



NOTULES VAN DIE / MINUTES OF THE

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

28 FEBRUARIE / FEBRUARY 2017

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SPECIAL COUNCIL MEETING OF THE CEDERBERG MUNICIPALITY, HELD ON

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**MINUTES OF THE SPECIAL COUNCIL MEETING OF THE CEDERBERG MUNICIPALITY
HELD ON 28 FEBRUARY 2017 IN THE COUNCIL CHAMBER AT 42 CHURCH STREET,
LAMBERST BAY.**

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PRESENT AND IN ATTENDANCE:

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

ABSENT WITHOUT APOLOGY:

Geen / None

| |
|-------------------|
| 1. OPENING |
|-------------------|

Rules of Order for Internal Arrangement

PART 3: MEETINGS

4. Commencement of meetings of Council

- 4.1 The meeting must commence precisely at a time it is convened for.
- 4.2 The Speaker must assume the chair provided that a quorum is constituted.
- 4.3 The business of the meeting must be outlined at the onset.

5. Quorum

- 5.1 The presence of a majority of the members constitutes a quorum.
- 5.2 In the event that no quorum is present at the time at which the meeting was convened, the commencement of the meeting may be delayed for no longer than 30 minutes on the basis that no quorum exists.
 - 5.2.1 Should a quorum exist within this period, the Speaker must assume the chair immediately upon establishing that the quorum exists.
 - 5.2.2 Should no quorum continue to exist at the end of this period, the meeting must be adjourned by the Speaker to an alternate date, time and if applicable venue at his/her discretion., In this instance, the names of members present must be recorded.
- 5.3 In the event that there is no quorum and the Speaker is absent, the commencement of the meeting must be delayed for no more than 30 minutes and if there is no quorum at the end of this period, the meeting shall be cancelled. In this instance, the municipal manager must record the names of the members present.
- 5.4 A quorum is to be sustained during the course of proceedings of a meeting. Should there be a lack of quorum subsequent to the commencement of the meeting, the Speaker must suspend the proceedings until a quorum is again present, provided that if after 10 minutes there is still no quorum the speaker must adjourn the meeting.
- 5.5 In any instance when a meeting is adjourned as a result of the absence of a quorum, the time of such adjournment, as well as the names of the members present, must be recorded in the minutes.
- 5.6 Names of absentee members are to be recorded and provided by the Speaker to the committee established in terms of section 6 for the purposes of an investigation of a breach of these rules.

At 10h00 the Chairperson, Cllr. W Farmer called the meeting to order and welcomed all present. The Speaker asked Mr. A Mlata, member of the public, to open the meeting with a prayer.

1.1 Announcement of Councillors birthdays

Cllr. M Nel, on behalf of the ANC component, Cllr. B Zass, on behalf of the DA component and the Speaker, Cllr. W Farmer, on behalf of Council, congratulated Cllr. N Qunta on her birthday.

| |
|--|
| 2. ELECTION OF (ACTING) SPEAKER, IF NECESSARY |
|--|

N/A

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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.

3.1 A blank Application for Leave of Absence form is enclosed

- Mr.GF Matthyse (Municipal Manager)
 - a) The Speaker informed Council that:
 - (i) The Municipal Manager has been hospitalised; and
 - (ii) The CFO, mr. E Alfred will act in the position as Municipal Manager for the purposes of the meeting

No objections were received from Council regarding this matter.

3.2 The Attendance Registers will be available at the meeting

Rules of Order for Internal Arrangement

Part 3

6. Attendance at meetings

- 6.1 An attendance register must be kept in relation to all meetings. Such register is to be signed by every member that attends the meeting/s.
- 6.2 Instances when a member may be absent from a meeting include the following:
 - 6.2.1 upon leave of absence being granted in terms of rule 7; and
 - 6.2.2 upon withdrawal on the basis of a legal requirement.

4. INTERVIEWS WITH OR PRESENTATIONS BY DEPUTATIONS

Rules of Order for Internal Arrangement

Part 6

6. Deputations

Should deputations seek an interview with council, the municipal manager must be provided with ten working days written notice of the intent of the deputation with details of the representations that are to be made as well as its source. The notice must be submitted to the Speaker by the Municipal Manager with recommendations and comments. The Speaker has the discretion to then grant the interview and instate conditions.

Mr. J Palm: Regional Dumpsite

After the presentation the Speaker opens the house for four questions pertaining to the presentation.

Sequence of events after the presentation.

