTHLY BUDGET MONITORING REPORT AS AT 31 JANUARY 2016
	WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE BESTUUR ARTIKEL 71(1) MAANDELIKSE BEGROTING VERSLAGDOENING VIR JANUARIE 2016
	UMTHELTHO WOKULAWULA KWEZIMALI: ICANCELO 71 INGXELO YOKONGAMELA UHLAHO LWABIWO MALI LWENYANGA JANUWARI 2016

UNANIMOUSLY RESOLVED

1. that it be noted that the variance between the actual operating revenue (R 1,151,251,483) and the pro rata budgeted operating revenue (R 1,110,330,870) has a positive variance of R 40,920,613 or 3.69%;
2. that it be noted that the variance between the actual operating expenditure (R 858,025,883) and the pro rata budgeted operating expenditure (R 1,048,778,495) has a positive variance of R 190,752,612 or 18.19%;
3. that it be noted that the actual and committed capital expenditure of R 326,221,154 and the pro rata budgeted capital expenditure of R 295,362,079 realised overspending of R 30,859,075 or 10.45%;
4. that it be noted that the actual and committed capital expenditure of R 326,221,154 compared with the total capital expenditure budget represent a spending percentage of 64.40% after seven months of the financial year;
5. that it be noted that external borrowings amounted to R 676,379,846 as at 31 January 2016 and that it represents 35.94% of Drakenstein's total budgeted operating revenue of R 1,882,071,575 for the 2015/2016 financial year;
6. that it be noted that unspent conditional and unconditional grants amounted to R 69,539,174 at the end of January 2016 taking into account the opening balance, grant receipts, operating and capital grants utilised during the month;
7. that it be noted that the actual employee related cost expenditure of R 250,377,803 compared with the pro rata budgeted expenditure of R 265,489,974 relates to a positive variance of R 15,112,171 or 5.69%;
8. that it be noted with concern that total outstanding debtors as at 31 January 2016 amounted to R 289,992,761 and that 30 days and older debt constitutes 62.68% of total outstanding debtors;
9. that it be noted with concern that domestic consumers owe the municipality R 196,684,203 or 67.8% of the municipality's total debtor's book;



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10. that it be noted that outstanding creditors amounted to R 320,217 as at 31 January 2016;
11. that it be noted that the primary bank account had a positive bank balance at 31 January 2016 which amounted to R 47,984,962; and
12. that it be noted that total investments in cash and shares amounted to R 141,408,615 as at 31 January 2016 at the five local banks and Eskom.

Meeting: Council - 24/02/2016 Ref No: 9/1/1/4 Coll No:		Submitted by Directorate: Financial Services Author/s: A Viola Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

7.8 FARM 736 KLAPMUTS: THE WAY FORWARD
PLAAS 736 KLAPMUTS: DIE PAD VORENTOE
IFAMA 736 E KLAPMUTS: INKQUBELA PHAMBILI

This item was withdrawn from the Agenda.

Meeting: Council – 27-01-2016 Ref No: 15/4/1 (F736) K Coll Nr: 984437		Submitted by Directorate: Planning and Economic Development Author/s: Anthea Shortles Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Re-submit item	<u>RESPONSIBLE DEPT:</u> EM: Planning and Econ Dev	<u>DUE DATE:</u>

7.9 LEASE OF MUNICIPAL PROPERTY SITUATED ON A PORTION OF ERF 593 PAARL TO THE VISARENDE JUKSKEI CLUB
HUR VAN MUNISIPALE EIENDOM GELEË OP 'N GEDEELTE VAN ERF 593 PAARL AAN VISARENDE JUKSKEIKLUB
UKUQHESHIWA KWEPROPATI KAMASIPALA EKWICEBA LIKA ERF 593 EPAARL KWI VISARENDE JUKSKEI CLUB

UNANIMOUSLY RESOLVED

1. that in terms of Section 34 of the Municipal Asset Transfer Regulations **in principle** approval be granted for the lease of the Jukskei facilities situated on a portion of Erf 593 Paarl to the Visarende Jukskei Club, subject to the standard lease conditions as well as the following further conditions:-
 - 1.1 the clubhouse and courts be leased at a subsidized rental of 5% of the market value to be determined by an independent valuer;
 - 1.2 the lease will be for a period of 2 (two) years after which Council will consider the renewal thereof;
 - 1.3 that the Visarende Jukskei club be responsible for all upgrading work at the premises in order to put the facilities to full use again, subject to approval by the Infrastructure and Community Services Directorates;
 - 1.4 that no sub-leasing be allowed;

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- 1.5 that the applicant be responsible for the payment of all municipal services. Application must be made to the municipality for the necessary services and the required connection fees and deposits are payable;
 - 1.6 all administrative and legal requirements be adhered to; and
 - 1.7 the proposed lease be advertised for objections or counter offers.
2. that a competitive bid process for the lease of the property not be followed as the property is earmarked for sports facilities.

Meeting: Council -24/02/2016 Ref No: 15/4/1(593)P Coll No: 926548		Submitted by Directorate: Corporate Services Author/s: N C Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>

7.10 PROPOSED LEASE OF THE TWO VACANT ROOMS IN THE SIBUYILE BUILDING SITUATED ON ERF 2689 MBEKWENI
VOORGESTELDE VERHURING VAN DIE TWEE VAKANTE KAMERS IN DIE SIBUYILE GEBOU GELEË OP ERF 2689 MBEKWENI
ISINDULULO SOKUQHESHISA AMAGUMBI AMABINI KWISAKHIWO ISIBUYILE ESIKU ERF 2689 E MBEKWENI

UNANIMOUSLY RESOLVED

1. that in terms of Regulation 34 of the Municipal Asset Transfer Regulations, **final approval**, be granted for the lease of Room D in the Sibuyile Building situated on Erf 2689 Mbekweni to Wagon of Hope Foundation, for a period of one (1) year at a market related rental, subject to the normal conditions of lease as well as the following conditions:-
 - 1.1 that the room be leased at a monthly rental of R25/m² (excluding VAT);
 - 1.2 all administrative and legal requirements must be adhered to;
 - 1.3 that Room D only be used for the distribution of chronic medicine;
 - 1.4 the lessee will be responsible for the payment of all services;
 - 1.5 that the lessee take responsibility for the water consumption on the property on a pro rata basis as per a formula communicated to them by the Administration from time to time;
2. that the lease of Room C be re-advertised for applications; and

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3. that all applicants be informed accordingly.

