



ORDINARY MEETING OF THE COUNCIL
GEWONE VERGADERING VAN DIE RAAD
INTLANGANISO YESIQHELO YEBHUNGA
MINUTES / NOTULE /
IMIZUZU

DATE / DATUM / UMHLA : 31 MAY / MEI / MEYI 2022
VENUE / PLEK / INDAWO : AUDITORIUM / OUDITORIUM
CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU
HERMANUS
TIME / TYD / IXESHA: 10:00

OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

MINUTES OF AN ORDINARY COUNCIL MEETING HELD IN THE AUDITORIUM, CIVIC CENTRE, HERMANUS, ON 31 MAY 2022, AT 10:00

PRESENT: Councillors were present as per attached attendance register.


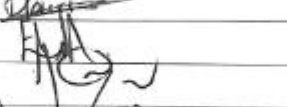

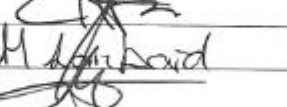
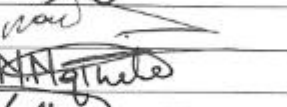





OFFICIALS PRESENT: Mr D O'Neill, Municipal Manager
Ms D Arrison, Director : Management Services
Ms S Reyneke-Naudé, Director : Finance
Mr R Williams, Director : Community Services
Mr N Michaels, Director : Protection Services
Mr S Madikane, Director : LED
Mr S Müller, Director : Infrastructure & Planning
Ms F Lloyd, Manager : Cape Whalecoast Tourism
Ms L Buchianneri, Senior Manager : Human Resources
Mr D Lakey, Senior Manager : Kleinmond Administration
Mr L Tait, Accountant : Capital Budget
Mr B King, Senior Manager : Financial Services
Ms B Plaatjies, Manager : Hermanus Administration
Ms R Louw, Senior Manager : Strategic Services
Ms H van Tonder, Manager : Council Support Services
Ms N Zweni, Manager : Communication
Mr A Olivier, Legal Advisor
Ms S Swart, Administrative Officer : Council Support Services
Ms R Steenekamp, Media & Social Media Liaison Officer
Ms N Nomaqhula, General Assistant : Auditorium

ALSO PRESENT: Members of the Public

MINUTES/....

OVERSTRAND MUNICIPALITY
ATTENDANCE REGISTER

COUNCIL MEETING
31 MAY 2022

ALDERMAN/COUNCILLORS	SIGNATURE
AFRICA, F	
BANDEZA, V	
BRICE, KD	
COETZEE, DP	
COHEN, G	
DE CONING, CA	
DEES, RM	
ELS, T	
FOURIE, SH	
GILLION, E	
GRIMBEEK, MD	
GWELE, T	
KOMANI, AS	
LERM, CH	
LOMBARD, H	
NGQANDANA, K	
NOMATITI, M	
NQINATA, NNT	
NTSABO, L	
NUTT, R	
RABIE, AL	
RESANDT, CT	
SIHLAHLA, M	
SILO, S	
TAFU-NWONKWO, CC	
VAN STADEN, JA	
WILLIAMS, SH	

4/5/2022

1. OPENING

The Municipal Manager, Mr D O'Neill, read the notice convening the meeting and Cllr T Gwele opened with prayer. The Speaker welcomed those present.

2. APPLICATIONS FOR LEAVE OF ABSENCE

S Silo

RESOLVED:

that it be noted that Cllr S Silo was **absent without leave**.

3. CONFIRMATION OF MINUTES

- 3.1 Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 26 April 2022** at **10:00**

RESOLVED:

that the Minutes of an **Ordinary Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 26 April 2022** at **10:00**, be confirmed.

- 3.2 Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 17 May 2022** at **12:00**

RESOLVED:

that the Minutes of a **Special Meeting** of the **Overstrand Municipal Council** held on **Tuesday, 17 May 2022** at **12:00**, be confirmed.

4. STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE SPEAKER / EXECUTIVE MAYOR

The Executive Mayor, Ald A Rabie, allowed a moment of silence in memory of the Municipal Manager's mother who passed on on 30 May 2022.

The Executive Mayor, Ald A Rabie, informed Council that the current week is Child Protection Week and requested Councillors to join relevant organisations in their wards.

The Executive Mayor, Ald A Rabie, congratulated Ms I Mfodisi, a young lady from Zwelihle, who was invited to host the 75th commemoration of the Queen's Commonwealth Trust. She will be hosting an event in Hermanus on 2 June 2022 on youth celebration.

The Executive Mayor, Ald A Rabie, reported on a Western Cape Property Development Forum which was attended by herself, the Municipal Manager, Mr D O'Neill, Cllr C Lerm and Dir S Müller but expressed her concern that Overstrand is behind in terms of its strategic thinking about housing and shelter. She mentioned that a special housing conference is planned for middle November 2022.

The Executive Mayor, Ald A Rabie, congratulated Cllr R Nutt as well as Cllr L Ntsabo and other councillors for their support, and especially the relevant Social Compact, for the peaceful way houses were handed over in Area C1, Zwelihle.