1. The Speaker recognised Cllr. White on his point of order:
2. Cllr. White requested the Speaker, in terms of section 28 of the Local Government Structures Act No. 117 of 1998, that he would like to participate in the debate pertaining to the presentation by mr. J Palm, but he has not taken the oath yet and has not been sworn in as a Councillor.
3. The Speaker responded that he takes note and told Cllr. White that he permits him to take part in the debate.
4. Cllr. White wants to put it on record and inform the Speaker that the permission granted to him to take part in the debate pertaining to the presentation is inconsistent with legislation and that is why he wants to state that he has been deprived to participate in the debate of the presentation.
5. After raising the question hereunder in 6.3, Cllr. Scheepers supported Cllr White in the above mentioned statement and requests that the Speaker withheld his sarcastic remarks.
6. Questions were raised by Councillors to mr. J Palm regarding:
 - 6.1 Area for the Regional Dumpsite
 - 6.2 WCDM will provide the R47 million for the establishment of the Regional Waste Disposal Site
 - 6.3 Increase of charges per household up to R154.00 per month for refuse removal.

5. CONFIRMATION OF MINUTES

Rules of Order for Internal Arrangement By-Law 2013 (Provincial Gazette 7118 dated 12 April 2013)

Part Four

1. Minutes

- 1.1 Minutes of the proceedings of meetings must be recorded in writing in a minute book;
- 1.2 Such minutes shall be compiled in printed form and be confirmed by the council at the following meeting of Municipal Council and signed by the speaker.
- 1.3 The minutes shall be deemed to have been read for the purpose of confirmation provided a copy thereof was sent to each member within a reasonable period prior to the following meeting.
- 1.4 Discussions or motions in relation to the accuracy of minutes shall be entertained. No further discussion or motions in relation to any other matters forming part of the minutes shall occur.
- 1.5 Minutes shall consist of recordings of all business discussed as well as the names of members that were in attendance, absent, and granted leave of absence.
- 1.6 Should any member have requested that there dissent, abstention or support be recorded during voting, these are to be recorded in the minutes.
- 1.7 Audio recordings of all meetings of Municipal Council must be kept for a period of three years for administrative purposes.

N/A

6. STATEMENTS AND COMMUNICATIONS BY THE SPEAKER

- 6.1 The Speaker introduced the new Councillors, White and Scheepers.
- 6.2 Both Councillors took the oath and solemn affirmation in front of Council and the community members present, undersigned and submit it to the Committee Services Office, miss J Cloete.
- 6.3 The Speaker, on behalf of Council, congratulated Cllr. R Witbooi on the appointment as member of the Citrusdal and Clanwilliam Hospital Facility Board.

7. STATEMENTS AND COMMUNICATION BY THE EXECUTIVE MAYOR

Geen / None

8. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY EXECUTIVE MAYOR AND THE EXECUTIVE MAYOR TOGETHER WITH THE MAYORAL COMMITTEE

Rules of Order for Internal Arrangement

Part 5

9. REPORTS OF THE MAYOR

- 9.2 Debate must be allowed by the Speaker in accordance with the rules relating to debate contained herein. Decisions made by the Mayor by way of delegated authority and those made by the Mayor and Mayoral Committee may be debated upon should consent be granted by the Mayor to the Speaker. A member shall request in writing such debate at least 24 (twenty four) hours prior to the meeting. Such request must be issued to the Speaker. The business of meetings of the Council will appear in the following order on the agenda.

The Executive Mayoral Committee resolved on 08 December 2015 as follows:

1. The Executive Mayor reports to the municipal council on all decisions taken by the Executive Mayor (excluding Special Council Meetings).
2. The reports of the Executive Mayor shall be for information and nothing by council and no debate, question, motions, points for information, clarity or points of order on the report shall be allowed save where motions or questions are raised in compliance with the provisions of the Council's Rules of Order.

Geen / None

9. 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 an 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 to 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.

9.1 Items submitted by Officials of Council

9.1.1 INTER-MUNICIPAL COOPERATION: REGIONAL SOLID WASTE DISPOSAL SITE

Ref:8/5/30

Director Infrastructure and Technical Services: P Majeni

Compiled: R Sauls

PURPOSE

To inform Council of progress and the updated Business Case on the Inter-municipal cooperation (IMC) between the West Coast District Municipality (WCDM), Cederberg Local Municipality and Matzikama Local Municipality on the establishment of a Regional Waste Landfill Site (Annexure A).

BACKGROUND

In preceding years, Council agreed in principle to continue with the investigation and development of an implementation plan for a regional solid waste disposal site through the West Coast Waste Management Inter-Municipal Cooperation model. The final report was submitted to Council for approval in March 2013 (*RB378/28-03-2013*).

Thus the participation and implementation of the West Coast Waste Management IMC was approved and the municipality entered into a Service Level Agreement pertaining to the IMC, which was signed by Cederberg Municipality in November 2013.

