



NOTULES VAN DIE / MINUTES OF THE

**VIRTUELE SPESIALE RAADSVERGADERING VAN DIE CEDERBERG MUNISIPALITEIT
SOOS GEHOU OP**

23 APRIL 2021

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**VIRTUAL SPECIAL COUNCIL MEETING OF THE CEDERBERG MUNICIPALITY, HELD
ON**

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**MINUTES OF THE VIRTUAL SPECIAL COUNCIL MEETING OF THE CEDERBERG
MUNICIPALITY HELD ON 16 MARCH 2021.**

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PRESENT AND IN ATTENDANCE:

As per the attendance registers copied into the minutes after the final item:

- Cllr. P Strauss
- Cllr. N Qunta
- Cllr. L Scheepers
- Cllr. F Kamfer
- Cllr. M Heins
- Cllr. E Majikijela
- Cllr. R Pretorius
- Cllr. R Witbooi
- Cllr. F Sokuyeka

- Mr. A Titus
- Mr. H Slimmert
- Mr. J Kotze
- Mr. B Blaauw
- Mr. N Mercuur
- Ms. P Majeni
- Ms. E Vlsser
- Mr. R Meyers

ABSENT WITHOUT APOLOGY:

- Geen / None

1. OPENING

- Cllr. P Strauss welcomed all present and Cllr. Pretorius opened the meeting with a prayer.

02. ELECTION OF (ACTING) SPEAKER, IF NECESSARY

- N/A

3. APPLICATIONS FOR LEAVE OF ABSENCE

Rules of Order for Internal Arrangement

Part 3

7. Leave of absence

- 7.1 Leave of absence may be obtained from Municipal Council by a member who wishes to absent himself or herself from meetings. Should a member be prevented from obtaining leave of absence based on special circumstances, the Speaker has the discretion to on grant such leave.
- 7.2 A written application for leave of absence from a meeting of the Municipal Council or a Committee must be addressed to the Speaker by the Member applying for leave.
- 7.3 Written applications include emails sent to the Speaker.
- 7.4 In certain instances, the granting of applications for leave is deemed. These instance include:
 - 7.4.1 the Member is acting on behalf of the Municipal Council on other matters elsewhere based on instructions of Council or the Mayor.
 - 7.4.2 the Member is required to remove himself/herself from a meeting by the Municipal Council, Mayor or Committee in circumstances envisaged in item 3(b) of Schedule 1 to the Systems Act, or the member recuses him/herself.
- 7.5 The Speaker may also grant leave of absence to a member for the following reasons:
 - 7.5.1 illness or any other valid reasonable reason making it impossible for the member to attend;
 - 7.5.2 business, personal commitments, or personal circumstances of the member.
 - 7.5.3 The failure to deliver notice of a meeting or the delivery of notice less than 72 hours prior to commencement provided that this does not relate to an ordinary meeting of the Council or Committees or changes of addresses of members.
 - 7.5.4 The lack of informing the Municipal Manager of a revised address for the service of documentation at least 7 days before the relevant meeting;
 - 7.5.5 Where circumstances envisaged in item 3(b) of the Code of Conduct for Councillors in Schedule 1 to the Systems Act occur which prevent the Member from attendance;
 - 7.5.6 Other circumstances where the member is prevented from attending the meeting.

- Cllr. W Farmer

04. STATEMENTS AND COMMUNICATIONS BY THE SPEAKER

- Geen / None

05. STATEMENTS AND COMMUNICATION BY THE EXECUTIVE MAYOR

- Geen / None

06. MATTERS FOR CONSIDERATION

Rules of Order for Internal Arrangement

Part Four:

2. DECISIONS AND VOTING

- 2.1 In the event that the Speaker enquires from the attendees at a meeting if they are in agreement with recommendation/s and there is no opposition by any member present, recommendations are adopted.
- 2.2 The Speaker must put every apposed motion to the vote by calling upon the members to indicate by a raising of hands unless otherwise prescribed by law, whether they are in favour of or against such motion. The result of the vote must thereafter be declared by the Speaker.
- 2.3 The number of members voting in favour of or against an item, is to be recorded in the minutes. Members may abstain from voting without leaving the meeting and may request that his/her abstention be recorded in the minutes of that meeting. Consequently, subsequent to the speaker's declaration of the result, a member may demand that his or her opposition or support of a decision be recorded in the minutes and the Municipal Manager must accordingly arrange for the same.
- 2.4 All decisions must be taken by a supporting vote of the majority of the members present at any meeting of the Council.
- 2.5 The Municipal Council must reconsider a decision taken if the majority of members lodge a request in writing with the Municipal Manager. This shall apply unless such reconsideration adversely affects existing rights. Motions for the reconsideration of decision must be submitted in terms of Rule 5 of the Rules of Order.
- 2.6 Notwithstanding the provision of this Rule, the Council may at any time following a recommendation by the Mayor, rescind or amend any resolution passed by it.

Part 5

4. Councillor to address chair

A member who speaks at a meeting must address the chair.

Part 5

16. Order of priority

- 16.1 The Speaker must ensure that there is maintenance of order. To this end, the Speaker may, if he / she deems it necessary, at any time in a meeting direct an officer to remove or cause the removal of any person, excluding a member, from the Council Chamber. The Speaker may also direct that the public gallery be vacated.
- 16.2 The removal of any person or persons who refuse to carry out any reasonable instruction given by the Speaker or obstructs the carrying out of such instruction may be ordered by the Speaker.

Part 5

3. Precedence of the Speaker

Silence must be observed by all present in meeting when the Speaker addresses meetings in order for the Speaker to be heard without interruption. Whenever the speaker addresses the meeting, all members must be silent so that the speaker may be heard without any interruption. Council must be addressed by members through the Speaker.

13. Relevance

Speeches by members must address the subject or matter under discussion or to an explanation or to a point of order. In this regard, no discussion shall be tolerated in relation to the anticipation of any matter on the agenda or in respect of any matter in respect of which a decision by a judicial or quasi-judicial body or a commission of inquiry, whether instituted in terms of legislation or not, is pending, provided that such matter may be considered with the permission of Council.

Part 5

5. Right to speak

A member is provided with an opportunity to speak with the permission of the Speaker only once for no longer than 5 (five) minutes on a matter before the meeting unless authorised by the Chairperson.

A member is entitled to speak once on any recommendation, motion or proposal, provided that the Mayor or Member may reply to conclude a debate and shall restrict himself/herself to answering previous speakers rather than the introduction of new matters.

Prior to the consideration of any item contained in the report of the mayor in reply to a specific question or during discussion of the same, the Speaker shall permit the Mayor, MMC or Chairperson of the Committee in terms of section 79 and 80 of the Local Government Municipal Structures Act 117 of 1998 who made the proposal in terms of rule 9 or rule 14 of part 5 of these Rules to make and explanatory statement.

6. Length of speeches

- 6.1 A member may (unless authorised otherwise by the Speaker) only speak once to-
 - 6.1.1 the matter and any amendments to that matter that is before the council;
 - 6.1.2 any motion before the council;
 - 6.1.3 to a matter or an amendment proposed or be proposed by himself or herself;
 - 6.1.4 a point of order or a question of privilege, unless authorised by the speaker or as provided for in terms of these rules.
- 6.2 No new matters may be introduced by a mover that speaks to a motion and replies to previous speakers in a debate. The right of reply shall not extend to the mover of an amendment which, having been carried, has become substantive motion.

6.1 Items submitted by Officials of Council

22 APRIL 2021

**AMENDMENTS TO INCOME, OPERATIONAL AND CAPITAL EXPENDITURE
PROJECTIONS - ADJUSTMENT BUDGET 2020/2021 APRIL 2021**

RB6.1.1/22-04-2021

22 APRIL 2021

REPORT FROM ACTING DIRECTOR SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To submit a fifth adjustment budget for 2020/2021 for approval by Council, as a result of amendments to grant funding and income projections.

