

DRAKENSTEIN MUNICIPALITY

MINUTES: MAYORAL COMMITTEE

ORDINARY MEETING HELD IN THE COUNCIL CHAMBERS, FIRST FLOOR, CIVIC CENTRE, BERG RIVER BOULEVARD, PAARL, ON THURSDAY, 27 JULY 2017 AT 10:00.

PRESENT: The Executive Mayor, Cllr C J Poole (Chairman)
The Deputy Executive Mayor, Cllr G C Combrink

Councillors: M A Andreas
C Kearns
F Jacobs
J F Le Roux
J Miller
L P Mokoena
R Smuts
L T van Niekerk
L Willemse

Also Present: Cllr R A Koegelenberg (Chief Whip)

Officials: Dr J H Leibbrandt (Municipal Manager)
Mr S Johaar (Executive Manager: Corporate Services)
Mr G Boshoff (Executive Manager: Community Services)
Mr D Hattingh (Executive Manager: Infrastructure Services)
Ms C Lategan (Senior Manager: Financial Support Services for CFO)
Mr A V Marais (Senior Manager: Legal & Administration Services)
Mr F P Goosen (Manager: Administrative Support Services)

ABSENT: Cllr A C Stowman (Speaker) (apology)
Cllr R H van Nieuwenhuyzen (apology)
Mr J Carstens (Chief Financial Officer) (apology)
Ms L Waring (Executive Manager: Planning and Economic Development) (apology)

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

- Cllr A C Stowman (Speaker) (apology)
- Cllr R H van Nieuwenhuyzen (apology)
- Mr J Carstens (Chief Financial Officer) (apology)
- Ms L Waring (Executive Manager: Planning and Economic Development) (apology)

2. ANNOUNCEMENTS BY THE EXECUTIVE MAYOR / MUNICIPAL MANAGER

The Executive Mayor informed the Committee of a meeting that took place to secure the Pro 20 Cricket tournament for Paarl.

The Municipal Manager informed the Committee of amendments to the Macro and Micro Organisational Structure report that will serve at Council today. He also mentioned the Mayoral Business and Stakeholder Initiative to be held at Val De Vie Estate on 28 July 2017 at 07:00.

3. DISCLOSURE OF INTERESTS BY COUNCILLORS/OFFICIALS

None.

EXECUTIVE MAYOR

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| 4.1 QUARTERLY PERFORMANCE ASSESSMENT REPORT 2016/2017 (QUARTER 4: 01 APRIL- 30 JUNE 2017) |
| KWARTAALLIKSE PRESTASIE ASSESSERINGSVERSLAG 2016/2017 (KWARTAAL 4: 01 APRIL TOT 30 JUNIE 2017) |
| INGXELO YEKOTA YOKUHLOLA INDLELA YOKUSEBENZA 2016/2017 (IKOTA 4: 01 APRIL - 30 JUNI 2017) |

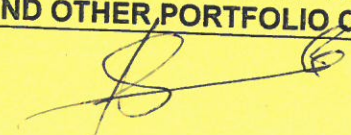
RESOLVED

that it be recommended to Council:-

1. that the Quarterly Performance Assessment Report 2016/2017 (Quarter 4: 01 April - 30 June 2017), **be adopted**;
2. that the Quarterly Performance Assessment Report be placed on the Municipal Website after Council adoption; and
3. that the approved Quarterly Performance Assessment Report be submitted to the Auditor-General of South Africa, the Provincial Treasury: Western Cape, National Treasury, and the Department of Local Government: Western Cape.

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| Meeting: MC - 27/7/2017 | Submitted by Directorate: Office of the Municipal Manager |
| Ref No: 2/2/8 | Author/s: F Qebenya |
| Coll Nr: 1235956 | Referred from: |
| PAR: | ACTION: |
| | RESPONSIBLE DEPT: |
| | DUE DATE: |

4.2 RE-COMPOSITION OF MEMBERS OF THE FINANCIAL SERVICES PORTFOLIO COMMITTEE AND OTHER PORTFOLIO COMMITTEES



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| 4.2 RE-COMPOSITION OF MEMBERS OF THE FINANCIAL SERVICES PORTFOLIO COMMITTEE AND OTHER PORTFOLIO COMMITTEES |
| HERSAMESTELLING VAN LEDE VAN DIE FINANSIËLE DIENSTE PORTEFEULJEKOMITEE EN ANDER PORTEFEULJEKOMITEES |
| UKUMILISELWA KWAKHONA KWAMALUNGU EKOMITI WESEBE LEMICIMBI ZEMALI KUNYE NEZINYE IKOMITI ZEMICIMBI YAMASEBE |