Meeting: Council – 24/02/2016 Ref No: 7/1/4/2,15/4/1 (2689)M Coll Nr: 960849		Submitted by Directorate: Corporate Services Author/s: A N Marais Referred from: EM&MC 17/02/2016	
PAR:	ACTION: Implement decisions	RESPONSIBLE DEPT: Manager: Properties	DUE DATE:

7.11	PROPOSED ALIENATION OF A PORTION OF ERF 2686 MBEKWENI TO CHIPPA'S PLACE
	VOORGESTELDE VERVREEMDING VAN 'N GEDEELTE VAN ERF 2686 MBEKWENI AAN 'CHIPPA'S PLACE'
	ISIPHAKAMISO SOKUTHENGISWA KOMHLATYANA OKWI ERF 2686 EMBEKWENI KWI CHIPPA'S PLACE

UNANIMOUSLY RESOLVED

1. that in terms of Section 14 of the MFMA *in principle approval* be granted for the direct alienation of a portion of Erf 2686 Mbekweni measuring ±1055m² in extent to Siyaya African Restaurant trading as Chippa's Place subject to the standard conditions of sale as contained in Council's Asset Transfer Policy and the following further conditions:-
 - 1.1 that the property be sold at a market related selling price to be determined by an independent valuer;
 - 1.2 that the proposed transaction be advertised for objections or counter offers;
 - 1.3 that the sale of the subject property be subject to the compliance with all building control and fire safety requirements as determined by the building control and fire department. These requirements must be complied with before transfer is registered;
 - 1.4 that the ward councillor and ward committee be informed in writing of the application and be requested to comment;
 - 1.5 that the necessary land use rights be obtained by the applicant at own cost;
 - 1.6 no structures will be allowed within one meter of any municipal services;
 - 1.7 that the conditions as stipulated in the Memorandum received from the Civil Engineering Services Department dated 9 April 2014 read together with Memorandum dated 15 December 2009 be adhered to;
 - 1.8 that application be submitted to the Municipality for the required land use rights within three months from the date of Council's final approval (if granted);

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- 1.9 that the consolidation of the property with Erven 2697 and 4895, Mbekweni be registered simultaneously with the registration of transfer of the subject property; and
- 1.10 that the applicant make due provision on site for the required parking in terms of the land use rights and that a pre-emptive clause be included in the deed of sale in order to regulate this requirement. Should the parking requirements not be adhered to, Council may re-possess the property at the original purchase price.

Meeting: Council -24/02/2016 Ref No: 7/2/4/2 Coll No: 961984		Submitted by Directorate: Corporate Services Author/s: N Marais Referred from: EM&MC 17/02/2016	
PAR:	ACTION: Implement decision	RESPONSIBLE DEPT: Manager: Properties	DUE DATE:

7.12 RENEWAL OF LEASE AGREEMENT: PAARL CRICKET CLUB: PORTION OF ERF 8431 PAARL
HERNUWING VAN HUUROORENKOMS: PAARL KRIEKETKLUB: GEDEELTE VAN ERF 8431 PAARL
UHLAZIYO LWESIVUMELWANO SOKUQHESHISA: PAARL CRICKET CLUB: ICEBA LIKA ERF 8431 E PAARL

UNANIMOUSLY RESOLVED

1. that in terms of Regulation 34 of the Municipal Asset Transfer Regulations in principle approval be granted for the renewal of the lease of the cricket clubhouse situated on a portion of Erf 8431 Paarl to the Paarl Cricket Club, subject to the standard lease conditions as well as the following further conditions:-
- 1.1 the property be leased at a subsidized rental of R 275.00 per month (VAT excluded and 8% escalation per annum included);
- 1.2 that the property be leased for a period of two years, but with a cancellation clause of three months should Council need the property for redevelopment purposes;
- 1.3 all administrative and legal requirements be adhered to;
- 1.4 that the proposed lease be advertised for objections and counter offers; and
2. that the property not be put out on tender since the entire property is earmarked for other development.

Meeting: Council -24/02/2016 Ref No: 15/4/1(8431)P Coll No: 974102		Submitted by Directorate: Corporate Services Author/s: Nicola October Referred from: EM&MC 17/02/2016	
PAR:	ACTION: Implement decision	RESPONSIBLE DEPT: Corporate Services: (Properties)	DUE DATE:

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7.13	RENEWAL OF LEASE AGREEMENT IN RESPECT OF A PORTION OF ERF 34 INTERPACE STREET, WELLINGTON TO WELLINGTON SPCA
	HERNUWING VAN HUUROOREENKOMS VIR DIE VERHURING VAN 'N GEDEELTE VAN ERF 34 INTERPACESTRAAT, WELLINGTON AAN DIE WELLINGTON SPCA
	UHLAZIYO LWESIVUMELWANO SOKUQESHISA KWICEBA LIKA ERF 34 INTERPACE STREET EWELLINGTON KWI WELLINGTON SPCA