A Business Case report has been developed in December 2014 to detail the costs involved with this project. That initial report was tabled at the Mayoral Committee in May 2016 and this report is an updated version of the Business Case Report to reflect the increase in costs of December 2016 as a result of increased labour and material costs and also any amendments to legislation.

DISCUSSION

Project Background

Both the Matzikama and Cederberg Municipalities have limited long term landfill capacity and the West Coast District Municipality's Waste Disposal Strategy, developed in 2001 has identified a regional landfill site to serve the two municipalities. The Cederberg municipal area has five waste disposal sites for general waste, all licenced for rehabilitation and closure.

According to a 2008 SRK report, important aquifers under most of the Cederberg municipal area made it an undesirable location for waste sites. Jan Palm Consulting Engineers was appointed by the West Coast District Municipality to identify a new landfill site location as well as providing detailed designs for landfill construction as well as associated infrastructure. Four possible identified sites within the Matzikama municipal area were investigated for use at the new regional landfill that will serve Matzikama and Cederberg municipal areas. Following a lengthy Environmental Impact Assessment process a Waste Management Licence was obtained for the landfill to be located on Portion 2 (a portion of portion 1) of the Farm Vaderlandsche Rietkuil no. 308, Vanrhynsdorp.

Required Infrastructure at Regional Landfill

The waste licence issued makes provision for the landfilling of waste, chipping and composting of garden waste, crushing of builders' rubble and the recovery of recyclables. The site will also require the following infrastructure:

- Security Fence
- Leachate/ Contaminated stormwater dam
- Public drop-off area
- Office building
- Weighbridge and control building
- Workshop
- Landfill equipment shed
- Stormwater Drainage System

The Cederberg Municipality capital cost required to construct the required licenced and supporting infrastructure at the new regional landfill is estimated at R 16 723 636.00 as compared to the December 2014 cost of R14 587 357.00.

The activities to establish/construct the landfill must, in accordance with the Waste Management Licence, commence before 10 March 2019.

Required Other New Infrastructure for Cederberg Municipality

In order for the municipality to dispose waste at this new regional facility, several infrastructural modifications and additions have to be made since all existing waste disposal facilities within Cederberg will be in time be rehabilitated and closed.

All towns will have to be provided with a convenient facility where the public can bring their ad hoc waste to a public drop off facility. The town of Clanwilliam will have to be provided with a Waste Transfer Station where the waste collected throughout the municipal area can be transferred onto long haul vehicles for transport to the new regional waste disposal facility.

The capital costs to construct the required infrastructure have been estimated as follows:

| Public Drop-off at: | |
|-----------------------------|---------------------|
| Lamberts Bay | R 2 012 806 |
| Graafwater | R 1 892 806 |
| Citrusdal | R 1 932 806 |
| Elands Bay | R 1 932 806 |
| Transfer Station at: | |
| Clanwilliam | R 10 000 000 |
| | |
| Total | R 17 831 224 |

The capital cost required to construct the infrastructure at is estimated at R 17 831 224.00 as compared to the December 2014 cost of R14 000 000.00.

Due to the above modifications and additions in the waste management infrastructure it may also be economically beneficial to replace the collection fleet of the two municipalities to be compatible with the equipment at the public drop-offs and to be sufficiently flexible to accommodate the separation of recyclables at source.

| Capital Cost of Required Collection Vehicles: | |
|--|--------------------|
| 2 x 19m³ REL | R 4 600 000 |
| | |
| Total | R 4 600 000 |

The capital cost required for Collection Vehicles is estimated at R 4 600 000.00 as compared to the December 2014 cost of R 3 800 000.00.

Closure of existing Cederberg Landfills

The existing waste disposal sites within the Cederberg area will be closed in the short to medium term. Provisional costs to rehabilitate these sites were calculated on 30 June 2016 and are as follows:

| Closure costs for: | |
|--------------------|---------------------|
| Clanwilliam | R 11 173 606 |
| Lamberts Bay | R 10 188 275 |
| Citrusdal | R 12 263 666 |
| Graafwater | R 2 678 191 |
| Elands Bay | R 3 060 732 |
| Eselsbank | R 1 780 804 |
| Algeria | R 2 088 695 |
| Wupperthal | R 2 780 069 |
| Leipoldtville | R 2 019 140 |
| | |
| | |
| Total | R 48 033 178 |

Required Human Resources

In order for the municipality to operate the new waste management system, the following operational human resources are required, excluding the human resources allocated at the municipal offices and human resources allocated to the operation of the proposed new landfill:

| Collection Human Resources: | |
|------------------------------------|----------|
| Drivers | 2 |
| Labourers | 8 |
| Transport Human Resources: | |
| Drivers | 1 |
| Labourers | 1 |
| Drop-off Human Resources: | |
| Labourers | 4 |