RESOLVED

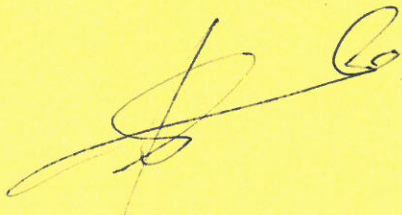
that it be recommended to Council:-

1. that the Mayoral Committee recommends to Council the re-composition of the members of the Financial Services Portfolio Committee:

| COMMITTEE NAME | MEMBERS | COMPOSITION | NAMES OF NEW COUNCIL MEMBERS |
|--------------------|---------|--|--|
| FINANCIAL SERVICES | 9 | DA- 6; ANC - 2; Other Political Parties - 1 | GC Combrink – Chairperson HJN Matthee (DA) HR de Goede (DA) WF Philander (DA) C Kearns (DA) JF le Roux (DA) AM Richards (ANC) TR Mpulanyana (ANC) MT Klaas (EFF) (Current representative of the other parties) |

2. that it be noted that the Executive Mayor appoints the Chairpersons of the Section 80 Committees;
3. that the whips of the various political parties provide Administration in writing the names of their representatives on the various portfolio committees by not later than 14 August 2017;
4. that the names of the new representatives, as provided in terms of paragraph 3, are accordingly approved in terms of section 79(1)(b) of the Municipal Structures Act; and
5. that the names be tabled at the next Council meeting for notification.

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| Meeting: MC – 27/7/2017 | Submitted by Directorate: Corporate Services | | |
| Ref No: 3/3/1/3/1 | Author/s: F P Goosen | | |
| Coll Nr: 1231706 | Referred from: | | |
| PAR: | ACTION: | RESPONSIBLE DEPT: | DUE DATE: |



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FINANCE

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| 4.3 | 2017/2018 FINANCIAL YEAR: APPROVAL OF ELECTRICITY TARIFFS BY THE NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA) |
| | 2017/2018 FINANSIËLE JAAR: GOEDKEURING VAN ELEKTRISITEIT TARIËWE DEUR DIE NASIONALE ENERGIE REGULEERDER VAN SUID-AFRIKA (NERSA) |
| | UNYAKA MALI KA 2017/2018: UKUVUNYWA KOKUNYUSWA KWAMAXABISO WOMBANE NGU NATIONAL ENERGY REGULATOR OF SOUTH AFRICA (NERSA) |

RESOLVED

that it be recommended to Council:-

1. that Council accepts NERSA's amendments to the electricity tariffs with effect from 1 July 2017 as set out in the departmental report; and
2. that the amended and approved tariffs as set out in Annexure A be advertised as required by legislation.

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| Meeting: MC - 27/7/2017 | Submitted by Directorate: Financial Services |
| Ref No: 5/6/3 | Author/s: C Lategan |
| Coll Nr: 1234287 | Referred from: |
| <u>PAR:</u> | <u>ACTION:</u> |
| | <u>RESPONSIBLE DEPT:</u> |
| | <u>DUE DATE:</u> |

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| 4.4 | FINANCE: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT: SECTION 52 QUARTERLY AND SECTION 71 MONTHLY BUDGET MONITORING REPORT FOR JUNE 2017 |
| | FINANSIES: WET OP PLAASLIKE REGERING: MUNISIPALE FINANSIËLE BESTUUR: SEKSIE 52 KWARTAALLIKSE EN SEKSIE 71 MAANDELIKSE BEGROTING VERSLAGDOENING VIR JUNIE 2017 |
| | EZEZIMALI: UMTHETHO WOKULAWULWA KWEMALI ZIKAMASIPALA: ICANDELO 52 NGOKWEKOTA KUNYE NECANDELO 71 NGENYANGA INGXELO YOKONGAMELA KOHLAHLA LWABIWO MALI YENYANGA KA JUNE 2017 |

RESOLVED

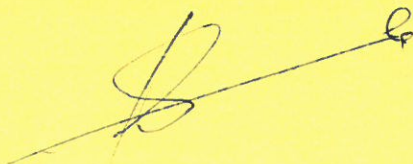
that it be recommended to Council:-

1. that it be noted that the variance between the actual operating revenue (R 1,970,283,556) and the budgeted operating revenue (R 2,043,536,666) has a negative variance of R 73,253,110 or 3.58%;
2. that it be noted that after year-end journals with regard to fines and grants revenue are processed the estimated operating revenue of R 2,037,427,836 will amount to an estimated 99.7% of budgeted revenue;