UNANIMOUSLY RESOLVED

1. that in terms of Regulation 34 of the Municipal Asset Transfer Regulations **final approval** be granted for the lease of a portion of Erf 34 Wellington, measuring ±1486 m² in extent, to the SPCA Wellington, subject to the normal conditions of lease, as well as the following further conditions:-
 - 1.1 that the property be leased free of charge due to the fact that the lessee provides the service of control of small animals on behalf of the Municipality and renders a service for the whole community;
 - 1.2 that the lease endures for a period of one (1) year, whereafter further extension may be considered;
 - 1.3 that the lessee be responsible for the payment of all municipal services;
 - 1.4 that the lease be subject to a notice period of 3 months should the property be required by the Municipality for municipal purposes;
 - 1.5 that the applicant be informed that the land may in future be required for municipal purposes;
 - 1.6 that all administrative and legal requirements be adhered to;
 - 1.7 that a new Electricity Certificate of Compliance be issued in terms of Section 7(5) of the Electricity Installation Regulations of the OHSA, Act 85 of 1993, as amended; and

2. that the subject property not be put out on tender as the SPCA renders a supporting service to the municipality in respect of the control and impounding of animals in terms of an SLA that was signed with them.

Meeting: Council - 24/02/2016 Ref No: 15/4//1 (34) W Coll No: 977723		Submitted by Directorate: Corporate Services Author/s: N C Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>



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7.14	PROPOSED SALE OF A PORTION OF ERF 34 WELLINGTON TO PACMAR PROPERTIES (PTY) LTD
	VOORGESTELDE VERKOOP VAN 'N GEDEELTE VAN ERF 34 WELLINGTON AAN PACMAR PROPERTIES (PTY) LTD
	ISINDULULO SOKUTHENGISA ICEBA LIKA ERF 34 E WELLINGTON KWI PACMAR PROPERTIES (PTY) LTD

UNANIMOUSLY RESOLVED

1. that in terms of Section 14 of the MFMA Council resolves:-
 - 1.1 that the subject property is not needed to provide the minimum level of basic municipal services; and
 - 1.2 that the fair market value of the asset and the economic and community value to be received in exchange for the asset has been considered;

2. that in terms of Section 14 of the Municipal Finance Management Act, **final approval** be granted for the alienation of a portion of Erf 34 Wellington, measuring $\pm 3500\text{m}^2$, to Pacmar Properties (Pty) Ltd, at a market related selling price of R 1 100 000-00 (excluding VAT), subject to the normal conditions of sale as well as the following conditions:
 - 2.1 transfer of the property must take place within 18 months from signing the Deed of Sale failing which the transaction will lapse;
 - 2.2 the proposed development of the property must be completed within 18 months from transfer, failing which the Municipality will have the right to insist on the reversal of the transaction at the same purchase price and at the cost of the purchaser;
 - 2.3 development of the property is subject to the Town Planning Requirements of the Wellington Industrial Park. Membership of the Owners Association of the Industrial Park is compulsory. No offensive industry will be allowed;
 - 2.4 that the portion of the Erf 34 to be sold, be subdivided from Erf 34 Wellington, rezoned from Local Authority to Industrial and consolidated with the applicants property, Erf 12912 Wellington. The applicant must lodge the necessary application in this regard;
 - 2.5 that the standard pre-emptive rights be registered against the title of the property in favour of Drakenstein Municipality;
 - 2.6 all costs related to the transfer of the property as well as services and development related costs will be for applicant's account;
 - 2.7 that all administrative and legal requirements be adhered to;

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- 2.8 note must be taken of the guidelines contained in the Drakenstein Municipality's Green Building Manual as well as the objectives for development set out in the Statutory Report of the Provincial Spatial Development Framework, which must be incorporated in the design and layout of any development on the property;
- 2.9 that the purchaser takes note of the fact that the sale of these erven does not automatically allow PACMAR any increases in the use of water, electricity, sanitation and traffic volumes. These must be negotiated and, should these be required at volumes in excess to any previous agreements, such services will be provided at the Bulk Infrastructure Contribution Levy (BICL) rates as per the approved tariff listing; and
3. that the direct sale of a portion of Erf 34 Wellington be approved to allow for the expansion of Pacmar, a major employer in the Wellington Industrial Park and the subsequent creation of additional employment opportunities as well as employment security for the existing employees.

Meeting: Council -24/02/2016 Ref No: 15/4/1 (34) W Coll No: 978700		Submitted by Directorate: Corporate Services Author/s: Nico Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>

7.15	RENEWAL OF THE LEASE AGREEMENT FOR THE LEASE OF THE SPORT FACILITY ON ERF 7156 BLAKE STREET, PAARL: OLD MILL SPORTS ASSOCIATION
	HERNUWING VAN HUURKONTRAK VIR DIE HUUR VAN DIE SPORTFASILITEIT OP ERF 7156 BLAKESTRAAT, PAARL: OU MEUL SPORT ASSOSIASIE
	UHLAZIYOLWESIVUMELWANO SOKUQHESHISA SOKUQHESHA INDAWO YEZEMIDLALO KU ERF 7156 BLAKE STREET, E PAARL: OLD MILL SPORT ASSOCIATION

UNANIMOUSLY RESOLVED

1. that in terms of Regulation 34 of the Municipal Asset Transfer Regulations, approval **in principle** be granted for the renewal of the lease of the municipal property situated on a portion Erf 7156 Paarl to the Old Mill Sport Association, subject to the standard lease conditions as well as the following further conditions:-
- 1.1 the property will be leased at a subsidized rental amount of R 295.00 per month calculated at 10% of the market value (VAT excluded, 8% escalation included);
- 1.2 the lease will endure for a period of 2 years, after which the renewal thereof will be reviewed by Council;
- 1.3 all administrative and legal requirements be adhered to;
- 1.4 that the lease be advertised in the press for possible objections or counter offers;

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2. that the applicant be responsible for the payment of municipal services;
3. that the applicant be allowed to use the toilet facilities in the adjacent municipal building;
4. that the property be leased for a period of two years, but with a cancellation clause of three months should Council need the property for redevelopment or municipal purposes; and
5. that the proposed lease of the property not be put out on tender since it is the renewal of an existing lease.