Operational Costs

The following annual operating costs are applicable in order for the municipality to operate its facilities and render the refuse collection service:

| Annual Operational Costs: | |
|----------------------------------|--------------------|
| Collection | R 2 249 955 |
| Transport | R 1 570 497 |
| Drop-offs | R 850 047 |
| Landfill | R 1 060 848 |
| | |
| Total | R 5 731 348 |

Legal Requirements

The Waste Act lists all the waste management activities that require a waste management license from the Department of Environmental Affairs and Development Planning (DEADP). The activities applicable to this proposed waste management system that trigger a waste management license are waste disposal, recycling and chipping of garden waste. These

activities are already included in the waste management license for the regional landfill and a waste management license has been issued.

The construction of a transfer station at Clanwilliam as well as public drop-off facilities at all other towns does not trigger waste management licenses, but are listed under the Norms and Standards for storage facilities which means that these facilities, only if they individually have more than 100m³ storage capacity, need to be registered with the department and operated in accordance with the applicable Norms and Standards.

Financial Affordability

The capital requirement for the Establishing the Regional Landfill plus Supporting Infrastructure can be summarised as follows:

| Capital Cost Requirement: | |
|-----------------------------------|---------------------|
| Regional Landfill | R 16 723 636 |
| Municipal Infrastructure | R 17 831 224 |
| Municipal Collection Fleet | R 4 600 000 |
| | |
| Total | R 39 154 860 |

Over and above the capital requirement to implement the regional landfill project, Cederberg Municipality also has a capital requirement with respect to its existing landfills that must be rehabilitated. **The capital requirement for the rehabilitation and closure of existing landfill sites amounts to R 48 033 178.00 and should be phased in between 2019 and 2024.**

The Annual Operational requirement for the establishment of the Regional landfill and Operating Infrastructure can be summarised as follows:

| Annual Operational Costs: | |
|----------------------------------|--------------------|
| Collection | R 2 249 555 |
| Transport | R 1 570 497 |
| Drop - offs | R 850 047 |
| Landfill | R 1 060 848 |

| | |
|--------------|--------------------|
| | |
| Total | R 5 731 348 |

Considering the above capital and operational costs, the resulting cost per household per months still falls within the limits of realistic municipal refuse removal tariffs, but raising the required capital could be problematic since it is likely that the two local municipalities could together contribute more than R 10 000 000.00 of their allocated MIG funding towards this project. Alternative sources of funding would therefore have to be obtained.

Conclusion

Progress on the project includes the following:

- The project is a standing item on the Back to Basics Steering Committee;
- A business case for both municipalities has been compiled encompassing detailed information as highlighted above;
- The municipality also had a discussion on the project during a meeting with the DEADP on 18 February 2016;
- The municipality engaged the West Coast District Municipality on progress and way forward regarding the implementation of the project during a meeting on 7 March 2016. The WCDM committed to setting up a meeting with all stakeholders to pave way forward.
- Meeting was held between Cederberg Municipality, West Coast District Municipality and Matzikama Municipality on the 9 February 2017 on the updated Business case for the Matzikama and Cederberg Regional Land fill

FINANCIAL IMPLICATIONS

- MTREF budget 2017-2020
- Construction of drop-offs in four towns and transfer station in Clanwilliam
- Rehabilitation and closure of all existing landfill sites in the Cederberg area

APPLICABLE LEGISLATION

- The Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act No. 117, 1998
- Local Government: Municipal Systems Act No. 32, 2000
- Local Government: Municipal Finance Management Act No. 56, 2003
- National Environmental Management: Waste Act No. 59, 2008

RECOMMENDATION

That in respect of the

INTER-MUNICIPAL COOPERATION: REGIONAL SOLID WASTE DISPOSAL SITE

discuss by Council at the Special Council Meeting held on 27 February 2017:

a) That Council takes cognisance of:

1. Progress on the implementation of the Inter-Municipal Cooperation, Regional Waste Disposal Facility;
2. Report on the Business Case for the Matzikama and Cederberg Regional Landfill (December 2016 Update) from JPCE (Pty) Ltd (Specialist Consulting Engineers);
3. The required infrastructure for the implementation of the model and associated updated capital costs; which is estimated at R 39 154 860;
4. The updated cost to rehabilitate and close existing landfill sites, which is estimated at R 48 033 178.00;
5. The updated annual operational cost requirement, which is estimated at R5 731 343.