AGTERGROND / BACKGROUND

In terms of Chapter 4, Section 28 of the MFMA;

- (1) A municipality may revise an approved annual budget through an adjustment budget.
- (2) An adjustment budget-
 - (a) **must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;**
 - (b) **may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;**
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - (f) **may correct any errors in the annual budget; and**
 - (g) May provide for any other expenditure within a prescribed framework.
- (3) An adjustment budget must be in a prescribed form.
 - (4) Only the mayor may table an adjustment budget in the municipal council, but an adjustment budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing of frequency.
 - (5) When an adjustment budget is tabled, it must be accompanied by –
 - (a) an explanation how the adjustment budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) Any other supporting documentation that may be prescribed.
 - (6) Municipal tax and tariffs may not be increased during a financial year excepts when required in terms of a financial recovery plan.
 - (7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustment budget , and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

Municipal Budget and Reporting Regulations further provides that:

A. Timeframes for tabling of adjustment budgets

- Only one adjustment budget referred to in sub regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in Chapter 4, section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustment budget, in which case sub regulation (3) applies. If a National or Provincial adjustment budget allocates or transfer additional revenue to a

Municipality, the Mayor of the Municipality must, at the next available meeting, but within 60 days of the approval of the relevant National or Provincial adjustment budget, table an adjustment budget referred to in Chapter 4, section (28(2) (b) of the Act in the Municipal council to appropriate these additional.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

(a) Operational Revenue

- The total service charges decreased by R6.274 million. The reasons for the decrease is due to lower collection than anticipated on electricity and water (Electricity R 2.839 million and Water R3.585 million)

(c) Capital Expenditure

- A decrease of R34.620 million. The reason for the decrease are as follows:
 - The R30 million which was initially gazette for WSIG. This amount was however taken away with the latest gazette.
 - The unspent WSIG grant of R9.5 million which has been taken away by National Treasury.
 - A reduction of R 494 thousand due to the project to be completed in the new financial year.

It should be noted that the above amounts are inclusive of VAT; however the B-Schedules are exclusive of VAT.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

- The MFMA, Chapter 4, Section 28
- Municipal Budget and Reporting Regulations
- Council Budget related Policies

COMMENTS: MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The item is supported. It must be noted that the acting CFO already advised and warned the Council in January & February 2021 that the Municipality will find itself back into financial difficulties should the WSIG Grant Funding of R9.5 million be taken away. This funding was already received, however it was utilised for operational expenditure which also resulted in an audit finding. The matter will be referred to MPAC for investigation. As a result of this, the municipality has to adjust the budget downwards as this amount was deducted with the transfer of the Equitable Share. The original budget for the Equitable Share was R53 million and it was further adjusted upwards to R60.766 million as result of additional allocation.

The following amounts have been received from the Equitable Share with the respective dates indicated:

- 07 July 2020: R 23 881 000
- 08 December 2020: R 14 134 000
- 16 March 2021: R 13 267 000

This gives a total of R 51.582 million. It can be noted that the amount received is less by R 9 484 597 when compared to the total gazetted allocation.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. Council approves the fifth Adjustment Budget for 2020/21 financial year, amendments to income, operational and capital expenditure projections as set out in the following:

- Municipal Budget tables B1 – B10
 - Municipal Budget Supporting Documentation SB1 – SB19
2. The Service Delivery Budget Implementation Plan to be amended in line with these adjustments.

APPENDIX/AANHANGSELS/ ISIHLOMELO

Part 1 – Adjustment Budget

Adjustment Budget Tables (Annexure A)

The adjustment budget tables are contained in this report. The adjustment budget tables contain the following:

1. Table B1 Adjustment Budget Summary
2. Table B2 Adjust Budget Financial Performance (standard classification)
3. Table B3 Adjustment Budget Financial Performance (revenue and expenditure by municipal vote)
4. Table B4 Adjustment Budget Financial Performance (revenue and expenditure)
5. Table B5 Adjustment Capital Expenditure Budget by vote and funding
6. Table B6 Adjustment Budget Financial Position
7. Table B7 Adjustment Budget Cash Flow
8. Table B8 Cash backed reserves / accumulated surplus reconciliation
9. Table B9 Asset Management
10. Table B10 Basic Service Delivery Measurement

Part 2 – Supporting Documentation (Annexure B)

The budget supporting documentation is contained in this report.

- This information is contained in supporting documents SB1 to SB19.

Other supporting Documents

Annexure C is the quality certificate.

RESOLVED

that:

1. Council approves the fifth Adjustment Budget for 2020/21 financial year, amendments to income, operational and capital expenditure projections as set out in the following:
 - Municipal Budget tables B1 – B10
 - Municipal Budget Supporting Documentation SB1 – SB19
2. The Service Delivery Budget Implementation Plan to be amended in line with these adjustments.

Proposed: Cllr. M Heins

Seconded: Cllr. F Kamfer

DA Component abstain from item

22 APRIL 2021

DEFERRED INDIGENT APPLICATION PROCESS FOR 2020/2021
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RB6.1.2/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To obtain approval from Council to defer the Indigent Subsidy application process for the 2020/2021 financial year, to 30 June 2021. .

AGTERGROND / BACKGROUND

Council, in its meeting held on 25 June 2020 under item nr RB9.1.2/25-06-2020 resolved as follows:

1. Deferral be granted until 31 December 2020 for the completion of the indigent application process for 2020/21; and
2. The public be informed in this regard through the Municipality's Facebook page, website, notices on municipal accounts and on all municipal notice boards in offices and libraries.

Clause 4.6 of the Council's Indigent Subsidy Policy provides that the annual registration process of indigents take place annually between March and June for implementation on 1 July each year. The registration process would under normal circumstances be held in our community halls in the respective towns of our municipality. Due to the COVID 19 pandemic, only essential staff worked from office during March 2020, April 2020 and May 2020 and the use of public facilities were prohibited according to the lock-down regulations.

An item was submitted to council to request for deferred indigent application process which was approved by Council as per the above resolution. However, approval was requested and granted for only from 01 July 2020 till 31 December 2020.

In view of the lockdown been further extended and the fact that we were on level 3 during December 2020 and January 2021 meant that the Income Section was unable to handle this process in a normal way through having community members coming to community halls.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

To be contained in the Annual Financial Statements for 2020/2021.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Clause 4.6 of Council's Indigent Subsidy Policy.

COMMENTS: ACTING MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

Considering the continued lockdown and limitation in terms of numbers on public spaces, the community is hampered in terms of the application process.

It was initially thought that the process could have been handled before 01st of November 2020. Council approval is required in order to deviate from the policy and be able to prove to the Auditor General compelling reasons that led to the deviation from the policy.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. Council, take note of the report;
2. Council approve further deferment of the indigent application process for the 2020/2021 financial year till 30 June 2021.

APPENDIX/AANHANGSELS/ ISIHLOMELo

1. Council Resolution RB9.1.2/25-06-2020

RESOLVED

that:

1. Council, take note of the report;
2. Council approve further deferment of the indigent application process for the 2020/2021 financial year till 30 June 2021; and
3. That persons 65 years and older be exempted from applying for indigent.

Proposed: Cllr. R Pretorius

Seconded: Cllr. L Scheepers

22 APRIL 2021

OUTCOME OF THE AUDIT FOR THE 2019/2020 FINANCIAL YEAR
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RB6.1.3/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To inform Council of the Audit Outcome for the 2019/2020 financial year.

AGTERGROND / BACKGROUND

In terms of Government Gazette No. 4352 dated 05 August 2020, the Minister of Finance issued an exemption for municipalities in terms of Section 177(1)(b) of the MFMA.

The extension related to compliance with Section 126(1) and (2) as well as Section 127 (1) and (2) and Section 133(2) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The implication of this exemption meant that instead of submission of Annual Financial Statements by 30th August to the Auditor General, municipalities were given until end of October 2020 to submit the AFS. This affected the audit period in completion of the audit which would have normally been completed by end of November.

The Auditor General further informed the Speaker of the delays on the completion of the audit (See attached letter from Auditor General).