The Executive Mayor, Ald A Rabie, expressed her concern that the ward committees are not functioning the way they should. She requested the Speaker's indulgence that a workshop be held with all ward committee members.

The Executive Mayor, Ald A Rabie, referred to an operational report received from the Environmental Department and informed Council that it is her opinion that the baboon management programme be handed back to Cape Nature.

Schulphoek Housing Project:

The Executive Mayor, Ald A Rabie, reported that social compacts have been selected for wards 4, 5, 6, 7 and 12 and she thanked the African National Congress and Land Party for their contribution towards the successful election in Zwelihle on 30 May 2022. In wards 4 and 7 substantial criticism was expressed about the exclusion of the category 'interested and affected parties'. The Executive Mayor explained that a social compact deals with beneficiation for housing and the interested and affected parties must participate in the public participation processes. She reiterated that she as the Executive Mayor, will not accept any telephone calls from any developer as she is the appeal authority and cannot take part in conversations of development proposals.

The Speaker, Cllr G Cohen, reminded Councillors of the workshop to be held directly after this council meeting regarding the responsibility of Councillors as Commissioners of Oath. He also informed Councillors that a workshop will be held on 7 June 2022 regarding budget related policies.

5. CONSIDERATION OF RECOMMENDATIONS MADE BY THE EXECUTIVE MAYOR TO COUNCIL, IN TERMS OF SECTION 160(2) OF THE CONSTITUTION, 1996, AND SECTION 59(1)(a) OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 2000 (ACT 32 OF 2000)

5.1

PROPOSED INVESTMENT INCENTIVE POLICY FOR THE OVERSTRAND MUNICIPALITY

(ITEM 5 PAGE 151 : INVESTMENT & INFRASTRUCTURE PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2022)

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

that the proposed Investment Incentive Policy, inclusive of the fast-track Overstrand approach, **be approved** for public participation.

RESPONSIBLE OFFICIAL :

R KUCHAR

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2022

5.2**OVERSTRAND MUNICIPALITY: CEMETERY BY-LAW****(ITEM 1 PAGE 1 : COMMUNITY SERVICES PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the Overstrand Municipal Cemetery By-Law **be approved.**

RESPONSIBLE OFFICIALS :

**DEPUTY DIRECTOR :
OPERATIONAL SERVICES
AREA MANAGERS:
KLEINMOND,
GANSBAAI, HERMANUS
SENIOR OPERATIONAL
MANAGERS: KLEINMOND,
GANSBAAI, HERMANUS
SENIOR MANAGER: LAW
ENFORCEMENT & TASK
TEAM**

TARGET DATE FOR IMPLEMENTATION :

ON PROCLAMATION 2022

5.3**OVERSTRAND MUNICIPALITY: CEMETERY POLICY****(ITEM 2 PAGE 17 : COMMUNITY SERVICES PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the item **be withdrawn** and resubmitted during the next cycle of Council.

RESPONSIBLE OFFICIAL :**R WILLIAMS****TARGET DATE FOR IMPLEMENTATION :****13 JUNE 2022**

5.4

DRAFT OVERTIME AND STANDBY POLICY

**(ITEM 1 PAGE 1 : MANAGEMENT SERVICES PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2022)**

THE AFRICAN NATIONAL CONGRESS REQUESTED A CAUCUS AT 10:19

THE MEETING RESUMED AT 10:32

RESOLVED (SUPPORTED BY 25 COUNCILLORS):

that the draft Overtime and Standby Policy **be approved.**

RESPONSIBLE OFFICIAL :

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION :

JULY 2022

**IT SHOULD BE NOTED THAT ALD N NQINATA WAS NOT PRESENT WHEN THE
MEETING RESUMED AND ONLY JOINED THE MEETING AT 10:33**

5.5

REVIEW OF RECRUITMENT AND SELECTION POLICY

**(ITEM 2 PAGE 13 : MANAGEMENT SERVICES PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2022)**

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

that the review of the Recruitment and Selection Policy, with exclusion of Paragraph 8.4, **be approved.**

RESPONSIBLE OFFICIAL :

L BUCCHIANERI

TARGET DATE FOR IMPLEMENTATION :

JUNE 2022

5.6

MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c) AND PARAGRAPH 6(7)(4)(F) OF THE DIRECTIONS OF THE DISASTER MANAGEMENT ACT, APRIL 2022

(ITEM 2 PAGE 12 : FINANCE & TOURISM PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2022)

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2022, **be noted**;
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for April 2022, **be noted**; and
3. that the awards made through the Bid Committee system, and formal written price quotations in excess of R30 000 and all price quotations below R30 000 for April 2022, **be noted**.