Meeting: Council -24/02/2016 Ref No: 15/4/1/ (7156)P Coll No: 978898		Submitted by Directorate: Corporate Services Author/s: Nico Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>

7.16 LEASE OF MUNICIPAL PROPERTY SITUATED ON A PORTION OF ERF 1297, GENERAL HERTZOG AVENUE, WELLINGTON TO KABOUTERPLAAS CRÈCHE FOR PURPOSES OF AN AFTERCARE CENTRE
VERHURING VAN MUNISIPALE EIENDOM GELEË OP 'N GEDEELTE VAN ERF 1297, GENERAAL HERTZOGLAAN, WELLINGTON AAN KABOUTERPLAAS KLEUTERSKOOLO VIR DIE DOEL VAN 'N NASORGFASILITEIT
UKUQHESHISWA KWEPROPATI KAMASIPALA EKWICEBA LIKA ERF 1297 E GENERAAL HERTZOG AVENUE E WELLINGTON KWI KABOUTERPLAAS CRECHE KUSENZELWA ISENTA YOKUGCINA ABANTWANA EMVENI KWEXEHSAL LESIKOLO

UNANIMOUSLY RESOLVED

1. that in terms of Regulation 34 of the Municipal Asset Transfer Regulations, in principle approval be granted for the lease of the property situated on Erf 1297, Wellington to Kabouterplaas Educare, subject to the standard lease conditions as well as the following further conditions:-
 - 1.1 the property will be leased at a market related rental to be determined, unless the applicant provides proof that the tenant is registered as a NPO;
 - 1.2 that the lease endure for a period of two years, after which the renewal thereof may be reviewed by Council;
 - 1.3 that the lessee be responsible for the payment of municipal services. Application must be made to the municipality for the necessary services and the required connection fees and deposits are payable;
 - 1.4 that the lessee be responsible for the payment of the outstanding utility services as the property is currently being occupied by Kabouterplaas Educare;

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- 1.5 that the crèche registers the site with the Department of Social Development within 6 months from final approval of the proposed lease;
 - 1.6 that the lease be advertised in the press for possible objections or counter offers;
 - 1.7 that all administrative and legal requirements be adhered to;
 - 1.8 that a new Electricity Certificate of Compliance be issued as per Section 2(3) and Section 7(5) of the Electricity Installation Regulations of the Occupational Health and Safety Act, Act 85 of 1993, as amended; and
2. that the Council resolution dated 25 November 2015 to lease the property to Wellington Pigeon Club, be rescinded.

Meeting: Council -24/02/2016 Ref No: 15/4/1(1297)W Coll No: 985724		Submitted by Directorate: Corporate Services Author/s: NC Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>

7.17 PROPOSED ALIENATION OF ERVEN 7527 - 7530 AND 7542 - 7543, COSTERTON AVENUE COURTRAI, PAARL FOR RESIDENTIAL PURPOSES: CONSIDERATION OF OBJECTIONS RECEIVED
VOORGESTELDE VERVREEMDING VAN ERWE 7527 - 7530 EN 7542 - 7543, COSTERTONLAAN, COURTRAI, PAARL VIR RESIDENSIËLE DOELEINDES: OORWEGING VAN BESWARE
ISINDULULO SOKUPHEPHELA KO ERVEN 7527 - 7530 NO 7542 - 7543, COSTERTON AVENUE E COURTRAI E PAARL KUSENZELWA IZINDLU SOKUHLALA: UQWALASELO KWEZICHASI EZIFUNYENWEYO

This item was withdrawn from the agenda.

Meeting: Council -24/02/2016 Ref No: 15/4/1 (7527) P Coll No: 986066		Submitted by Directorate: Corporate Services Author/s: NC Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

7.18 PROPOSED ALIENATION OF ERF 16814, SIMFONIE AVENUE WEST, PAARL
VOORGESTELDE VERKOOP VAN ERF 16814, SIMFONIELAAN-WES, PAARL
ISINDULULO SOKUPHEPHELA KU ERF 16814, SIMFONIE AVENUE WEST E PAARL

UNANIMOUSLY RESOLVED

1. that a direct sale process be followed where both applicants are requested to submit the required information for assessment (application forms together with proof of registration as a NPO, proof of financial ability, Site Development Plan, current number of children, etc.) whereafter Council resolves which application is approved and based on a fixed price; and

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- that the transaction conditions as approved by Council on 25 November 2015 remain applicable to this transaction.

Meeting: Council -24/02/2016 Ref No: 7/2/2/1 Coll No: 980811		Submitted by Directorate: Corporate Services Author/s: NC Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Manager: Properties	<u>DUE DATE:</u>

7.19 PROPOSED ALIENATION OF A PORTION OF ERF 3643 MBEKWENI
VOORGESTELDE VERVREEMDING VAN 'N GEDEELTE VAN ERF 3643 MBEKWENI
ISINDULULO SOKUPHEPHELA KWECEBA LIKA ERF 3643 EMBEKWENI

UNANIMOUSLY RESOLVED

- that in terms of Section 14 of the MFMA, **in principle** approval be granted for the sale of a portion of Erf 3643 Mbekweni in extent ±1340m² to Mosaic Community Development for construction of an orphan care facility at a subsidized purchase price;
- that the standard development clauses and time frames as well as pre-emptive rights be applicable;
- that the remainder of the property be retained for public open space;
- that the proposal be advertised for objections or counter offers; and
- that the applicants be informed accordingly.