RESOLVED

That in respect of the

INTER-MUNICIPAL COOPERATION: REGIONAL SOLID WASTE DISPOSAL SITE

discuss by Council at the Special Council Meeting held on 28 February 2017:

a) That Council takes cognisance of:

1. Progress on the implementation of the Inter-Municipal Cooperation, Regional Waste Disposal Facility;
2. Report on the Business Case for the Matzikama and Cederberg Regional Landfill (December 2016 Update) from JPCE (Pty) Ltd (Specialist Consulting Engineers);
3. The required infrastructure for the implementation of the model and associated updated capital costs; which is estimated at R 39 154 860;
4. The updated cost to rehabilitate and close existing landfill sites, which is estimated at R 48 033 178.00;
5. The updated annual operational cost requirement, which is estimated at R5 731 343.

**9.1.2 PROVINCIAL ROLL OVER FROM 2015/2016 FINANCIAL YEAR AND
AMENDMENTS TO INCOME, OPERATIONAL AND CAPITAL EXPENDITURE
PROJECTIONS – ADJUSTMENT BUDGET 2016/2017 FEBRUARY 2017**

Ref.: 5/1/1/1

Executive Mayor: Cllr. J Barnard

PURPOSE

To submit an Adjustment budget for 2016/2017 as a result of Provincial Roll Over from 2015/2016, amendments to income, operational and capital expenditure projections.

BACKGROUND

Council approved a roll over from 2015/2016 financial year and amendments to grant income and expenditure projections on 08 December 2016.

In terms of Section 28 of the MFMA;

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments 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 adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments 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 adjustments budget is tabled, it must be accompanied by –
 - (a) an explanation how the adjustments 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

- An adjustment budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- 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 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 of 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 section (28(2) (b) of the Act in the Municipal council to appropriate these additional.
- The roll-overs relate to, relate only to own funding. MFMA circular 72 para 6.6 dictates the process for Grant Funding roll-overs.

- “Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA (read together with regulation 23(5) of the Municipal Budget and Reporting Regulations) because they are national / provincial funds. The applicable rollover process is then given effect through the municipal adjustments budget in January / February each year for all the cash / transfers that had already been transferred to the bank accounts of municipalities prior to the end of the financial year. In this regard refer to MFMA Budget Circular No. 51 for more information.
- Section 21 of the 2013 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.”

FINANCIAL IMPLICATIONS:

(a) Operational Income:

- Property Rates : Budget decreased with R 787 829
Reason: Properties value reduced with Supplementary Valuation roll.
- Electricity Revenue: Budget increased with R 707 524
Reason: The implementation of the Time of Use meters which measure the capacity for large consumers.
- Fines: Budget increased with R 27 480 322
Reason: Traffic fines are budgeted according to IGRAP 1 accounting standards.

b) Operational Expenditure

- Employee related costs: Increased with R 2 181 365
EPWP costs: Increased with R 650 000 to continue with Acting on Fire, law enforcement and capital projects. Medical aid contributions increase by approximately 10% and Overtime and standby allowances increased sufficiently .Management did put measure in place to monitor overtime and standby allowances.
- Interest Paid: Increased with R 651 967

Reason: Provision were made for interest on the lease agreements for the motor vehicles.

- Other Operating Expenditure: Increased with R 4 604 170

Reason: Increase in operational grants from Provincial Treasury

(b) Capital Expenditure

Capital Expenditure: Increased with R 3 244 928.

Reason:

- The specialised/engineering vehicles & plant increase with R 5 000 000.
- The electricity upgrade – own funds increase with R 1 210 000, priority was given to capital projects instead of operational Matters in electricity department.
- The decrease in the RBIG funds to the amount of R 4 000 000 (water treatment works Clanwilliam), the IGR processes are not finalised yet.

(c) Provincial Roll Overs

The following roll overs were approved by Provincial Treasury:

- R 19 412 for the Human Settlement Development Grant.
- R 900 381 for the Financial Management Support Grant (Meter Installation Audit & Internal Audit Shared Services).
- R 59 294 for the Housing Consumer Education Grant.
- R 15 231 for the Development of Sport and Recreation Facilities.
- R 6 079 for the Municipal Infrastructure Support Grant.
- R 2 042 for the Integrated Development Plant Grant.

(d) The increase in the future years of the budget will be certain during the compiling of the 2017/2018 budget and once the future Provincial and National government allocations are certain. We have therefore now kept the outer years as they were in the 2018/2019 original Annual Budget.

(e) All the prescribed documents have been added as annexure.

APPLICABLE LEGISLATION / COUNCIL POLICY

The MFMA Section 28

Municipal Budget and Reporting Regulations
Council Budget related Policies

Part 1 – Adjustment Budget

a. Mayor's Report

The revised income, operational and capital expenditure projections funds that resulted into an adjustment budget according to section 28 (2) (a) (b) and (d) of the MFMA reflect our commitment to the service delivery imperatives towards the Cederberg Municipality.

b. Resolutions

The recommendations with regard to resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

c. 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 are contained in this report.