RESPONSIBLE OFFICIAL :**C LE ROUX****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**

5.7

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE APPLICATION OF INTERIM MEASURES DUE TO THE CONSTITUTIONAL COURT RULING OF 16 FEBRUARY 2022

(ITEM 4 PAGE 27 : FINANCE & TOURISM PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2022)

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

that the item **be withdrawn.**

RESPONSIBLE OFFICIAL :

C LE ROUX

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2022

5.8**WRITING OFF OF IRRECOVERABLE DEBT****(ITEM 5 PAGE 59 : FINANCE & TOURISM PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the irrecoverable debt to the value of R349 325,41 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 149 716.93
B	Indigent water leakages irrecoverable	R 167 392.50
C	Final accounts equal or less than R1 500.00	<u>R 32 215.98</u>
	TOTAL	R 349 325.41

RESPONSIBLE OFFICIAL :**EM HOONEBERG****TARGET DATE FOR IMPLEMENTATION :****31 MAY 2022**

5.9**MUNICIPAL OWNED IMMOVABLE PROPERTIES IDENTIFIED FOR SALE AND LEASE BY MEANS OF A COMPETITIVE PROCESS - INVESTMENT CONFERENCE****(ITEM 5 PAGE 1 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)**

COUNCILLORS M SIHLAHLA, C TAFU-NWONKWO, ALD N NQINATA, CLLRS K NGQANDANA AND V BANDEZA REQUESTED THAT THEIR OPPOSITION AGAINST THE RECOMMENDATION BE MINUTED.

RESOLVED (SUPPORTED BY 21 COUNCILLORS):

that Council **takes note** of the following municipal owned immovable properties to be presented at the proposed Investment Conference to be held on 23 and 24 June 2022:

1. Lease:

- (a) Portion of Remainder Erf 4771 Hermanus (Grotto Beach) – Restaurant and related
- (b) Portion of Erf 775 Fisherhaven – Holiday Resort and related
- (c) Portion of Erf 5462 Kleinmond - Holiday Resort
- (d) Portion of Erf 4831 Hermanus and a Portion of Erf 5327 Hermanus - Public Resort (De Mond Caravan Park)

2. Sale:

- (a) Portion of Remainder Erf 4771 Hermanus (Next to OK, Voëlklip) – Residential development
- (b) Portion of Erf 4833 Hermanus (Lakeview) - Retirement Village
- (c) Unregistered Erf 11440 Hermanus – Offices
- (d) Portions of Erf 210 Gansbaai – Aquaculture
- (e) Erf 1886 Franskraalstrand – Town Housing
- (f) Portion of Erf 210 Gansbaai – Industrial
- (g) Erf 1070 De Kelders (use to be confirmed)
- (h) Unregistered Erf 12308 (a portion of Erf 384) Hermanus - Medical facilities and related community purposes

RESPONSIBLE OFFICIAL :**A LE ROUX
R KUCHAR****TARGET DATE FOR IMPLEMENTATION :****PROCESS****TARGET DATE TO INFORM APPLICANT :****N/A****TARGET DATE TO INFORM OBJECTOR :****N/A**

5.10**FINAL AMENDED INTEGRATED DEVELOPMENT PLAN (IDP) FOR 2022/2027****(ITEM 6 PAGE 12 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

1. that the final amended IDP for 2022/2027 **be approved**; and
2. that the current 5-year IDP process plan, which has been approved by the new Council on 25 November 2021 for the drafting of the 2022/2027 IDP, remain in place until the adoption of a new IDP process plan in August 2022.

RESPONSIBLE OFFICIAL :**RG LOUW****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2022**

5.11**ADOPTION OF OVERSTRAND SPATIAL DEVELOPMENT FRAMEWORK:
OVERSTRAND MUNICIPALITY****(ITEM 7 PAGE 87 : MAYORAL COMMITTEE MEETING : 30 MAY
2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the reviewed Spatial Development Framework as was adopted by Council at its meeting held on 27 May 2020 **be confirmed** for the 2022/2023 financial year.

RESPONSIBLE OFFICIAL/S :**R KUCHAR****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2022**

5.12**FINAL DRAFT WATER SERVICES DEVELOPMENT PLAN FOR 2022/23****(ITEM 8 PAGE 241 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the Final Draft Water Services Development Plan (WSDP) for 2022/23 **be approved.**

RESPONSIBLE OFFICIAL:**H BLIGNAUT****TARGET DATE FOR IMPLEMENTATION:****1 JULY 2022****TARGET DATE TO INFORM APPLICANT:****NOT APPLICABLE****TARGET DATE TO INFORM OBJECTOR:****NOT APPLICABLE**

5.13**REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY****(ITEM 9 PAGE 248 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)****RESOLVED (SUPPORTED BY 26 COUNCILLORS):**

that the budget related policies attached to the item and amended as indicated in the report, **be approved** and implemented with effect from 1 July 2022.