All of the above as a result of the Covid-19 pandemic.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Contained in the Final Audited Annual Financial Statements.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

MFMA Section 177(1), Section 126(1) and (2), Section 127 (1) and (2) and Section 133(2).

COMMENTS: ACTING MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

It should be noted that the municipality slightly regressed from the previous year's audit outcome. In the 2018/2019 financial year the municipality received unqualified audit with no material findings, however for the 2019/2020 financial year there were material findings relating to non-compliance with legislation.

Further to this the annual financial statements are unqualified with no findings in relation to financial information but with findings regarding non-compliance with legislation.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. Council, take note of the audit outcome for the 2019/2020 financial year;
2. The Accounting Officer prepares an Audit Action Plan on how the findings will be addressed;
3. That such Audit Action Plan is submitted to the Audit Committee and Council by 30th May 2021.

APPENDIX/AANHANGSELS/ ISIHLOMELLO

2. Letter from Auditor General - MFMA Delays on 2019-20 Cederberg Audit Report
3. FMR Executive Summary for Cederberg Municipality 2019-2020.

RESOLVED

that:

1. Council, take note of the audit outcome for the 2019/2020 financial year;
2. The Accounting Officer prepares an Audit Action Plan on how the findings will be addressed;
3. That such Audit Action Plan is submitted to the Audit Committee and Council by 30th May 2021.

22 APRIL 2021

CONSIDERATION FOR APPROVAL OF OVERDRAFT FACILITY

RB 0/0/0/00

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To obtain Council's approval for the overdraft facility of R 7 000 000.00.

AGTERGROND / BACKGROUND

During the discussion between Municipal finance officials and Standard bank on the review of the municipality facilities, Standard Bank advised that financial products can be approved as set out below:

The approved financial products are as follow:

- (i) Overdraft Facility: R 7 000 000.00 (Seven million Rand)

The Overdraft Facility to be payable as follows:

- (i) R 3 000 000.00 (Three million Rand) by end of May 2021
- (ii) R 4 000 000.00 (Four million Rand) by the 15th of June 2021.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Estimated application fee of R 77 400.00 will be charged and interest of 8.65% by the financial institution.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Chapter 6 of the Municipal Finance Management Act No.56 of 2003:

Short-term debt

45. (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act and only when necessary to bridge –
- (a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or
 - (b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocation or long-term debt commitments.
- (2) A municipality may incur short-term debt only if –
- (a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and
 - (b) the accounting officer has signed the agreement or other document which creates or acknowledge debt.
- (3) For the purpose of subsection (2)(a), a municipal council may –
- (a) approve a short-term debt transaction individually; or
 - (b) approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit bank overdraft facility, provided that –
 - (i) the credit limit must be specified in the resolution of the council;
 - (ii) the terms of the agreement, including the credit limit, may be changed only by a resolution of council; and
 - (i) if the council approves a credit facility that is limited to emergency use, the accounting officer must notify the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.
- (4) A municipality –
- (a) must pay off short-term debt within the financial year; and
 - (b) may not renew or refinance short-term debt, whether its own debt or that any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

(5) (a) No lender may wilfully extends credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)(a).

(b) If a lender wilfully extends credit to a municipality in contravention of paragraph (a), the municipality is not bound to repay the loan or interest on the loan.

(6) Subsection (5)(b) does not apply if the lender –

(a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

(b) did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

COMMENTS: ACTING MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The item is supported. Due to cash flow challenges experienced by the municipality it is advisable to apply for the overdraft facility until the end of the financial year. The acting CFO already advised Council in February 2021 that should the Municipality lose the R 9,5 million unspent (WISIG) grant funding, it will find itself back in financial difficulties after having managed to pay its commitments including Eskom account. It is confirmed that the Municipality has lost this grant funding.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. Council, in terms of section 45 of the MFMA, consider and approve the following:
 - (i) Overdraft Facility of R 7 000 000.00 payable as set out as follow:
 - a) R 3 000 000.00 (Three million Rand) by end of May 2021
 - b) R 4 000 000.00 (Four million Rand) by the 15th of June 2021.
2. The Municipal Manager, Mr Andries Titus, ID: 701005 5083 08 5 be mandated to sign all relevant documents with Standard Bank.
3. Certified Council Resolution signed by the Mayor, confirming the limit required, the purpose of the facility and confirmation that the facility will be settled on 15 June 2021.
4. Written request from Municipal Manager, confirming the requested amount, the purpose and the date of repayment to be sent to Standard Bank.
5. Banking Facilities Agreement to be provided by Standard Bank and to be signed by the Municipal Manager.

APPENDIX/AANHANGSELS/ ISIHLOMELO

4. Previous Council resolution approving Overdraft Facility.
5. Email from Standard Bank

RESOLVED:

that:

1. Council, in terms of section 45 of the MFMA, consider and approve the following:
 - (i) Overdraft Facility of R 7 000 000.00 payable as set out as follow:
 - a) R 3 000 000.00 (Three million Rand) by end of May 2021
 - b) R 4 000 000.00 (Four million Rand) by the 15th of June 2021.
2. The Acting Municipal Manager, Mr Andries Titus, ID: 701005 5083 08 5 be mandated to sign all relevant documents with Standard Bank.
3. Certified Council Resolution signed by the Mayor, confirming the limit required, the purpose of the facility and confirmation that the facility will be settled on 15 June 2021.
4. Written request from Municipal Manager, confirming the requested amount, the purpose and the date of repayment to be sent to Standard Bank.
5. Banking Facilities Agreement to be provided by Standard Bank and to be signed by the Municipal Manager.

Proposed: Cllr. L Scheepers

Seconded: Cllr. E Majikijela

22 APRIL 2021

**QUARTERLY BUDGET INCLUSIVE OF TOP LAYER SERVICE DELIVERY
BUDGET IMPLEMENTATION PLAN (SDBIP) AND SUPPLY CHAIN
MANAGEMENT REPORTS: JANUARY 2021 – MARCH 2021**

RB6.1.5/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To submit to Council the Quarterly Budget, Supply Chain Management and Top Layer Service Delivery Budget Implementation Plan (SDBIP) Reports for the 3rd Quarter of the 2020/2021 Financial Year.

AGTERGROND / BACKGROUND

In terms of Chapter 7 Section 52 of the Local Government Municipal Finance Management Act, 2003 (MFMA):

The mayor of a municipality—

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial 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;

- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

According to the Municipal Supply Chain Management Regulations (2005), paragraph 6(3) – Oversight role of council of municipality or board of directors of the municipal entity:

“The accounting officer must within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.”

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Contained in detail in the annexure to this report.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Chapter 7, Section 52 of the Local Government Municipal Finance Management Act, 2003.

Municipal Supply Chain Management Regulations (2005).

COMMENTS: ACTING MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

RECOMMENDATION

That Council; takes note of the:

1. Take note of the Quarterly Budget Statement inclusive of Top Layer Service Delivery Budget Implementation Plan (SDBIP),
2. Take note of the Virements Report for the third Quarter,
3. Take note of the Supply Chain Management Report for the third Quarter, January – March 2021.

APPENDIX/AANHANGSELS/ ISIHLOMELO

1. Quarterly Budget Statement inclusive of Top Layer Service Delivery Budget Implementation Plan (SDBIP): January 2021 – March 2021.
2. Virements Report: January 2021 – March 2021.
3. Supply Chain Management Implementation Report: January 2021 – March 2021.

RESOLVED

a) That Council; takes note of the:

1. Take note of the Quarterly Budget Statement inclusive of Top Layer Service Delivery Budget Implementation Plan (SDBIP),
2. Take note of the Virements Report for the third Quarter,
3. Take note of the Supply Chain Management Report for the third Quarter, January – March 2021.

22 APRIL 2021

<p>ITEM: UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL AND EXPENDITURE</p>
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RB6.1.6/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

To submit to Council the Unauthorised, Irregular, Fruitless and Wasteful Expenditure as contained in the Annual Financial Statements for referral to MPAC for investigation.