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

Other supporting Documents

Annexure B is the quality certificate.

Comment of Directorates / Departments concerned:

Municipal Manager:

| | |
|--|--------------------------|
| Director: Corporate and Strategic Services: | Recommendation Supported |
| Director: Financial Services: | Recommendation Supported |
| Director: Engineering and Planning Services: | Recommendation Supported |
| Director: Community Development Services: | Recommendation Supported |

RECOMMENDATION:

That in respect of:

PROVINCIAL ROLL OVER FROM 2015/2016 FINANCIAL YEAR AND AMENDMENTS TO INCOME, OPERATIONAL AND CAPITAL EXPENDITURE PROJECTIONS – ADJUSTMENT BUDGET 2016/2017 FEBRUARY

discussed by Council at the Special Council Meeting held on 28 February 2017:

1. Council approves the Adjustment Budget for 2016/2017 financial year, provincial roll over from 2015/2016 and amendments to income, operational and capital expenditure projections as set out in the following:
 - i. Municipal Budget tables B1 – B10
 - ii. Municipal Budget Supporting Documentation SB1 – SB19
2. The Service Delivery Budget Implementation Plan be amended in line with these adjustments.

Speech by the Executive Mayor:

Honorable Speaker
Deputy Mayor,
MAYCO members
Councilors
Municipal manager
Directors
Other staff members
Members of the public

Good day and Goeie more,

It is my privilege, honor and also as Executive Mayor my obligation as per Section 28(4) of the Municipal Financial Management Act to submit this Adjustment budget.

The purpose of this Adjustment budget 2016/2017 is;

- To include Provincial Grants rolled over from Previous financial year;
- Adjust Revenue and Expenditure estimates for the current financial year.

Management within local government has a significant role to play in strengthening the link between the citizen and governments overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Cederberg. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of core municipal services through the application of efficient and effectiveness service delivery mechanisms

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal service are provided economically and equitably to all communities.

Cederberg Municipality is not immune to harsh economic conditions and need to adapt. Macroeconomics factors are out of the municipal control for example,

- a) Salary Negotiations
- b) Fixed Compliance Cost example, Auditor General fees, SALGA membership fees
- c) Eskom increases
- d) Prescribed expenditure, Municipality to budget in line of national norms and standards

The compiled Adjustment Budget can thus be summarized as follows;

1. The following Roll overs were approved by Provincial Treasury:

| Grant | Amount |
|---|----------|
| Human Settlement Development Grant | R 19 412 |
| Financial Management Support Grant (Meter installation Audit & Internal Audit Shared Services) | R900 381 |
| Housing Consumer Education Grant | R 59 294 |
| Development of Sport & Recreation Facilities | R 15 231 |
| Municipal Infrastructure Support Grant | R 6 079 |
| Integrated Development Plan Grant | R 2 042 |

2. Amendments in Revenue, Operational and Capital Expenditure

Operational Revenue

- Property Rates Revenue : Budget decreased with R 788 000
Properties value reduced with Supplementary Valuation roll and valuations appeals.
- Electricity Revenue: Budget increased with R 708 000
The implementation of the Time of Use meters which measure the capacity for large consumers was a success during the high demand season.
- Fines: Budget increased with R 27 million
Traffic fines are budgeted according to IGRAP 1 accounting standards

Operational Expenditure

- i) Employee related costs increased with R2.1m - the medical aid contribution increased by approximately 10% from January 2017 .The own funding on EPWP increased with R650 000 to R 1.7 million to continue with Acting on Fire, law enforcements and Capital projects.
- ii) Overtime and Standby allowances increased sufficiently, Management did put measures in place to monitor these allowances and should this be a focus area in reducing our cost. The Administration must ensure that this issue will be resolved and monitored.
- iii) Interest paid increased with R651 000 – this increase is to make provision for the lease agreements of the motor vehicles and the provision of interest on rehabilitation of our landfill sites.
- iv) Our Debt Impairment increased with R 30 million to make provision for Fines not Collected in terms in of iGrap1.The administration scheduled a meeting with the local magistrate court for the processing of warrants.
- v) Other Operating Expenditure: Increased with R 4.6million to make provision for the increase in operational grants from Provincial Treasury, mSCOA and ablution facilities in our informal settlements.

Capital Expenditure

- i) The Municipality Capital Expenditure Budget overall increased with R3.2 million –
 - R 5 million for Specialized/engineering vehicles & to replace our old fleet which will be funded on a finance lease.
 - R1.2 million for Electricity Network Upgrade and replacement of streetlights in Cederberg.
 - The Municipality removed the RBIG funds amounts to R4 million for the Water treatment works in Clanwilliam as the IRS processes are not finalized yet.