Meeting: Council -24/02/2016 Ref No: 7/2/4/2 Coll No: 962110		Submitted by Directorate: Corporate Services Author/s: NC Marais Referred from: EM&MC 17/02/2016	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Corporate Services: (Properties)	<u>DUE DATE:</u>

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8. MATTERS FOR CONSIDERATION/INFORMATION
SAKE VIR OORWEGING/INLIGTING
IMIBA YOKUQWALASELWAYOKWAZISA

8.1 BUDGETS: APPROVAL OF THE 2015/2016 OPERATING AND CAPITAL ADJUSTMENTS BUDGET
BEGROTINGS: GOEDKEURING VAN 2015/2016 BEDRYFS- EN KAPITAAL AANSUIWERINGSBEGROTING
UQINGQO - MALI: IMVUME YOLUNGELELWANISO LOQINGQO - MALI YENKQUBO NENKUNZI KA2015/16

The Executive Mayor presented the 2015/2016 Adjustment Budget as set out in the enclosed speech. All political parties were allowed to respond to the input of the Executive Mayor.

The ANC indicated that it would vote against the adoption of the Adjustment Budget for number of reasons. The PDM, COPE and SAPCO were also not in support of the Adjustment Budget and indicated that it will abstain from voting on this matter.

The ACDP supported the Adjustment Budget.

After some discussion the recommendation of the Executive Mayor and Mayoral Committee was put to the vote and carried by 35 votes in favour of the adoption of the Adjustment Budget, to 16 votes against and 3 abstentions.

RESOLVED

1. that the total operating revenue of R 1,882,071,575 approved by Council in August 2015 (capital budget grant revenue included) be increased with R 47,081,004 (2.5%) to R 1,929,152,579 for the 2015/2016 financial year as set out in Table 1 of the 2015/2016 adjustments budget report;
2. that the total operating expenditure of R 1,907,865,278 originally approved by Council in May 2015 be increased with R36,065,549 (1.9%) to R1,943,930,827 for the 2015/2016 financial year as set out in Table 4 of the 2015/2016 adjustments budget report;
3. that the capital budget expenditure of R 506,334,993 approved by Council in August 2015 (roll-over capital budget expenditure included) be increased with R 35,278,449 (7.0%) to R 541,613,442 for the 2015/2016 financial year as set out in Table 8 of the 2015/2016 adjustments budget report;
4. that the capital expenditure of R 541,613,442 be funded by the following revenue sources as set out in the Table 10 of the 2015/2016 adjustments budget report:-
 - 4.1 Capital Replacement Reserve (R 30,000,000);
 - 4.2 Capital Replacement Reserve roll-overs (R 7,954,593);
 - 4.3 Secured grants to be received from national government, provincial government and other donors (R 86,324,0920);

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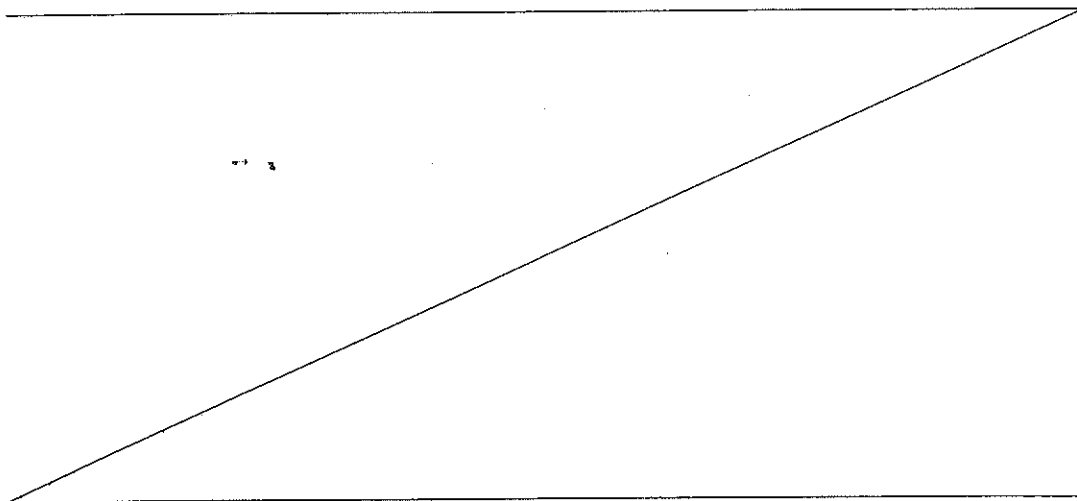
- 4.4 Secured grant roll-overs to be received from national government, provincial government and other donors (R 2,999,736);
- 4.5 External loans to be taken up with authorised financial institutions (R 294,530,916);
- 4.6 Unspent external loans roll-overs already taken up in June 2015 (R 119,804,105);

- 5. that Council take note that after taking off-setting depreciation, redemption on external loans, expensed housing inventory, contributions to provisions, actuarial losses, loss on sale of assets and capital expenditure to be funded through grants into consideration, there is an operating cash surplus of R 244,715, when compared with the operating budget deficit of R 14,778,248 as set out in Table 7 of the 2015/2016 adjustments budget report;

- 6. that no taxes and tariffs are affected with the approval of the adjustments budget;

- 7. that the Schedules B1 to B10 attached as Appendix D to the 2015/2016 adjustments budget report be approved by Council; and

- 8. that the over-riding of expenditure that will constitute unauthorised expenditure, will not be allowed by the Municipal Manager or Chief Financial Officer. If there are sufficient funds available, the virement process have to be followed in terms of Council's Virement Policy.



Meeting: Council -24/02/2016 Ref No: 5/2/2/(2015/2016) Coll No: 1082370		Submitted by Directorate: Financial Services Author/s: C Lategan Referred from:	
<u>PAR:</u>	<u>ACTION:</u> Implement decision	<u>RESPONSIBLE DEPT:</u> Acting CFO	<u>DUE DATE:</u>



"A place of excellence"

Executive Mayor 2015/16 Adjustment Budget Speech

Speaker, it is my privilege and also as Executive Mayor my obligation as per Section 28(4) of the Municipal Finance Management Act (MFMA) to submit this adjustments budget. This year it is an absolute pleasure to present an adjustment budget that is an improvement on previous years simply due to the fact that it speaks to our 2014/15 annual financial statements and our second clean audit Drakenstein Municipality obtained for the 2014/15 financial year.