AGTERGROND / BACKGROUND

During the preparation of the 2019/2020 Annual Financial Statements, UIFW expenditure was identified. Further to identified UIFW the Auditor General through its audit indicated additional UIFW. The detail of which is contained in the notes to the Annual Financial Statements (Note 42).

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Unauthorised Expenditure Total:	R 7 606 055
- Opening Balance	R 1 461 115
- Unauthorised expenditure current year – operating	R 4 749 109
- Unauthorised expenditure current year – capital	R 1 395 830
Irregular Expenditure:	R 107 584 888
- Opening Balance	R 71 359 748

- Irregular expenditure incurred in the current year	R 36 225 140
Fruitless and Wasteful Expenditure:	R 1 296 371
- Opening Balance	R 4 770
- Fruitless and wasteful expenditure incurred	R 1 291 601

RELEVANT LEGISLATION / RELEVANTE WETGEWING

- Municipal Finance Management Act No.56 of 2003

COMMENTS: ACTING MUNICIPAL MANAGER

The item is supported.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The item is supported for council to refer the matter to MPAC for investigation.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

CONCLUSION

In terms of the Municipal Finance Management Act No. 56 of 2003 it is required that UIFW expenditure must be investigated by a committee of Council and only after the investigation, the committee must make its recommendation to Council for consideration and approval.

With regard to UIFW of the previous financial year, MPAC has already dealt with those matters. Council approval was only done on 16 March 2021 under Item RB6.1.1/16-03-2021, meaning the opening balance on Irregular Expenditure, Unauthorised Expenditure and Fruitless and Wasteful Expenditure has been dealt with (See attached Council Resolution). Therefor only the remaining items for the 2019/2020 and the Fruitless and Wasteful Expenditure of ESKOM needs to be dealt with.

In this case, reference to the Council committee is Municipal Public Accounts Committee (MPAC).

RECOMMENDATION

It is recommended that:

1. Council take note of the Report.
2. Council take note of resolution number RB6.1.1/16-03-2021.
3. Council refer the outstanding matters to Municipal Public Accounts Committee (MPAC) for investigation.
4. Municipal Public Accounts Committee (MPAC) report back to Council on each finding.

APPENDIX/AANHANGSELS/ ISIHLOMELO

1. Copy of AFS note 42.
2. Council Resolution: RB6.1.1/16-03-2021

RESOLVED

that:

1. Council take note of the Report.
2. Council take note of resolution number RB6.1.1/16-03-2021.

3. Council refer the outstanding matters to Municipal Public Accounts Committee (MPAC) for investigation.
4. Municipal Public Accounts Committee (MPAC) report back to Council on each finding.

Proposed: Cllr. F Kamfer

Seconded: Cllr. L Scheepers

22 APRIL 2021

WRITE-OFF OF OUTSTANDING DEBT OF INDIGENT CUSTOMERS

RB6.1.7/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

The purpose of this report is to seek Council approval to write off irrecoverable debt for indigent customers.

AGTERGROND / BACKGROUND

IRRECOVERABLE DEBT

*The Municipal Council may, on recommendation from the Accounting Officer, or any duly delegated official, write off any debt **or portion thereof, provided that the Municipal Council is satisfied** that the debt **or portion thereof is irrecoverable** or that it will be in the best interest of the Municipality to accept part payment of the debt in full and final settlement.*

The Chief Financial Officer may recommend to the Municipal Council that any outstanding debt or **portion thereof be written off**, if in **his/her opinion it would be in the best interest of the Municipality**, and that the **writing off of the debt will not be contrary to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003)**.

The Chief financial Officer and Accounting Officer also have the right to authorise write off, of debt if the amount falls within their delegated power.

The process for considering debt as irrecoverable is contained in section 25 of the

customer care, credit control and debt collection policy. The Accounting Officer has ensured that all avenues were utilized to collect the arrear debt.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Provision for bad debt to be written off to the amount of R 48 million was approved in the 2020/2021 Budget. This debt write-off includes an amount of R 16 million for traffic fines in terms of iGRAP and R 32 million for service charges.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

- Credit Control and Debt Collection Policy.
- Section 44(1) and (2) of the Municipal Finance Management Act, No. 56 of 2003,

DISCUSSION

The Council will consider to approve an amount of R 48 million during the April adjustment budget for the debt write off. The Outstanding debt report of March 2021 shows all the outstanding balances per service. It must be noted that water and property rates are the two highest at 30.57 percent and 23.89 percent respectively. The two makes up 54.46 per cent of the total outstanding debt per service.

With property rates although the debt is outstanding there is and will always be a potential to collect due to the fact that the Municipality has to issue a rates clearance certificate. When the rates clearance certificate is issued all monies due to the Municipality must be settled before the property is transferred. The finance department must however improve its process of collecting debt on property rates.

With regard to electricity, all indigent households who are still on conventional electricity meters must be converted to the pre-payment system. This will significantly reduce outstanding debt for indigents.

CONCLUSION

The implementation of the revenue enhancement and conversion of conventional electricity meters to pre-paid will improve the collection rate of the Municipality and significantly reduce outstanding debt on all households. With the challenges the consumers are experiencing as a result of the Covid-19 pandemic, it is the conclusion of the administration that it will be in the best interest of the Municipality to consider write-off of all indigent consumer debtors whose accounts is outstanding over three hundred and sixty (360) days. This will reduce and resolve all the disputed accounts and frustration of indigent customers as well as all query related to indigent accounts.

The Municipality has started a process of consumer/customer data cleansing hence at this stage the recommendation for write off is only on outstanding debt more than a year.

A balancing act must always be maintained whenever debt write-off is being considered and approved. Here you will have indigent consumers who have kept their accounts up to date but does not benefit on the debt write-off. Than you will have indigent consumers whose accounts is behind who will benefit on any debt write-off. This may create a culture of non-payment for municipal services and rates due to the expectation created that the municipality will write-off the debt if not paid.

Attached Annexure A is a list of indigent customers whose accounts are outstanding for over three hundred and sixty (360) days. It must be noted however that the data in the financial system does not contain everyone's full details e.g. identity number. It is therefore against this background that all those whose details are not properly updated must be encouraged to visit the municipal offices to apply on individual basis.

The following conditions should apply on the write-off:

1. No write-off should be done where the owner is not residing on the property or renting the property;
2. Where the property is rented for a spaza shop, hair salon any other form of business; and
3. No write-offs will be done if any of the people residing in the household works for any sphere of government or government entities.

COMMENTS: ACTING MUNICIPAL MANAGER

The municipality has implemented 60/40 auxiliary system and notices were distributed.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The current economic climate caused by the Covid-19 pandemic has resulted in job losses as well as opportunity lost for temporary employment during the season in our municipal area. The municipality has appointed a service provider for revenue enhancement and is in a process to finalising awarding of a tender for debt collection to an experience firm to assist with debt collection and credit control and is expected that this process will be finalized by end of June 2021.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. That Council note the report of the irrecoverable debt on indigent households;

2. That Council approve write-off of debt above three hundred and sixty (360) days for all indigent consumers by June 2021; and
3. The total amount of debt to be written off is contained in column J of the attached annexure and amounts to R 22.7 million.

APPENDIX/AANHANGSELS/ ISIHLOMELO

RESOLVED

that:

1. That Council note the report of the irrecoverable debt on indigent households;
2. That Council approve write-off of debt above three hundred and sixty (360) days for all indigent consumers by June 2021; and
3. The total amount of debt to be written off is contained in column J of the attached annexure and amounts to R 22.7 million.

Proposed: Cllr. L Scheepers

Seconded: Cllr. E Majikijela

22 APRIL 2021

WRITE-OFF OF OUTSTANDING DEBT OF SENIOR CITIZENS (AGE 65 AND ABOVE)

RB6.1.8/22-04-2021

22 APRIL 2021

REPORT FROM THE ACTING DIRECTOR: SUPPORT SERVICES

PURPOSE OF THE ITEM / DOEL VAN DIE ITEM

The purpose of this report is to seek Council approval to write off irrecoverable debt for customers over the age of 65.