It is imperative that we monitor the spending of our Capital Expenditure as we need to put in the infrastructure to unlock Economic Development to our area .All unfished capital projects must be concluded before the end of the financial year.

Speaker in summary, our Operational Revenue budget increase with R 27 million to R 256 million and Capital Expenditure budget with R 3.2 million to R70 million.

It is noted that our operational expenditure increased, but we have to keep in mind our mSCOA Budget is R1.4million and needs to be implemented prior to 2017/18.This include our mSCOA network and hardware.

The cost of compliance is still a challenge for low capacity municipalities. Salga membership fees are budgeted for R840 000.

The Auditor General Budget is R3.9 million which are too high for a municipality our size and the Municipality were issued less than 30 audit findings.

Cash Flow Position:

The second quarter of the financial year the municipality experienced a drop in our debt collection rate mainly because of our high indigent figures and the economic and social reality challenges faced by our consumers. The municipality revised its debt collection rate on service charges to 90% in line with the current realities with the adjustment budget. The collection rate of electricity only are budgeted on 95% as a bulk of our clients are on prepaid meters. The electricity meter and water meter audit are concluded and are the administration busy with physical verification and replacement of faulty and tampered meters. This exercise will reduce our losses significantly.

Strategies to improve Collection Rate were presented and approved by council which consist of a Revenue Enhancement Plan/strategy. Our long term financial sustainable plan will be concluded soon for the next 10 years and will be an instrumental tool to turn around our cash position.

Our focus is currently on our Credit control unit and meetings were held with the team on 13 January 2017 and 17 February 2017 respectively. The team are currently being monitored and given targets weekly to improve our debt collection rate. The Municipality also adhere strictly to MFMA Circular 82 which indicate the Cost Containment Measures of municipalities.

There are also highlights to take note of;

We have successfully completed the fencing of Water Treatment works in Lambertsbay, we upgraded and beautified the park in Jakaranda Street Clanwilliam and provided water tanks to Kayallitsha.

During the past 6 months, we were able to employ 216 workers on EPWP, and thus efficiently contributed to the wealth fair of the poor. Much work still needs to be done and I am positive we will make our change.

Currently the administration is busy with the supplier roadshow to promote and equip their local business in being more successful.

Speaker I am humbled by the huge task entrusted to me as leader of this Council, and the opportunity to table this Adjustment Budget to better serve our people.

In the item serving before Council and the recommendations as set out in the Adjustment Budget item. I herewith formally submit the recommendations to Council for consideration and approval of the 2016/2017 Adjustment Budget.

I thank you

RESOLVED

That in respect of the

**PROVINCIAL ROLL OVER FROM 2015/2016 FINANCIAL YEAR AND AMENDMENTS TO
INCOME, OPERATIONAL AND CAPITAL EXPENDITURE PROJECTIONS –
ADJUSTMENT BUDGET 2016/2017 FEBRUARY**

discussed by Council at the Special Council Meeting held on 28 February 2017:

1. Council approves the Adjustment Budget for 2016/2017 financial year, provincial roll over from 2015/2016 and amendments to income, operational and capital expenditure projections as set out in the following:

- i. Municipal Budget tables B1 – B10
- ii. Municipal Budget Supporting Documentation SB1 – SB19

2. The Service Delivery Budget Implementation Plan be amended in line with these adjustments.

Proposed: Cllr. J Meyer
Seconded: Cllr. R Witbooi

Counter Proposal: Cllr. M Nel
Seconded: Cllr. E Majikejela

Cllr. J White: Support Counter Proposal and suggest that the Adjustment Budget 2016/17 be workshopped before approval

VOTE

| FOR | AGAINST | ABSTAIN |
|--|--|---------|
| 6 | 5 | - |
| Cllr. R Witbooi Cllr. R Pretorius Cllr. J Meyer Cllr. B Zass Cllr. J Barnard Cllr. W Farmer | Cllr. M Nel Cllr. N Qunta Cllr. E Majikejela Cllr. L Scheepers Cllr. J White | |

9.1.3 ADJUSTED/REVIEWED SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) 2016/2017

Ref: 15/5/1/1

Acting Director Corporate and Strategic Services: H Witbooi

Compiled: O Fransman

PURPOSE

To obtain approval from Council for the revised adjusted Service Delivery Budget Implementation Plan (SDBIP) 2016/2017 as aligned with the Integrated Development Plan (IDP) and Adjustment Budget.