Speaker, I indeed have some great news to share today:

When we look at the big picture, we can only come to one conclusion: We as Council, have indeed since 2011, succeeded in becoming "*A Place of Excellence*".

Speaker, after five years of fiscal discipline, we obtained two clean audit opinions for the 2013/14 and 2014/15 financial years and are seriously busy with our mission to start rebuilding our reserves that have been depleted over many years prior to 2011.

D

We are indeed delivering to our people and it is our target this year to spend at least 96% of our capital budget as set out in our Service Delivery Budget Implementation Plan and as set out in our Integrated Development Plan for Drakenstein to become truly “A Place of Excellence”. Although our target is a stretched 96% for the financial year, we are positive that we will obtain a percentage closer to the audited actual capital budget expenditure results of 98.9% and 98.7% for the 2013/14 and 2014/15 financial years respectively. Speaker, Drakenstein at this point in time is well known for our capital budget spending achievements and is regularly a discussion point at meetings and at functions where capital spending achievements of municipalities are deliberated.

Speaker, it is good news to announce that Drakenstein’s audited 2014/15 financial year Statement of Financial Performance reflects that the budgeted operating deficit of R 103.2 million was reduced to an actual operating deficit of R 32.6 million – a positive variance of R 70.6 million. Through strict fiscal discipline the general expenditure component was the greatest contributing factor to these savings. This is serious proof that we are busy with the implementation of cost containment measures. Slowly but surely we are eliminating all “fat” within the operating budget and curtailing all unnecessary operating expenses through the interrogating of actual and budgeted expenditure.

Speaker, it is great news that the adjustments budget for 2015/16 that I table today is funded with realistically anticipated revenue sources and it also takes all the requirements of the South African Accounting Standards into consideration.

The 2015/16 operating adjustments budget makes provision for an operating deficit of R 74.4 million compared with the 2014/15 operating adjustments budget deficit of R 103.2 million – clearly another move in the right direction.

After taking non-cash items out of the equation the operating adjustments budget reflects an operating cash surplus of R 244 thousand rand. Speaker, this is a cash funded budget, finely balanced, but, I confidently feel that our achievements over the last four financial years will again prove that we will generate the same kind of final results for this financial year as was the case with the 2014/15 financial year where we ended up with an operating cash surplus of R 25.0 million rand.

Speaker, the main purpose of this adjustment budget is to correct the material under and over budgeted figures as well as to accommodate additional revenues received from government grants. Furthermore, this adjustments budget will also address any possible unauthorised expenditure with regard to non-cash expenditure items (off-setting depreciation, bad debt provision, provision for fines bad debt

impairment, leave provision, rehabilitation of landfill site provision, long service bonus provision and medical aid provision for continued members after retirement or the so-called "paper money" as the Chief Financial Officer calls it) that needs to be budgeted for to comply with the South African Accounting Standards.

This adjustments budget will also form the basis on which our forth zero based budget will be compiled for the 2016/17 financial year.

Speaker, the Municipal Manager and Chief Financial Officer, based on the mandate given to them, compiled the adjustments budget and discussed it in detail with the MAYCO members and the Budget Steering Committee. The Adjustments Budget Report was circulated to all councillors.

Operating revenue will increase with R 47 million (2.5%) from R 1.882 billion to R 1.929 billion. The three main reasons for the increase in operating revenue are the additional housing grant allocation of R 12.6 million to build houses; the additional RBIG grant allocation of R 32.2 million (VAT included) for the construction of the Paarl Bulk Sewer Pipeline; and, additional interest on investments to the amount of R 3 million conservatively estimated over and above the current budgeted revenue.

Operating expenditure will increase with R 36 million (1.89%) from R 1.907 billion to R 1.943 billion. The five main reasons for the

increase in operating expenditure are the additional bulk water purchases of R 4.9 million from the City of Cape Town; additional housing expenditure of R 12.6 million to build houses; actuarial gains and losses (so called "paper money" transactions) estimated at R 7.0 million; interest on external borrowings amounting to R 9.8 million due to the envisaged interest rate increases on external borrowings to be taken up earlier during this financial year; and, housing inventory expenditure of R 6.1 million already spent during the 2014/15 financial year that had to be disclosed as housing inventory in the Statement of Position due to some of the housing projects being implemented as a principal in terms of the South African Accounting Standards disclosure requirements.

Speaker, it is important to note that no property rates or tariffs (electricity, water, sanitation, refuse removal and sundry tariffs) will increase as it is not allowed by the MFMA.

Some great news is that through strict fiscal discipline our goals of savings were successful and as a result some savings could be affected in the operating budget. Through virements this adjustments budget now makes provision for additional operating expenditure for cleaning-up projects (R 2.3 million), the provision of basic services to informal settlements (R 2.1 million) and various other operating expenditure line items. Speaker, I want to point out that the adjustments budget still makes provision for an amount of R 6.6

million for the filling of critical vacant positions that should suffice for the remainder of this financial year.

Speaker some more good news: Capital expenditure will increase with R 35.2 million to R 541.6 million due to additional government grant funding. One of the most important functions of political leadership and strategic management is to obtain additional funds through proactive planning of projects and submitting business plans to provincial and national government departments. Under the leadership of the Executive Mayor and Municipal Manager this has been a priority in this financial year, resulting in these much needed additional funding. The administration is positive that they will be able to spend the capital budget on the very much needed capital projects to improve the quality of life of our citizens. Each capital project is listed in Annexure C attached to the Adjustments Budget Report.