AGTERGROND / BACKGROUND

IRRECOVERABLE DEBT

*The Municipal Council may, on recommendation from the Accounting Officer, or any duly delegated official, write off any debt **or portion thereof, provided that the Municipal Council is satisfied that the debt or portion thereof is irrecoverable** or that it will be in the best interest of the Municipality to accept part payment of the debt in full and final settlement.*

The Chief Financial Officer may recommend to the Municipal Council that any outstanding debt or **portion thereof be written off**, if in **his/her opinion it would be in the best interest of the Municipality**, and that the **writing off of the debt will not be contrary to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003).**

The Chief financial Officer and Accounting Officer also have the right to authorise write off, of debt if the amount falls within their delegated power.

The process for considering debt as irrecoverable is contained in section 25 of the customer care, credit control and debt collection policy. The Accounting Officer has ensured that all avenues were utilized to collect the arrear debt.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Provision for bad debt to be written off to the amount of R 48 million was approved in the 2020/2021 Budget. This debt write-off includes an amount of R 16 million for traffic fines in terms of iGRAP and R 32 million for service charges.

RELEVANT LEGISLATION / RELEVANTE WETGEWING

- Credit Control and Debt Collection Policy.
- Section 44(1) and (2) of the Municipal Finance Management Act, No. 56 of 2003,

DISCUSSION

The Council will consider to approve an amount of R 48 million during the April adjustment budget for the debt write off. The Outstanding debt report of March 2021 shows all the outstanding balances per service. It must be noted that water and property rates are the two highest at 30.57 percent and 23.89 percent respectively. The two makes up 54.46 per cent of the total outstanding debt per service.

With property rates although the debt is outstanding there is and will always be a potential to collect due to the fact that the Municipality has to issue a rates clearance certificate. When the rates clearance certificate is issued all monies due to the Municipality must be settled before the property is transferred. The finance department must however improve its process of collecting debt on property rates.

With regard to electricity, all indigent households who are older than 65 years and are still on conventional electricity meters must be converted to the pre-payment system. This will significantly reduce outstanding debt for indigents.

CONCLUSION

The implementation of the revenue enhancement and conversion of conventional electricity meters to pre-paid will improve the collection rate of the Municipality and significantly reduce outstanding debt on all households. With the challenges the consumers are experiencing as a result of the Covid-19 pandemic, it is the conclusion of the administration that it will be in the best interest of the Municipality to consider write-off of all consumer debtors who are older than 65 over three hundred and sixty (360) days. This will reduce and resolve all the disputed accounts and frustration of indigent customers as well as all query related to indigent accounts.

The Municipality has started a process of consumer/customer data cleansing hence at this stage the recommendation for write off is only on outstanding debt more than a year.

A balancing act must always be maintained whenever debt write-off is being considered and approved. Here you will have consumers who have kept their accounts up to date but does not benefit on the debt write-off. Then you will have consumers whose accounts is behind who will benefit on any debt write-off. This may create a culture of non-payment for municipal services and rates due to the expectation created that the municipality will write-off the debt if not paid.

Attached Annexure A is a list of customers over the age of 65. It must be noted however that the data in the financial system does not contain everyone's full details e.g. identity number. It is therefore against this background that all those who are 65 and older but not listed on this list must be encouraged to visit the municipal offices to apply on individual basis.

The following conditions should apply on the write-off:

4. No write-off should be done where the owner is not residing on the property or renting the property;
5. Where the property is rented for a spaza shop, hair salon any other form of business; and
6. No write-offs will be done if any of the people residing in the household works for any sphere of government or government entities.

COMMENTS: ACTING MUNICIPAL MANAGER

The municipality has implemented 60/40 auxiliary system and notices were distributed.

COMMENTS: DIRECTOR COMMUNITY SERVICES

The item is supported.

COMMENTS: ACTING DIRECTOR: SUPPORT SERVICES

The current economic climate caused by the Covid-19 pandemic has resulted in job losses as well as opportunity lost for temporary employment during the season in our municipal area. The municipality has appointed a service provider for revenue enhancement and is in a process to finalising awarding of a tender for debt collection to an experience firm to assist with debt collection and credit control and is expected that this process will be finalized by end of June 2021.

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

The item is supported.

COMMENTS: MANAGER LEGAL SERVICES

The item is supported.

RECOMMENDATION

It is recommended that:

1. That Council note the report of the irrecoverable debt on indigent households who are older than 65 years;
2. That Council approve write-off of debt above three hundred and sixty (360) days for all consumers who are above the age of 65 by June 2021; and
3. The total amount of debt to be written off is contained in Column K of the attached annexure and amounts to R 4.1 million.

APPENDIX/AANHANGSELS/ ISIHLOMELO

RESOLVED

that:

1. That Council note the report of the irrecoverable debt on indigent households who are older than 65 years;
2. That Council approve write-off of debt above three hundred and sixty (360) days for all consumers who are above the age of 65 by June 2021; and
3. The total amount of debt to be written off is contained in Column K of the attached annexure and amounts to R 4.1 million.

Proposed: Cllr. L Scheepers

Seconded: Cllr. E Majikijela

RB6.1.9	CONSIDERATION FOR APPROVAL OF UNSOLICITED BID
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- **Item was withdrawn.**

22 APRIL 2022

CEDERBERG RURAL FEMALE EMPOWEREMENT SESSION
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REF: 5/16/1/1

RURAL DEVELOPMENT OFFICER: BW ZASS

PURPOSE

The purpose of this report is to inform council of a request received from the organisers of the CEDERBERG RURAL FEMALE EMPOWEREMENT SESSION/EVENT and to obtain approval, in respect of financial and in-kind support, for this event. It is therefore requested that Cederberg Municipality would assist in monetary value of 50%, of the overall amount, in order to make the event a success.

BACKGROUND

Cederberg Municipality (Department – Rural Development – Tourism), received correspondence via email, from the event organisers, KK&PP NPO, in respect of the above mentioned project. Such project will commence on **Friday 30 April 2021** until **Sunday 2 May 2021 (3 days)**

Miss SA 2019, Sasha-Lee Oliver and local renowned actress, Denise Newman, will be in attendance and both ladies are assigned pivotal roles, as part of the event. There are 2 main objectives, guaranteed to be obtained, which are:

1. An empowerment session, held on the Saturday 1 May 2021, whereby local upcoming female entrepreneurs will form part of a workshop team, focussing on
 - a. Registration of new businesses
 - b. Sustainability pointers on endurance of the business
(Hosted by Sasha-Lee Oliver)

2. The two main Icons will be utilized to promote tourism in the Cederberg Municipality, by promoting unique selling points, to the Country, via their personal social media platforms.

- a. The organisers will dedicate Sunday 2 May 2021 to a Tourist hotspot campaign, whereby Sasha-Lee Oliver will pay visit to the Elands Bay/Lamberts Bay area.
- b. This includes many pit stops e.g. site and restaurant visits.
- c. The socio-economic sector of Cederberg region will receive support by emphasis being placed on the aged and the fragile. Denise Newman together with Sasha-Lee Olivier will pay visit to a local old age home, by using a community based care approach. The aim is to acknowledge our senior citizens and the vital role they played in shaping and being the pillars in our communities, once upon a time.

FINANCIAL IMPLICATIONS

1. 50% contribution to the event
 - a. Overall cost : R25 000
 - b. Requested amount : R12 500

Itemized listing:_____

1. Venue Fee – R3750
2. Empowerment Manual – R5250
3. Event hosts – R3500

PERSONNEL IMPLICATIONS

1. Law Enforcement for Friday 30 April 2021
 - a. A Law enforcement vehicle to escort/lead the Miss SA 2019 convoy and guarantee her overall safety, during public appearances at the same time
2. LED unit

COMMENTS FROM DIRECTOR COMMUNITY SERVICES – H SLIMMERT

COMMENTS FROM ACTING CFO M MEMANI

COMMENTS FROM ACTING DIRECTOR TECHNICAL SERVICES J KOTZE

COMMENTS FROM ACTING MUNICIPAL MANAGER A TITUS

In support and recognizes the economic growth, such event could offer.