RESPONSIBLE OFFICIAL :**S REYNEKE-NAUDE****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2022**

IT SHOULD BE NOTED THAT A WORKSHOP REGARDING BUDGET RELATED POLICIES WILL BE HELD ON 7 JUNE 2022 WHERE SOME POLICIES WILL BE AMENDED AND RESUBMITTED TO COUNCIL FOR APPROVAL

5.14

GRANTS-IN-AID: ALLOCATION OF FUNDING TO ANIMAL WELFARE SOCIETIES FOR 2022/2023**(ITEM 10 PAGE 420 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)****THE AFRICAN NATIONAL CONGRESS REQUESTED A CAUCUS AT 11:10****THE MEETING RESUMED AT 11:22****MEMBERS OF THE AFRICAN NATIONAL CONGRESS INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLR M SIHLAHLA, SECONDED BY CLLR T GWELE, MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE FUNDING RATHER BE REALLOCATED TO OLD AGE HOMES.****WHEN PUT TO THE VOTE, 20 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 4 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 2 MEMBERS ABSTAINED FROM VOTING. THE RECOMMENDATION FROM THE EXECUTIVE MAYOR THUS CARRIED.****RESOLVED (SUPPORTED BY 20 COUNCILLORS):**

1. that the necessary deviations from the Grants-in-Aid Policy be approved to enable budget provision (2022/23) to the following beneficiaries:

1. HAWS (Hermanus Animal Welfare Society)	R200,000.00
2. KAWS (Kleinmond Animal Welfare Society)	R100,000.00
3. BARC (Birkenhead Animal Rescue Centre)	R100,000.00
4. SAWS (Stanford Animal Welfare Society)	<u>R100,000.00</u>
	R500,000.00

2. that the Service Level Agreements be concluded with the respective Animal Welfare Societies.

RESPONSIBLE OFFICIAL:**R FRASER****TARGET DATE FOR IMPLEMENTATION:****01 JULY 2022**

5.15

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2022/2023 MTREF

(ITEM 11 PAGE 423 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)

THE AFRICAN NATIONAL CONGRESS REQUESTED A CAUCUS AT 11:30

THE MEETING RESUMED AT 11:53

THE SPEAKER, CLLR G COHEN, AFFORDED THE EXECUTIVE MAYOR, ALD A RABIE, TIME TO DELIVER HER BUDGET SPEECH

THE EXECUTIVE MAYOR, ALD A RABIE, DELIVERED HER BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE A TO THE MINUTES

COUNCILLORS M SIHLAHLA, C TAFU-NWONKWO, ALD N NQINATA AND CLLR T GWELE REQUESTED THAT THEIR OPPOSITION AGAINST THE APPROVAL OF THE 2022/2023 BUDGET BE MINUTED. CLLRS K NGQANDANA AND V BANDEZA ABSTAINED FROM TAKING PART IN THE CONSIDERATION OF THIS ITEM

RESOLVED (SUPPORTED BY 20 COUNCILLORS):

1. That, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2022/2023 to 2024/2025 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:
 - Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
 - Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
 - Schedule 3:** Budgeted multi- and single year capital appropriations by standard classification (vote) and funding by source
 - Schedule 4:** Budgeted financial position
 - Schedule 5:** Budgeted cash flow
 - Schedule 6:** Cash backed reserves and acc. surplus reconciliation
 - Schedule 7:** Asset management
 - Schedule 8:** Basic service delivery measurement
2. that the property rates reflected in **Annexure A** to the item, **be imposed** for the budget year 2022/2023;
3. that tariffs and charges reflected in **Annexure A** to the item, **be approved** for the budget year 2022/2023;

4. that the Municipal Manager be authorised to sign the necessary documents to give effect to the 2nd draw down of the proposed three year borrowing programme for external loans amounting to R50 million per year;
5. that the following schedules be noted:
Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification)
Schedule 10: Budgeted capital appropriations by municipal vote
6. that **cognisance be taken** of the letters of comment received from the community and the SIME: LG MTEC Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures K and L respectively to the item of the budget report; and
7. that **cognisance be taken** of the 2022/2023 Budget Report.

RESPONSIBLE OFFICIALS:**S REYNEKE-NAUDE
BA KING****TARGET DATE FOR IMPLEMENTATION:****1 JULY 2022**

5.16

PROPOSED OVERSTRAND MUNICIPALITY TINY HOUSE POLICY

(ITEM 12 PAGE 523 : MAYORAL COMMITTEE MEETING : 30 MAY 2022)

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

that the proposed Tiny House Policy **be approved** for public participation.

RESPONSIBLE OFFICIAL :

S MULLER

TARGET DATE FOR IMPLEMENTATION :

29 JULY 2022

6. CONSIDERATION OF REPORTS**6.1****INVESTIGATION INTO THE INSTANCE OF IRREGULAR EXPENDITURE:
SCIE 2021.22.16: NON-COMPLIANCE WITH SUPPLY CHAIN MANAGEMENT
POLICY WITH REGARDS TO BABOON MANAGEMENT PROGRAMME****3/2/3/8****S Muller****29 March 2022****Director : Infrastructure & Planning****(028) 313 8019**

EXECUTIVE SUMMARY

The purpose of this report is to provide the necessary information and to request Council to write off expenditure in terms of section 32(2)(b). This report contains the detailed background and reasons for the incurrence of the expenditure, when services were rendered in relation to baboons for one incident during the period November 2021.