Some of the main contributing factors to adjust the capital budget is the fact that we managed to secure grant funding of R 6.4 million from Provincial Government to be used for the construction of phase two of the vehicle impound facility and the detailed planning and design of the Berg River Boulevard up to Oosbosch; R 28.4 million from National Government for the upgrading of the Paarl South Bulk Sewer Pipeline; and, R 260 thousand of roll-over INEP grant funding for the electrification of houses in the disadvantaged communities.





Speaker over the past 4 and a half years we have been awarded over 105 accolades of which the most recent was the second clean audit and the award for the best waste water treatment laboratory in the Western Cape.

Speaker, I can carry on listing good news and achievements, but would rather act in modesty and thank all members of this Council, including all representatives of all political parties and all members of the administration for their contributions made. I would also like to thank all members of the public who assisted and took part in putting Drakenstein on the winning path. Every input, suggestion and all active participation is valued. Drakenstein is a shining example of what can be achieved with a partnership of an active and participating community and a responding local government. Speaker, we dare never forget that this is the purpose of local government and that we are mere servants placed here to serve our community. I would also like to thank all sectors of all communities, who still need upgrading of facilities and assistance, and who have been working patiently with us to achieve this.

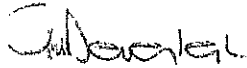
Speaker, I am humbled by the huge task entrusted to me as Leader of this Council, and the opportunity to table this Adjustment Budget to better serve our people. It is of note that this Adjustments Budget amounting to R 2.486 billion consists of operating expenditure of R 1.944 billion and capital expenditure of R 542 million rand. Speaker, National Treasury's data base indicates that Drakenstein,

and

A large, stylized handwritten signature in black ink, located in the bottom right corner of the page.

as a secondary city, has the 18th biggest operating and capital expenditure budget in South Africa – the eight metropolitan municipalities included. My team and I would like to ensure every citizen of Drakenstein that we shall work tirelessly and leave no stone unturned to create a city of excellence for all with the funds entrusted to us.

Speaker, in the item serving before Council the recommendations are set out as recommended in the Adjustments Budget item. I herewith formally submit recommendations 4.1 to 4.8 to Council for consideration and approval of the 2015/16 Adjustments Budget.


ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

24 February 2016



9. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS DEALING WITH MATTERS OF URGENCY BY THE MUNICIPAL MANAGER
OORWEGING VAN VERSLAE, MEDEDELINGS, VERSOEKSKRIFTE EN AANSOEKE IN VERBAND MET DRINGENDE SAKE VOORGELÊ DEUR DIE MUNISIPALE BESTUURDER
UKUQWALASELWA KWENGXELO, UQHAKAMSHELWANO, IZIBENGEZO KUNYE NEZICELO EZIHAMBISANA NEMIBA ENGXAMISEKILEYO NGU MANEJALA KAMASIPALA

9.1 APPOINTMENT OF MR G SAMPSON AS TEMPORARY BUILDING CONTROL OFFICER
AANSTELLING VAN MNR G SAMPSON AS TYDELIKE BOUBEHEER BEAMPTE
UKUQESHA KUKA MNU G SAMPSON NJENGEGOSA LETHUTYANA LOKULAWULA IZAKHIWO

A report in the above matter was tabled and considered.

UNANIMOUSLY RESOLVED

that in terms of Section 5 of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977) the functions of a Building Control Officer be allocated to Mr Graham Sampson, on a temporary basis retrospectively as from 8 February 2016 until the post has been filled.

Meeting: Council -24/02/2016		Submitted by Directorate: Planning and Economic Development	
Ref No: 4/6/2		Author/s: D Delaney	
Coll No: 1083301		Referred from:	
<u>PAR:</u>	<u>ACTION:</u>	<u>RESPONSIBLE DEPT:</u>	<u>DUE DATE:</u>

10. CONSIDERATION OF NOTICES OF MOTIONS AND NOTICES OF QUESTIONS
OORWEGING VAN KENNISGEWINGS VAN MOSIES EN KENNISGEWINGS VAN VRAE
UKUQWALASELWA KWEZAZISO ZEZIPHAKAMISO KUNYE NEZAZISO ZEMIBUZO

None.

11. SUPPLEMENTARY AGENDA (IF ANY)
AANVULLENDE AGENDA (INDIEN ENIGE)
I AGENDA EYONGEZIWEYO (UKUBA IKHONA)

None.

IN-COMMITTEE/ IN-KOMITEE/ KWI-KOMITI

12. CONSIDERATION OF CONFIDENTIAL MATTERS
OORWEGING VAN VERTROULIKE SAKE
UKUQWALASELWA KEMIBA EYIMFIHLO

12.1 CONFIRMATION OF CONFIDENTIAL MINUTES: 27 JANUARY 2016
BEKRAGTIGING VAN VERTROULIKE NOTULE: 27 JANUARIE 2016
UKUQINISEKISWA KWEMIZUZU EYIMFIHLO: 27 JANUWARI 2016

(See confidential agenda)
(Sien vertroulike agenda)
(Jonga iAgenda eyimfihlo)

12.2 COUNCILLORS OUTSTANDING DEBT REPORT AS AT 31 JANUARY 2016
VERSLAG OOR UITSTAANDE SKULD VAN RAADSLEDE: 31 JANUARIE 2016
INGXELO YAMATYALA YOCEBA NJENGOBUNJALO KWINYANGA: 31 JANUWARI 2016

(See confidential agenda)
(Sien vertroulike agenda)
(Jonga iAgenda eyimfihlo)

12.3 APPOINTMENT OF ACTING MUNICIPAL MANAGER

(See confidential agenda)

The meeting ended at 16.22.

CHAIRPERSON:

J.F. le Roux

DATE:

31/3/2016

Confirmed on

31/3/16

~~with~~ without amendments.