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3. that it be noted that the variance between the actual operating expenditure (R 1,861,700,370) and the budgeted operating expenditure (R 2,062,841,032) has a positive variance of R 201,140,661 or 9.75%;
4. that it be noted that after year-end journals with regard to fines impairment and depreciation expenditure are processed the estimated operating expenditure of R 1,989,546,330 will amount to an estimated 96.4% of budgeted expenditure;
5. that it be noted that the actual and committed capital expenditure of R 704,950,538 and the budgeted capital expenditure of R 728,065,952 realised underspending of R 23,115,414 or 3.17%;
6. that it be noted that the actual and committed capital expenditure of R 704,950,538 compared with the capital expenditure budget represent a spending percentage of 96.8% after twelve months of the financial year;
7. that it be noted that capital expenditure payments made as from 1 July 2017 and the final roll-over capital budget will still influence the final capital expenditure percentage;
8. that it be noted that external borrowings amounted to R 1,190,488,686 as at 30 June 2017 and that it represents 58.26% of Drakenstein's total budgeted operating revenue of R 2,053,136,666 for the 2016/2017 financial year;
9. that it be noted that of the R 229,981,680 grants received during the current financial year an amount of R 228,092,240 or 99.18% have been utilised as at 30 June 2017. The amount of R 228,092,240 is made up of operating expenditure of R 165,267,184 and capital expenditure of R 62,825,056 utilised on operating and capital projects / programmes;
10. that it be noted that the actual employee related cost expenditure of R 447,568,187 compared with the budgeted expenditure of R 462,972,309 relates to a positive variance of R 15,404,122 or 3.33%;
11. that it be noted that total outstanding debtors as at 30 June 2017 amounted to R 269,727,118 and that 30 days and older debt constitutes 61.95% of total outstanding debtors;
12. that it be noted that domestic consumers owe the municipality R 180,540,642 or 66.9% of the municipality's total debtor's book;
13. that it be noted that outstanding creditors are still being finalised and will be disclosed in the annual financial statements;
14. that it be noted that the primary bank account had a positive bank balance at 30 June 2017 which amounted to R 59,370,640; and



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15. that it be noted that total investments in cash and shares amounted to R 276,910,458 as at 30 June 2017 at the five local banks and Eskom.

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| Meeting: MC - 27/7/2017 | Submitted by Directorate: Financial Services | | |
| Ref No: 9/1/1/4 | Author/s: A Viola | | |
| Coll Nr: 1235083 | Referred from: | | |
| <u>PAR:</u> | <u>ACTION:</u> | <u>RESPONSIBLE DEPT:</u> | <u>DUE DATE:</u> |

HUMAN SETTLEMENTS AND PROPERTY MANAGEMENT

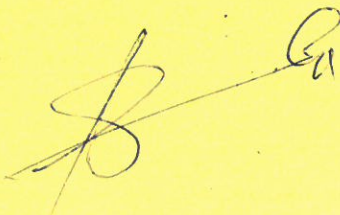
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| 4.5 PROPOSED APPOINTMENT OF ASLA (PTY) LTD AS TURNKEY IMPLEMENTING AGENT FOR HOUSING PROJECT IN THE SOUTHERN PAARL AREA OF DRAKENSTEIN MUNICIPALITY |
| VOORGESTELDE AANSTELLING VAN ASLA (EDMS) BPK AS "TURNKEY" IMPLEMENTERINGSAGENT VIR BEHUISINGS-PROJEKTE IN DIE SUIDELIKE PAARL AREA VAN DRAKENSTEIN MUNISIPALITEIT |
| ISINDULULO SOKUQESHA U ASLA (PTY) LTD NJENGE AGENTE YOMILISELWA KWE "TURNKEY" KWI PROJEKTI YEZINDLU KUMMANDLA WEMPUMA YASE PAARL YOMASIPALA WASE DRAKENSTEIN |

RESOLVED

that it be recommended to Council:-

1. that since Power Developments withdrew their letter of objection and since there were no other letters of objection, that the appointment of ASLA (Pty) Ltd as turnkey implementing agent for housing projects in the Southern Paarl Area of the Drakenstein Municipality, be approved; and
2. that the Municipal Manager be authorized to finalize the service level agreement between the municipality and ASLA.

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| Meeting: MC - 27/7/2017 | Submitted by Directorate: Community Services | | |
| Ref No: 17/5/1/1 | Author/s: F Rhoda | | |
| Coll Nr: 1234156 | Referred from: | | |
| <u>PAR:</u> | <u>ACTION:</u> | <u>RESPONSIBLE DEPT:</u> | <u>DUE DATE:</u> |



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CONFIDENTIAL MINUTES

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| 5.1 | COUNCILLORS OUTSTANDING DEBTORS REPORT AS AT 30 JUNE 2017 |
| | RAADSLEDE SE UITSTAANDE DEBITEURE VERSLAG SOOS OP 30 JUNIE 2017 |
| | INGXELO YAMATYALA OCEBA NGOBUNJALO NGOMHLA WE 30 JUNI 2017 |

See Confidential Minutes.

The meeting ended at 10:25.

CHAIRPERSON:

Conrad Poole

DATE:

16/8/2017

Confirmed on with/without amendments.

PJ/rs