A report dealing with the remainder of the costs incurred as Irregular Expenditure related to Baboon Management, served before MPAC and Council in March and April 2022 respectively, exclusive of the amount now under consideration omitted, also incurred during the same period up to December 2021.

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

1. that, in view of the fact that the municipality has received value for money, the irregular expenditure to the amount of R2 729.53 (Vat Incl) rendered for the treatment of baboons without an official order, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003; and
2. that it be noted that the veterinary services for certain emergency purposes are not included in the service contract with Human Wildlife Solutions.

RESPONSIBLE OFFICIAL:**C LE ROUX
B KING**

6.2**INVESTIGATION INTO THE INSTANCE OF IRREGULAR EXPENDITURE:
SCIE 2021.22.15: NON-COMPLIANCE WITH SUPPLY CHAIN MANAGEMENT
POLICY WITH REGARDS TO ADVERTISEMENT IN OVERBERG WINE GUIDE****3/2/3/8****S Madikane****Director : Local Economic Development****4 May 2022****(028) 313 8000**

EXECUTIVE SUMMARY

The purpose of this report is to provide the necessary information and to request Council to write off expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003. This report contains the detailed background and reasons for the incurrence of the expenditure, when services were rendered for the placement of a destination marketing advertisement without an official order.

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

that, since the municipality received value for money, irregular expenditure to the amount of R11 000 (VAT not applicable) rendered for the placement of the advertisement, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

RESPONSIBLE OFFICIAL:**C LE ROUX
B KING**

6.3**INVESTIGATION INTO THE INSTANCE OF FRUITLESS AND WASTEFUL EXPENDITURE: OUTSTANDING AMOUNTS NOT RECOVERABLE FROM PREVIOUS OWNERS FOR PLOT CLEARING CHARGES, AFTER PROPERTY WAS SOLD****3/2/3/8****N Michaels****Director: Protection Services****R Williams****Director : Community Services****04 May 2022****(028) 313 8054**

EXECUTIVE SUMMARY

The purpose of the report is to provide Council with the necessary information to take an informed decision when considering the facts and circumstances regarding the negligence in reporting on the fruitless and wasteful expenditure of Beneficium Mission NPC (account number 900000500561) and to write off expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003).

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

1. that the Fruitless and Wasteful Expenditure to the amount of R7 069.13 in relation to the outstanding amount not recoverable from Beneficium Mission NPC be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003; and
2. that a Standard Operating Procedure be developed for the clearing of privately-owned plots and that Council considers the reorganisation of the specific function for plot clearing to only take place in one department.

RESPONSIBLE OFFICIAL :**C LE ROUX
B KING
N MICHAELS
R WILLIAMS**

6.4**INVESTIGATION INTO THE INSTANCE OF FRUITLESS & WASTEFUL EXPENDITURE: THEFT OF REGISTRATION FEES FOR 13 DECEMBER 2019****3/2/3/8****N Michaels****28 April 2022****Director : Protection Services****(028) 313 8054**

EXECUTIVE SUMMARY

The purpose of this report is to provide the necessary information and request Council to write off the Fruitless and Wasteful expenditure in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act (56/2003). This report contains the background of reasons for the incurrence of the Fruitless and Wasteful Expenditure due to theft of vehicle registration fees for 13 December 2019.

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

1. that, in view of the Internal Audit investigation and reporting to the JAPAC, inclusive of the outcome of a case of theft registered at the SAPS, the theft of registration fees to the amount of R27 817.60 for 13 December 2019, thus declared as Fruitless and Wasteful expenditure, be certified as irrecoverable and written off in terms of section 32(2)(b) of the Local Government: Municipal Finance Management Act, Act 56 of 2003; and
2. that it be noted that all disciplinary and legislative processes will be followed timeously in future to mitigate the occurrence of similar incidences.

RESPONSIBLE OFFICIAL :**C LE ROUX
B KING
N MICHAELS**

6.5**RESCISSION: RENEWAL OF THE SERVICE CONTRACT OF THE MUNICIPAL MANAGER, MR DGI O'NEILL, FOR A PERIOD OF 3 YEARS**

This item was distributed under separate cover to Councillors for consideration.

In terms of Section 20(2) of the Local Government: Municipal Systems Act, No 32 of 2000, read with Rule 17 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements, this item must be considered "in committee".

THE MEETING STOOD DOWN AT 12:23 IN ORDER TO GIVE THE MUNICIPAL MANAGER, MR D O'NEILL, OFFICIALS AND MEMBERS OF THE PUBLIC THE OPPORTUNITY TO LEAVE THE AUDITORIUM**THE MEETING RESUMED AT 12:24**

The resolutions under this item shall be minuted in a separate minute book in terms of section 20(2) of the Local Government: Municipal Systems Act, No 32 of 2000 read with paragraph 6 of the Overstrand Municipality's By-law on Rules of Order for Internal Arrangements.