PJ/mn

**DRAKENSTEIN MUNICIPALITY
ATTENDANCE REGISTER: SPECIAL COUNCIL MEETING
24 FEBRUARY 2016**

SURNAME	INITIALS	TITLE	ID NUMBER	CELL NO	SIGNATURE
ADAMS	ND	DR	6610105247084	073 583 7762	<i>[Signature]</i>
ADRIAANSE	MM	MS	5201210023080	079 508 9815	<i>[Signature]</i>
AFRIKA	AF	MS	6810130057082	079 502 1437	<i>[Signature]</i>
ALLOM	A	MS	5710280198085	082 666 8103	<i>[Signature]</i>
APOLLIS	CJJ	MR	5703055147080	071 081 1931	<i>[Signature]</i>
ARNOLDS	RB	MS	7011270287089	082 445 0022	<i>R. Arnolds</i>
BEKEER	A	MR	5909065119080	082 308 4764	<i>[Signature]</i>
BLANCKENBERG	DS	MR	5610215121089	083 349 3366	<i>[Signature]</i>
BOLANI	LE	MR	7109035443086	0822534499	<i>[Signature]</i>
BUCKLE	AML	MR	5311095011082	083 460 8060	<i>[Signature]</i>
DAVIDS	CO	MS	7202010717085	073 7032 975	<i>[Signature]</i>
CEKISO	ZK	MR	5505295280088	072 076 7042	<i>[Signature]</i>
COMBRINK	GC	MR	5801105056085	082 455 3445	<i>[Signature]</i>
CUPIDO	FP	MR	6609295224085	072 697 5802	<i>[Signature]</i>
CUPIDO	PBA	MS	6007280196089	076 446 7741	<i>[Signature]</i>
DARIES	LN	MS	4511080038088	082 497 8576	<i>[Signature]</i>
DAVIDS	CO	MS	7202010717085	073 7032 975	<i>[Signature]</i>
DE GOEDE	HR	MR	4306155063081	082 436 9830	<i>[Signature]</i>
DE WET	J	MS	7401030263084	079 067 4625	<i>[Signature]</i>
DUBA	PB	MS	7207170506087	073 967 9629	<i>[Signature]</i>
TOIT	LM	DR	4807135024085	082 657 4777	<i>[Signature]</i>
KIKA-DYSON	SN	MS	5102240150085	083 737 5179	<i>[Signature]</i>
GOUWS	E	MS	5510160068089	082 447 9711	<i>[Signature]</i>
GWADA	ZL	MR	7503205395086	083 623 6080	<i>[Signature]</i>
HLATI	V	MR	6512257169084	078 276 7452	<i>[Signature]</i>
JACOBS	A N	MR	6810315245080	081 262 7339	<i>[Signature]</i>
JULIUS	E A	MS	7201300133086	072 728 5238	<i>[Signature]</i>
KEARNS	C	MS	7109290101085	076 501 8441	<i>[Signature]</i>
KEARNS	EM	MS	5209090028089	072 572 2349	<i>[Signature]</i>
KEM	Z	MR	780910050083	078 133 9063	<i>[Signature]</i>
KOEGELENBERG	RA	MR	5201105114085	083 269 3138	<i>[Signature]</i>
KOTZE	DA	MR	4401195117085	083 713 7873	<i>[Signature]</i>
LE ROUX	JF	MR	5710135020088	083 459 5965	<i>[Signature]</i>

**Office of the / Kantoor van die
CHIEF WARD / HOOFD SWEEP
MR / Rdl / RA KOEGELENBERG
Drakenstein**

**DRAKENSTEIN MUNICIPALITY
ATTENDANCE REGISTER: SPECIAL COUNCIL MEETING
24 FEBRUARY 2016**

SURNAME	INITIALS	TITLE	ID NUMBER	CELL NO	SIGNATURE
MANGENA	TC	MR	5608105328087	072 593 7804	
MAPUMA	M	MR	8602145870080	082 508 5590	
MARTIN	FJ	MR	6303115193080	0610452476 0211100388	
MATTHEE	J	MR	5803165092083	082 448 6180	
MCHELM	JC	MR	7206155070085	076 817 2524	
MSOLO	MC	MR	6102235237086	078 442 0689	
MTIKI	N	MS	7302240102080	072 7096 552	
NAUDE	WJ	MR	5406245175082	072 707 0661	
NIEHAUS	LW	MR	6904165003085	084 421 6780	
NOMANA	TZ	MS	7212281201081	079 0639 041	
NTLEMEZA	LE	MS	6505300584085	072 888 9326	
PHILANDER	WF	MS	7605280201087	076 528 1211	
POOLE	CJ	MR	6702125697081	082 497 9046	
RADEMEYER	JG	MR	4808135012088	082 925 8149	
RENS	SC	MR	7207285259085	079 558 0013	
ROSS	CS	MR	5802155149085	078 618 6966	
ROSS	S	MS	7410260172089	082 448 0409 074 549 9921	
SMIT	WE	MS	5112160032080	082 825 1550	
SMIT	J	MR	5204165154082	0817354467	
SMITH	MDJ	DR	4603275052089	083 661 8363	
SMUTS	R	MR	6008235058085	082 494 8467	
SOMGQEZA	TE	MS	5201230685082	084 674 3480	
STOWMAN	AC	MR	6112055233081	079 189 5359	
TSHAYA	MA	MR	6310095897085	073 686 8894	
VD WESTHUIZEN	CC	MR	6630105166083	084 998 7841	
VAN DEVENTER	GMM	MS	5809240008080	082 570 5681	
VAN NIEUWENHUYZEN	RH	MR	6304115034080	082 629 6239	
VON SCHLICHT	H	MR	6807150028086	072 949 5922	
WITBOOI	GJ	MR	6608315238083	0832324168	

*Office of the / Kantoor van die
CHIEFWIP / HOOFSWEEP
Clk / Rd / B.A. KOEGELENBURG
Drakenstein*