EVENT LOCATION

Clanwilliam – Yellow Aloe Guest house

IMPORTANCE OF EVENT/SESSION IN FOR CEDERBERG

It is of high importance to acknowledge that Covid-19 and its aftermath brought the Tourism sector to a complete standstill, locally and abroad, for quite a long period of time. As a result, economies were crippled and this contributed to a vast influx in poverty, more evidently so in the poorer rural communities.

As lock down levels and regulations slowly decreased, phased in approaches in the Tourism and Local Economic Development sectors, with regards to economic rebuilt are being used.

The Cederberg region would not only have general investment through this event, but also be able to attract tourists, back to our area, by emphasizing local tourism hot spots, thus boosting economic growth. It is a rather scarce and deficient opportunity, to host two mainstream celebrities, at the same time. Both their personal platforms could expose the beauty of our region and the Cederberg could reclaim it's once upon a time title, as the traveling hotspot in the Western Cape.

Also – upcoming or aspiring business women would be empowered in the trade and the host of such session is a profound recognised business woman herself, Miss SA 2019, Sasha-Lee Olivier.

RECOMMENDATIONS

It is recommended that in respect of the ***Rural Women Empowerment session***:

1. The Council take cognisance of the report
2. The Council recommend to council to support the Woman Empowerment Event , to be held on Saturday, 1 May 2021
3. Council approve a financial contribution of R12 500
4. Law Enforcement staff be availed to assist in convoy escort and securing overall safety during/on Friday 30 April 2021.

RESOLVED

that

1. Council take cognisance of the report
2. The Council recommend to council to support the Woman Empowerment Event , to be held on Saturday, 1 May 2021
3. Council approve a financial contribution of R12 500
4. Law Enforcement staff be availed to assist in convoy escort and securing overall safety during/on Friday 30 April 2021.

Proposed: Cllr L Scheepers

Seconded: Cllr. R Pretorius

6.2 URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

RB9.2.1 REGIONAL WASTE LANDFILL SITE

- Item was withdrawn from the Agenda.

**KANTOOR VAN DIE MUNISIPALE BESTUURDER
OFFICE OF MUNICIPAL MANAGER
IOFISI YOMPHATHI KAMASIPALA**

22 APRIL 2021

ITEM: APPOINTMENT DELEGATED CONTACT PERSON BETWEEN SIU
AND CEDERBERG MUNICIPALITY/AANWYSING VAN GEDELEGEERDE
KONTAK PERSOON TUSSEN SOE EN CEDERBERG MUNISIPALITEIT

RB6.2.2/22-04-2021

22 APRIL 2021

REPORT FROM MANAGER: ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT/DOEL VAN VERSLAG

- To brief and inform Council and public about the status of the SIU investigation
- To appoint/delegate a new liaison person with the SIU on behalf of the Cederberg Municipality to replace Mr Mbulelo Memane.

BACKGROUND

The SIU raided the Cederberg Municipal offices during September 2020. The raid relates to alleged irregular procurement of personal protective equipment (PPE). Stemming from this investigation several officials have been interviewed and questioned by the SIU. The investigation included, confiscating of tools of trade and private cell phone of the former Municipal Manager and now Director Community Services and the IT Manager during September 2020.

Council appointed/delegate Mr Mbulelo Memane as the liaison person between the SIU and Cederberg Municipality on 4 December 2020.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Not applicable

RELEVANT LEGISLATION / RELEVANTE WETGEWING

- Relevant sections of the systems of delegation

COMMENTS: MUNICIPAL MANAGER

Item is supported

COMMENTS: DIRECTOR COMMUNITY SERVICES

The Director of Community Services cannot comment on this item due his direct involvement in the case as a affected party.

COMMENTS: ACTING CHIEF FINANCIAL OFFICER

Item Supported

COMMENTS: ACTING DIRECTOR TECHNICAL SERVICES

Item Supported

COMMENTS: MANAGER LEGAL SERVICES

Item Supported

EXECUTIVE SUMMARY

The Council of Cederberg Municipality affirms its position to corporate with all relevant law enforcement agencies and has confidence in the South African Judiciary system. The affected employees are presumed innocent until proven otherwise by a competent court of law in the Republic of South Africa.

Considering that the accounting officer is amongst the employees being subjected to a legal process as a result of the investigation, that one of the senior managers be delegated / appointed to be the liaison person between the SIU and Cederberg Municipality. The SIU indicated that they want to interview 8 more staff members.

That the staff be afforded an opportunity for a legal representation as they are summoned to appear in court or before the SIU Tribunal for allegations that are in relation to performance of their duties. Council at this stage will monitor the progress of the court proceedings and make an informed decision once the outcome is known.
The

RECOMMENDATION

That in respect of the:

Special Investigation Unit (SIU) versus Cederberg Municipality case discussed by Council at the Council meeting held on 22 April 2021 it is recommended:

1. That Mr. Brian Blaauw (Acting Manager: Strategic Services) be appointed as the replacement of Mr. Mbulelo Memane as the contact person between the SIU and Cederberg Municipality.
2. That Mr. Brian Blaauw (Acting Manager: Strategic Services) provides all relevant information as may be requested by the SIU.
3. That Mr. Craig Sheldon liaises between the officials who require Council's legal advisors assistance.
4. That the SIU and Commercial Crimes Unit be informed about the changes in liaison/contact person.

RESOLVED

1. That Mr. Brian Blaauw (Acting Manager: Strategic Services) be appointed as the replacement of Mr. Mbulelo Memane as the contact person between the SIU and Cederberg Municipality.

2. That Mr. Brian Blaauw (Acting Manager: Strategic Services) provides all relevant information as may be requested by the SIU.
3. That Mr. Craig Sheldon liaises between the officials who require Council's legal advisors assistance.
4. That the SIU and Commercial Crimes Unit be informed about the changes in liaison/contact person.

Proposed: Cllr. M Heins

Seconded: Cllr. E Majikijela

DA Component abstain from item

22 APRIL 2021

**THE MUNICIPAL INFRASTRUCTURE GRANT (MIG):
ADJUSTED ALLOCATION FOR 2020/21 AND DETAILED
PROJECT IMPLEMENTATION PLAN (DPIP) FOR 2021/2022
MTREF PERIOD**

RB6.2.3/22-04-2021

22 APRIL 2021

REPORT FROM: MANAGER PMU

PURPOSE OF THE REPORT

The purpose of the report is two-fold:

- For Council to approve the adjusted Detailed Project Implementation Plan (DPIP) for the remainder of the 2020/21 financial year as a result of an increased allocation;
- For Council to approve the Municipal Infrastructure Grant Detailed Project Implementation Plan (DPIP) for the MTREF period commencing from 2021/22 in line with the Division of Revenue Bill B3 of 2021.

BACKGROUND

The Municipal Infrastructure Grant (MIG) is a Schedule 5, Part B grant. The MIG aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting. The Department of Cooperative Governance (DCoG) is responsible for managing and transferring the MIG and provides support to provinces and municipalities on implementing MIG projects.

On 31 March 2021, the Project Management Unit presented an item to Council on the above subject with reference number 5/6/1/1 with a Council Resolution number RB 9.1.6/ 31-03-2021. As part of the final recommendation and approval of the item, an additional recommendation that the administration submit an item to the next Council meeting to incorporate the adjustments and allocations of the government gazette of 29 March 2021 was recorded. This is thus the amendment to the adjustment of the DPIP for the 2020/21 and 2021/22 financial years.