THE MEETING STOOD DOWN AT 12:35 IN ORDER TO GIVE THE MUNICIPAL MANAGER, MR D O'NEILL, OFFICIALS AND MEMBERS OF THE PUBLIC THE OPPORTUNITY TO REJOIN THE MEETING

THE MEETING RESUMED AT 12:40

6.6

APPROVAL FOR FILLING OF VACANCY: MUNICIPAL MANAGER

4/3/R

D Arrison

18 May 2022

Director: Management Services

(028) 313 8001

EXECUTIVE SUMMARY

The purpose of this report is to obtain Council's approval for the filling of the vacancy of the Municipal Manager, which will be triggered by the fixed term contract termination of the current Municipal Manager, Mr Dean Ian O'Neill, at the end of October 2022.

RESOLVED (SUPPORTED BY 26 COUNCILLORS):

1. that it **be noted** that the employment contract of Mr DGI O'Neill will expire on 31 October 2022;
2. that the filling of the vacancy as from 1 November 2022 **be approved**; and
3. that it **be noted** that the vacancy of Municipal Manager be advertised in the national newspapers as well as provincial newspapers in the Western Cape.

RESPONSIBLE OFFICIAL :

DS ARRISON

TARGET DATE FOR IMPLEMENTATION :

IMMEDIATELY

7. URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER (IF ANY)

The Municipal Manager, Mr D O'Neill, informed Council of a letter which was received from the Western Cape Provincial Parliament regarding a joint provincial visit week of the service delivery cluster standing committees on agriculture, environmental affairs and development planning, finance, economic opportunities and tourism, human settlements, local government and transport and public works from 20-24 June 2022. They see this as a part of their oversight mandate within the province. The Executive Mayor, Ald A Rabie, will circulate the information to Councillors.

8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS

- A motion received from the Land Party re Social Compact, was attached as Annexure A to the council agenda.

The motion was withdrawn by the Land Party.

9. CONSIDERATION OF MOTIONS OF EXIGENCY (IF ANY)

None

The meeting adjourned at 12:43

DATE

THE SPEAKER – G COHEN

Mayor's Final Budget Speech - 31 May 2022

Dave Ramsey said, "a budget is telling your money where to go, instead of wondering where it went"

Drafting a budget is never an easy task. Budgets are a balancing act and more often than not it is regarded as a guideline only.

In our own lives we often will overspend on one item and believe ourselves that next month we will top it up again.....that seldom happens.

Government budgets are notoriously short cashed. Budgets also invariably fall short of meeting citizen expectations, fuelled by election undertakings.

The interface between the 3 spheres of government in relation to the transfer of public funding from the national fiscus to local municipalities remain problematic.

The census is one vehicle used by National Government to allocate funding to provincial and local spheres of government.

Hence participation in the census is a key driver of whether Overstrand will receive our rightful share from the national fiscus.

Municipal Councils and the Mayor specifically, are the custodians of public money and legislation places a huge responsibility on our shoulders to accrue and expend public money.

The MFMA S52, inter alia, states: The Mayor of a Municipality:

- (a) MUST provide general political guidance over the fiscal and financial affairs of the municipality – no choices, MUST
- (b) In providing such general political guidance, may monitor and, to the extent provided in this Act, OVERSEE the exercise of responsibilities assigned to the Accounting Officer, but MAY NOT interfere in the exercise of those responsibilities
- (c) MUST take all reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget

Over the years many mechanisms have been put in place to ensure compliance, checks and balances to monitor and evaluate how Councils expend the public's money.

Hence my commitment to open and transparent government.

Ethical business processes are the cornerstone of a corruption free government.

In terms of S152 of the Constitution, the objects of local government are

- 1- To provide democratic and accountable government for local communities
- 2- To ensure the provision of services to communities in a sustainable manner
- 3- To promote social and economic development
- 4- To promote a safe and healthy environment and

- 5- To encourage the involvement of communities and community organisations in the matters of local government.

The above is important as these have to reflect in the IDP, which in turn informs the Budget and translates into the high-level Service Delivery Budget Implementation Plan (SDBIP).

The sustainability of a Municipality is a key driver of building investment trust. Whilst Overstrand Municipality is currently financially sound and meets the precepts of sustainability, we do have to cut our coat according to our cloth.

We currently have sufficient funding to cover 4.9 months of operational expenditure. The norm set by National Treasury is 1 to 3 months. I am comfortable that we are in a safe position.

The economic and wealth profile of Overstrand often blurs the reality of a growing level of generic poverty, systemic unemployment and inability to create personal sustainable livelihoods.

Political stability, good governance and operational infra-structure drive investment, which drives the creation of career-based job opportunities. This is the only sustainable road out of poverty and inequality.

Mr Speaker, today I am presenting to you and Council, a DRAFT budget with the request that Council supports the document. Please may it, on adoption, be circulated and published widely so that the public can engage with the document.

Myself and Mayco will visit each town to discuss the draft to listen to alternative suggestions.

Similarly, I requested the Accounting Officer to ensure that the immediate next meeting of Ward Committees will engage with the document as part of their representation of the organisations and/or geographical blocks they represent.

It is therefore incumbent on ward committee members to ensure that their constituencies are afforded the opportunity to engage with the document.