2020/21 Financial Year Adjusted Allocation

Cederberg Municipality's 2020/21 annual MIG allocation was R 15 590 000.00. In February 2021, the municipality received communication from the Municipal Infrastructure office of the Department of Local Government regarding the Division of Revenue Second Amendment Act 20 of 2020 (*Annexure A*). The 2020/21 MIG allocation of R14 671 101 000

for the country has been reduced by R180 036 000 for the current financial year, which equates to a 1.23% reduction which was mostly evenly distributed amongst all municipalities in the nine provinces. The original MIG allocation for the Western Cape was promulgated in the 2020/21 Division of Revenue Act (DoRA) at an amount of R 442 423 000. However, after the adjustment of the Division of Revenue Second Amendment Act 20 of 2020, the original allocation was reduced to an amount of R 436 998 000. This resulted in a negative difference of R 5 425 000 which included Cederberg Municipality's reduction of an amount of R 191 000 as gazetted in the attached MIG Schedule 5B Adjustment February 2021 (*Annexure B*).

The municipality was therefore required to update its DPIIP to the revised allocation of R 15 399 000.00 in order to adjust expected commitments and cashflows accordingly.

The original 2020/21 Detailed Project Implementation Plan was as follows:

PROJECT NAME	TOTAL BUDGET 2020/21
Citrusdal: New Wastewater Treatment Works	R 11 175 146.00
Citrusdal: Upgrade Roads and Stormwater Infrastructure	R 1 120 945.00
Clanwilliam: Upgrade Sports Fields	R 2 514 409.00
Clanwilliam: PMU 2020/21	R 779 500.00
Total 2020/21 Original MIG Allocation (VAT Incl.)	R 15 590 000.00

The adjusted 2020/21 Detailed Project Implementation Plan for the reduction was as follows:

PROJECT NAME	TOTAL BUDGET 2020/21
Citrusdal: New Wastewater Treatment Works	R 11 248 051.00
Citrusdal: Upgrade Roads and Stormwater Infrastructure	R 857 040.00
Clanwilliam: Upgrade Sports Fields	R 2 514 409.00
Clanwilliam: PMU 2020/21	R 779 500.00
Total 2020/21 Adjusted MIG Allocation (VAT Incl.)	R 15 399 000.00

The PMU allocation was not adjusted as it is as per the approved PMU business plan. The Clanwilliam: Upgrade Sports Fields allocation was not adjusted as a contractor had just been appointed on 10 March 2021 to commence with the 4 month construction of the project which has an allocation of R 1 718 293.20 (VAT Incl.) from own funds. The Citrusdal: Upgrade Roads and Stormwater Infrastructure project's phase 4 was completed with a balance on the year's allocation of R 263 905. The reduced allocation of R 191 000 was deducted from this amount, leaving an amount of R 72 905 which was added to the multi-year project of the Citrusdal: New Wastewater Treatment Works.

Subsequently, on 31 March 2021 the municipality received a letter from DCoG regarding additional MIG Transfers received in March 2021 against the MIG adjusted allocation for 2020/21. Cederberg Municipality received an additional allocation of R 500 000 as gazetted in the Stopping and Re-allocation Gazette No. 44349 of 29 March 2021 - DoRA, 2020(Act No.4 of 2020), as amended by the DoRAAct, 2020 (Act No.10 of 2020) and the DoRSAA, 2020 (Act No.20 of 2020) (Annexure D).

The final adjusted 2020/21 Detailed Project Implementation Plan (Annexure E) for the increase is as follows:

PROJECT NAME	TOTAL BUDGET 2020/21
Citrusdal: New Wastewater Treatment Works	R 12 748 051.00
Citrusdal: Upgrade Roads and Stormwater Infrastructure	R 857 040.00
Clanwilliam: Upgrade Sports Fields	R 1 514 409.00
Clanwilliam: PMU 2020/21	R 779 500.00
Total 2020/21 Final Adjusted MIG Allocation (VAT Incl.)	R 15 899 000.00

Considering the site handover for the Clanwilliam Sports Fields project of 29 March 2021 and a 4 month construction period, an amount of R 1 000 000 was re-allocated to the Citrusdal: New Wastewater Treatment Works project for this year as the project has significantly progressed. This would also ensure that the municipality avoids non-expenditure on the sports field project funded by MIG and own funds. It must be noted that the reduced amount of R 1 000 000 is allocated in the 2021/22 financial year commencing in July 2021. Additionally the amount of R 500 000 is allocated to the wastewater treatment plant project.

2021/22 Medium Term Revenue and Expenditure Framework (MTREF) Period

In order to receive the first tranche of the MIG for the succeeding financial year of 2021/22, the municipality must have followed the process of approval of 2021/22 projects, and have confirmed by 30 April 2021 with the Department of Cooperative Governance, its programme, project planning and implementation readiness in the form of a council approved implementation plan that includes cashflow projections. Municipal allocations must be fully committed to registered projects prior to the year of implementation and be informed by the Integrated Development Plan (IDP) and Three-Year Capital Plan. MIG priorities set by the municipality as stated in the MIG implementation plan can only be changed in-year with other MIG registered projects, after municipal Council approval and DCoG.

The 2021/22 project implementation plan consists of projects that are contained in the Cederberg Municipality Capital Infrastructure Plan (2020/21 – 2023/24) (RB9.1.7/31-03-2021), and are registered on the MIG MIS system as guided by the MIG Framework. Additional projects are those registered during the first lockdown period of the Covid-19 pandemic. These were the Emergency Upgrades at the Elands Bay Clean Water Reservoir

in order to curb water losses, ablution facilities and wash troughs for approximately 38 households in the informal settlement of Elands Bay and the provision of 3 ablution blocks and 6 water points with related 160mm diameter sewer pipes and 75mm diameter water pipes for 52 households of Khayelitsha along the Ou Kaapse Weg.

The 2021/22 Detailed Project Implementation Plan (Annexure E) is as follows:

PROJECT NAME	TOTAL BUDGET 2021/22
Citrusdal New Wastewater Treatment Works	R 6 902 974.00
Citrusdal Upgrade Roads and Stormwater Infrastructure	R 5 184 177.00
Clanwilliam: Upgrade Sports Fields	R 1 000 000.00
Emergency Upgrades at the Elands Bay Clean Water Reservoir	R 659 438.00 Counter-funding (Own Funds) required: R 59 910.03
Elands Bay Informal Settlement	R 797 334.00
Clanwilliam Informal Settlement Water and Sanitation	R 960 077.00
2021/22 PMU (5%)	R 816 000.00
Total 2021/22 MIG Allocation (VAT Incl.)	R 16 320 000.00

Further detail regarding the projects is found on the attached DPIP (Annexure E). In line with the above, Cederberg Municipality is herewith following the process of approval of 2021/22 MIG projects, and will confirm by 30 April 2021 with the Department of Cooperative Governance the above programme, project planning and implementation readiness in the form of an implementation plan (DPIP) that includes cashflow projections. The framework requires that this implementation plan be approved by Council.

FINANCIAL IMPLICATIONS

- The original 2020/21 MIG allocation of R 15 590 000.00 has been reduced by an amount of R 191 000.00 resulting in a revised allocation of R 15 399 000.00;
- An additional amount of R 500 000 was added to the R 15 399 000.00 allocation as gazetted on 29 March 2021;
- The 2021/22 financial year MIG allocation is R 16 320 000.00 as gazetted in the DoRB B3 of 2021.

RELEVANT LEGISLATION

- a) The Municipal Finance Management Act, No. 56 of 2003;
- b) The Division of Revenue Act, 2018;
- c) The Division of Revenue Second Amendment Act No. 20 of 2020;

d) The Division of Revenue Bill, B3 of 2021.

COMMENTS: MUNICIPAL MANAGER

The item is supported.