Insofar as the document before us is concerned, I wish to express that it does not as yet meet all my expectations of the 3 C objectives of this term of office.

Whilst it is a good start, it needs further translation into the next generation IDP.

As you are aware, Mr Speaker, Council adopted a resolution that the lifespan of the existing IDP will be extended for the 2022/23 financial year.

This gives us an opportunity to with effect August 2022 start the design of the new generation IDP with full focus on manifesting the 3C's in pursuit of our overall vision of an #overstrand4all.

Let me turn to the proposed budget for the 2022/23 financial year:

1. The budgeted revenue excluding capital grants received, amounts to R1,498 billion.
2. The budgeted operational expenditure amounts to R1,594 billion – this includes non cash items like depreciation.
Hence an accounting deficit of R96,8 million is reflected

3. The Capital budget amounts to R236.0 million – It is to be used for very specific Capital projects

B. Projected Revenue per functional classification, including capital grants are:

Governance and administration	R384.9 million
Community and Public Safety	R152.6 million
Economic and Environmental services	R24.3 million
Trading services	R1.0 billion

Trading services include electricity/energy; water management, waste water management, and waste management

TOTAL R1.583 Billion

C. Projected Operational Expenditure per functional classification, are:

Governance and administration	R315.4 million
Community and Public Safety	R267.4 million
Economic & Environmental Services	R198.3 million
Trading services	R810.4 million

TOTAL R1.594 Billion (with a nett deficit of R11.9 million)

A surplus on any trading service is crucial as it is intended and required to generate surplus cash to partly fund capital expenditure such as vehicles and ICT infra-structure. This is to ensure adequate cash backing of reserves and funds.

D. Employee and Councillor related remuneration.

In the budget a provision of R516.8 million is made for employee related costs and the remuneration of Councillors. This is 32.40% of the total operating expenditure and is within the National Treasury norm of 25 – 40%.

An additional amount of R21.9 million is provided for as a long term liability (post-retirement benefits) and therefore not cash remuneration. This is a statutory provision which we may not ignore.

In respect of Councillors, the amount provided for is R12.3 million

After LGE2021 the number of Councillors increased from 25 to 27.

During the past two financial years, councillors have not received an increase. The remuneration of councillors is contained in the so-called Upper Limits document and it is signed at the behest of the

President. No indication as yet has been given whether councillors will receive an increase for the 22/23 financial year.

The Upper Limits document for Municipal Managers was published earlier this week and no increase is provided for.

In keeping with this, it is proposed that no increase be awarded the current Directors and other senior managers.

However, the SALGBC in 2021 signed a wage and salary collective agreement for Municipalities for a 3-year period from 1 July 2021 to 30 June 2024. It must be implemented by all municipalities countrywide.

The proposed increase in the salary budget is 4.9% and notch increases, which average 2% have also been budgeted for in view of the Agreement, low a 6.9% increase.

Staff vacancies are still frozen and may only be filled following a motivation to The Municipal Manager. No new posts were considered for inclusion in this draft budget.

E. Mr Speaker before I announce the new tariffs on basic services for the next financial year, allow me to reference the cost of rendering services.

With regards to electricity our total expenditure is R543.8 million and our income R578.5 million which allows for a surplus of R34.7 million or a surplus margin of 6.00% for this service.

In the case of water, our expenditure is R148.9 million against an income of R154.4 million giving us a surplus margin of 3.61% or R5.6 million

Waste water management provides for a net surplus margin of 4.70% or R5.3 million. This is against an income of R112.2 million and an expenditure of R106.9 million

Waste management, Mr Speaker carries with a total income of R96.8 million against an expenditure of R97.8 million, leaving a deficit of -0.96% or -R932 thousand (just short of a million).

F. Mr Speaker, allow me to now deal with the tariffs for the next financial year.

The following increases are proposed:

- 1) Rates 5.9% .
A rebate of R15 000 on all residential properties will be rewarded. An additional R35 000 on improved residential properties will also be awarded.
The cent in the Rand assessment on urban residential erven with improvements, will be R0,00657 X the property value = R XYZ plus a further 20% rebate of the property rates payable if used for residential purposes only.
The cent in the Rand assessment for bona fide agricultural land is R0,00164 X the property value
- 2) Sewer 4.3%
- 3) Refuse 5.9%
- 4) Water 4.9%
- 5) Electricity 7.47%, based on NERSA guidelines (not yet approved)
The average increase of this basket of services EXCLUDING Electricity amounts to an average increase of 5%. Adding the Electricity increase results in a basket increase of approximately 6.4%.
- 6) Sundry tariffs - ranging from 4.5% to variable deductions or to a cost recovery adjustment. The extended list of tariffs is attached for ease of reference.
- 7) Interesting to note that as part of our pro-poor approach to this budget, I am pleased to announce that for indigent households, the benefit of 6 kl of free water will be increased to

- 10 kl of water effective 1 July 2022 and in respect of sewerage the 4.2 kl free sewerage will increase to 7 kl.
- 8) Overstrand at the moment has a total household count of 36 066 with the informal count being 3 779.
As a further contribution to our pro-poor approach, the increase in tariffs under the control of the municipality are contained.
For example we reduced the tariffs to launch fishing boats substantially. In other instances we kept the tariffs at the same level as in 2021/22 and/or we scrapped tariffs all together.
- 9) Rebate of 50% for grave site:
Applicable to Tariffs S15A1, S15A2, S15A4 & S15B on the following conditions:
* Overstrand local household with gross household income per application of R0-R4100
* Applications must be accompanied by sworn declaration of household income of the immediate family of the deceased.
- 10) We also embarked on an adjusted indigent policy trajectory in that we wish to use an increased amount of our equitable share to provide for indigent subsidies. During the budget roadshows this matter will be further explained and highlighted.