RECOMMENDATION

The recommendation is that Council:

a) Approve the Municipal Infrastructure Grant (MIG) Detailed Project Implementation Plan (DPIP) for the remainder of the 2020/21 financial year incorporating the increased allocation of R 15 899 000, which will be reflected in the next 2020/21 adjustment budget; and

PROJECT NAME	TOTAL BUDGET 2020/21
Citrusdal: New Wastewater Treatment Works	R 12 748 051.00
Citrusdal: Upgrade Roads and Stormwater Infrastructure	R 857 040.00
Clanwilliam: Upgrade Sports Fields	R 1 514 409.00
Clanwilliam: PMU 2020/21	R 779 500.00
Total 2020/21 Final Adjusted MIG Allocation (VAT Incl.)	R 15 899 000.00

b) That Council approve the Detailed Project Implementation Plan for the MTREF period commencing from 2021/22 which includes the implementation of the following projects:

PROJECT NAME	TOTAL BUDGET 2021/22
Citrusdal New Wastewater Treatment Works	R 6 902 974.00
Citrusdal Upgrade Roads and Stormwater Infrastructure	R 5 184 177.00
Clanwilliam: Upgrade Sports Fields	R 1 000 000.00
Emergency Upgrades at the Elands Bay Clean Water Reservoir	R 659 438.00
Elands Bay Informal Settlement	R 797 334.00
Clanwilliam Informal Settlement Water and Sanitation	R 960 077.00
2021/22 PMU (5%)	R 816 000.00

Total 2021/22 MIG Allocation (VAT Incl.)	R 16 320 000.00
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APPENDIX

1. *Annexure A: Division of Revenue Second Amendment Act 20 of 2020*
2. *Annexure B: Schedule 5B February Gazette DoR2AB, 2020/21 Adjusted Allocation*
3. *Annexure C_ Cederberg 2020-21 MIG Reallocation*
4. *Annexure D_ Stopping and Reallocation Gazette - Dated 29 March 2021 - Gazette No 44349*
5. *Annexure E_ Consolidated DPIP 15.04.2021_2020-21 and 2021-22 MTREF*

RESOLVED

that Council:

- a) Approve the Municipal Infrastructure Grant (MIG) Detailed Project Implementation Plan (DPIP) for the remainder of the 2020/21 financial year incorporating the increased allocation of R 15 899 000, which will be reflected in the next 2020/21 adjustment budget; and

PROJECT NAME	TOTAL BUDGET 2020/21
Citrusdal: New Wastewater Treatment Works	R 12 748 051.00
Citrusdal: Upgrade Roads and Stormwater Infrastructure	R 857 040.00
Clanwilliam: Upgrade Sports Fields	R 1 514 409.00
Clanwilliam: PMU 2020/21	R 779 500.00
Total 2020/21 Final Adjusted MIG Allocation (VAT Incl.)	R 15 899 000.00

- b) That Council approve the Detailed Project Implementation Plan for the MTREF period commencing from 2021/22 which includes the implementation of the following projects:

PROJECT NAME	TOTAL BUDGET 2021/22
Citrusdal New Wastewater Treatment Works	R 6 902 974.00
Citrusdal Upgrade Roads and Stormwater Infrastructure	R 5 184 177.00

Clanwilliam: Upgrade Sports Fields	R 1 000 000.00
Emergency Upgrades at the Elands Bay Clean Water Reservoir	R 659 438.00
Elands Bay Informal Settlement	R 797 334.00
Clanwilliam Informal Settlement Water and Sanitation	R 960 077.00
2021/22 PMU (5%)	R 816 000.00
Total 2021/22 MIG Allocation (VAT Incl.)	R 16 320 000.00

Proposed: Cllr. F Kamfer

Seconded: Cllr. E Majikijela

DA Component abstain from item

DEPARTMENT ADMINISTRATION

RB6.2.4/23-04-2021

23 APRIL 2021

DEPARTMENT: SUPPORT SERVICES: APPOINTMENT OF THE MUNICIPAL ELECTORAL OFFICER (MEO)

Reference: 3/2/1/8

Director: Community Services: H Slimmert

Report compiled by: N Mercur

PURPOSE:

The purpose of this report is to inform Council of the resignation of the Municipal Electoral Officer (MEO) and to make a recommendation to the IEC to appoint an MEO with immediate effect.

BACKGROUND:

Local Government elections are attended to by the Independent Electoral Commission (IEC) and are held in terms of the provisions of the Local Government: Municipal Electoral Act 27 of 2000. The appointment of all election officers are done by the IEC in terms of the provisions of the said Act. The officials appointed include the Local Representative of the IEC in the municipality, also referred to as the Municipal Election Officer of the MEO, presiding officers for each voting station, election officers and counting officers.

The appointment of MEOs is dealt with in section 12 of the Act, which provides as follows:

- 1) When an election has been called, the Commission must appoint, for the area of the municipality in which the election will be held, an employee or other person as its representative for the purpose of the election.
- 2) A local representative of the Commission-
 - (a) may exercise the powers and must perform the duties conferred on or assigned to a local representative by or under this Act;
 - (b) performs those functions of office subject to the directions, control and disciplinary authority of the chief electoral officer; and

(c) holds office subject to section 37. The MEO positions are predominantly filled by municipal officials, in certain instances the Municipal Manager, but it can also be another official or person not in the service of the municipality.

The MEO exercises the powers and performs the duties assigned to him or her under the act and does so subject to the direction, control and disciplinary authority of the Chief Electoral Officer.

Section 27 of the Local Government: Municipal Electoral Act 27 of 2000 deals with the appointment of presiding officers. The said section provides as follows: As soon as practicable after an election has been called, the Commission must appoint a presiding officer and a deputy presiding officer for each voting station at which the election is to be conducted. The criteria for the appointment of election officials (presiding and deputy presiding officers, in particular) include:

- Presiding (and deputy presiding) officers must not in the last five years have held political office or been a candidate in an election or have been politically active for a political party;
- Must not, in the last five years, have held office in an organization that has party political affiliations or aims.

The Municipal Electoral Officer (MEO) for Cederberg Local Municipality has become vacant with the resignation of Mr Henry Slimmert on 1 April 2021.

In preparation for future local elections, a Municipal Electoral Officer (MEO) must be appointed by the IEC.

FINANCIAL IMPLICATIONS:

None

PERSONNEL IMPLICATIONS:

None

LEGISLATIVE IMPLICATIONS:

1. Constitution of the Republic of South – Africa, (No. 108 of 1996),
2. Municipal Structures Act, (No. 117 of 1998),
3. Municipal Electoral Act, (No. 27 of 2000)

RECOMMENDATIONS:

that in respect of the

APPOINTMENT OF THE MUNICIPAL ELECTORAL OFFICER (MEO),

discussed by Council at the Council Meeting held on 23 April 2020:

- (i) That the IEC be informed of the resignation of Mr Henry Slimmert as Municipal Manager.
- (ii) Council recommend to the IEC to appoint the Acting Municipal Manager as (Mr Andries Titus) the Municipal Electoral Officer (MEO);
- (iii) The IEC be informed accordingly.

RESOLVED:

- (i) That the IEC be informed of the resignation of Mr Henry Slimmert as Municipal Manager.
- (ii) Council recommend to the IEC to appoint the Acting Municipal Manager as (Mr Andries Titus) the Municipal Electoral Officer (MEO);
- (iii) The IEC be informed accordingly.

6.3 Matters for notification

- Director Support Services had ended and on behalf of the Administration and Council thanked mr. Memani for his selfless and good services provided to the municipality.
- The Speaker informed all that the funeral of Cllr. J Meyer will be held in due time and on behalf of Council and the Administration shared condolences to the family.

6.4 Consideration of motions of exigency

Rules of Order for internal Arrangement
Part 4

8. Motion of exigency

- 8.1 A motion of exigency exists when the attention of Municipal Council is directed to any matter not appearing on the agenda for which no notice was provided. The subject of the matter is briefly stated as well as reference to the fact that the motion to which attention has been directed be considered a matter of exigency.
- 8.2 The attention to the matter is drawn by a member. The matter is brought under the consideration of council by way of motion or question only of the motion is seconded and carried by a majority of the members present.

- Geen / None

7. CLOSURE

- Meeting adjourned.

VOORSITTER / CHAIRPERSON

DATUM / DATE