Comparison between basic charges 2021/22 and the increases for 22/23 (Vat excluded)

Electricity	from	<u>R408.17</u>	to	<u>R438.66</u>	(7.47%)
Water	from	<u>R148.35</u>	to	<u>R155.62</u>	(4.9%)
Refuse	from	<u>R201.59</u>	to	<u>R213.48</u>	(5.9%)
Sanitation	(1) from	<u>R132.20</u>	to	<u>R137.88</u>	(4.3%) (can connect to network)
	(2) from	<u>R 89.08</u>	to	<u>R 92.91</u>	(4.3%) (cannot connect to network)

Basic or Availability charges are needed to ensure that the fixed costs to have a 365-day operational service and networks in place to provide a service to every erf across the Overstrand, at any time that the service is required and at the capacity and place where it is needed.

G. Division of revenue allocation (DORA) grants have been published and are therefore receivable from the National and/or Provincial Governments to an amount of R334.9 million

The contribution is as follows:

NATIONAL	
Equitable Share	R141.9 million
FMG	R1.55 million
EPWP	R2.6 million
MIG	R24.6 million
INEP (electricity)	R21.3 million
Energy efficiency & demand side management	R5.0 million
Water infrastructure grant	R27.4 million
TOTAL	<u>R224.4 million</u>
PROVINCIAL	
Resource funding K9 unit	R2.4 million
Reaction Unit	R2.9 million
Human Settlements Development grant	R111.7 million (Less R15.2m accelerated spending in 2021/22)
Construction of Transport Infra-structure	R140 thousand

Provincial Library Services Grant	R8.3 million
Thusong services centres grant	R150 thousand
Community Development Workers	R75 thousand
TOTAL	<u>R125.7 million</u>

It is important to note that these amounts consist of both operational and capital budget transfers. MIG, INEP, Water Infrastructure grants and a portion of the Housing grant are examples of capital grants.

H. CAPITAL BUDGET.

The Overstrand Capital budget amounts to R236 million for 2022/23 and is 0.8% less than 2021/22. The decreased own funding from surplus is due to the limited availability of cash for capital investment for the 2022/23 capital budget.

The dedicated infrastructure upgrading and/or replacement project for water and sewerage networks had a 3-year lifespan, which came to an end on 30 June 2021, except for a roll-over amount of R35.2 million which was spent during the current financial year.

Our own funding through new borrowings is anticipated at R50million. Borrowings (including roll-overs) contribute 34% of the funding over the 2022/23 MTREF. Internally generated funds contribute 13,6% and capital grants 52,4%

For 2022/23 an amount of R166.6 million has been appropriated for the development of basic services infrastructure which represents 70.6% of the total capital budget of R236 million

R65,4 million or 39.3% is going towards electricity.

Waste water infrastructure has the second highest allocation at R57.7 million or 34.6%;

Water management at R40 million or 24%

Waste management represents R3.5 million or 2.1%

Over the 3 year MTREF, the capital housing grant expenditure relating to housing infrastructure provision amounts to R66.4 million.

The top 10 capital projects are:

1. Low cost housing construction contracts across the Overstrand @ R38,8 million
2. The new 66 Kv substation for Franskraal, Kleinbaai & Birkenhead in Gansbaai @ R37,5 million
3. The upgrading of pumpstations & rising mains across Overstrand @ R27,5 million
4. Kleinmond Waste Water Treatment Works refurbish/upgrade @ R22,4 million
5. Replacement of waterpipes across the Overstrand receives R16,5 million
6. Electrification of low cost housing areas also across the Overstrand receives R16 million
7. R7,6 million for the Masakhane Housing project in Ward 2 comes in at number 7
8. Number 8 also goes to Ward 2 for the upgrade of water lines & new booster pumpstation valves @ R7 million
9. Hermanus MV/LV upgrade/replacement for R6 million in Ward 3 comes in at number 9.
10. Ward 1 receives R5,6 million for the upgrading of bulk water supplies.

The Zweilohle Library in Ward 12 receives an amount of R4,4 million

The budget schedules reflect all further capital projects.

I wish to thank the CFO, the Directors and the Municipal Manager for their support in drafting this budget.

Let this be the beginning of the journey to an **#overstrand for all**.

Dr. A Rable
Executive Mayor
Overstrand Municipality