BACKGROUND

According to the Municipal Systems Act No. 32 of 2000, Section 40 states that a municipality must establish mechanisms to monitor and review its performance management system.

The following information is reflected in the attached report for approval:

- The adjusted/reviewed Service Delivery Budget Implementation Plan (SDBIP) for 2016/2017

PERSONNEL IMPLICATIONS

NONE

FINANCIAL IMPLICATIONS

NONE

COMMENTS WITH SECTION 57 MANAGERS

| | |
|-------------------------------------|------------------------|
| Municipal Manager: | Support Recommendation |
| Acting Director Corporate Services | Support Recommendation |
| Acting Director Community Services: | Support Recommendation |
| Director Financial Services: | Support Recommendation |
| Director Technical Services: | Support Recommendation |

SOURCE CONSULTED

- Web-Based Service Delivery Budget Implementation Plan "SDBIP"
- Adjustment Budget 2016/17
- Sessions with directorates

RECOMMENDATION

That in respect of the

ADJUSTED/REVIEWED SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) 2016/2017

discuss by Council at the Special Council Meeting held on 27 February 2017:

- a. That council approves the adjusted/reviewed Service Delivery Budget Implementation Plan (SDBIP) of 2016/2017;
- b. That changes be made on the Web based performance system; and
- c. That the Performance Agreements of the section 57 Managers be amended.

RESOLVED

That in respect of the

ADJUSTED/REVIEWED SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) 2016/2017

discuss by Council at the Special Council Meeting held on 28 February 2017:

- a. That council approves the adjusted/reviewed Service Delivery Budget Implementation Plan (SDBIP) of 2016/2017;
- b. That changes be made on the Web based performance system; and
- c. That the Performance Agreements of the section 57 Managers be amended.

Proposed: Cllr. B Zass

Seconded: Cllr. R Pretorius

Counter Proposal: Cllr. M Nel

Seconded: Cllr. L Scheepers

VOTE

| FOR | AGAINST | ABSTAIN |
|--|--|---------|
| 6 | 5 | - |
| Cllr. R Witbooi Cllr. R Pretorius Cllr. J Meyer Cllr. B Zass Cllr. J Barnard Cllr. W Farmer | Cllr. M Nel Cllr. N Qunta Cllr. E Majikejela Cllr. L Scheepers Cllr. J White | |

9.1.4 LAMBERTS BAY DESALINATION PLANT – PROGRESS UPDATE

Ref.:8/5/66 **Director Infrastructure and Technical Services – P. Majeni**

AIM

To inform the Council about the status of the Desalination Plant project.

BACKGROUND

Veolia water has completed the design and construction of the plant. All equipment has been installed. Commissioning activities were completed for all equipment and systems that are available on site. The design and construction of the sea-outfall for the disposal of brine must still be done. A suspension of works order was implemented to allow for the finalisation of the sea-outfall as well as additional funding required for the project, following which the contractor will be back on site to carry out hot commissioning and conduct the 72 hour test.

Funding in the amount of R 14 387 000.00 was approved by DWS on 30 May 2016 for the construction of the sea outfall pipeline. A preliminary design report was completed in October 2016. Tender documents were completed in December 2016.

Action:

The estimated cost for the Horizontal Directional Drilling option is R 23 607 814.00 (VAT Excluded). The department has been engaging with the Department of Water and Sanitation to address the challenge of insufficient funding prior to testing the market for the construction of the pipeline.

A meeting was held by the municipality and DWS on 18 January 2017 to discuss solutions in this regard. A subsequent meeting with DWS engineers was held on 27 January 2017 scheduled following which the decisions were made that the tender process should commence.

The Bid Specification Committee meeting was held on the 7th of February 2017.

A detailed report is hereto attached as **Annexure A**.

FINANSIële IMPLIKASIE / FINANCIAL IMPLICATION:

Rehabilitation and construction of plant – R 25 240 000.00

PERSONEEL IMPLIKASIE / PERSONNEL IMPLICATION:

Organogram to be approved to accommodate the appointment of a Process Controller to operate the plant.

REGSIMPLIKASIE / LEGISLATIVE IMPLICATION

Department of Water and Sanitation / Cederberg Municipality Memorandum of Agreement.

KONSULTASIE MET ANDER PARTYE / CONSULTATION WITH OTHER PARTIES

National / Provincial Department of Water and Sanitation.

AANBEVELINGS / RECOMMENDATIONS

That in respect of the

LAMBERTS BAY DESALINATION PLANT – PROGRESS UPDATE

Discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) Council take note of the Lamberts Bay Desalination Plant – Progress update.

RESOLVED

That in respect of the

LAMBERTS BAY DESALINATION PLANT – PROGRESS UPDATE

Discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) That Council take note of the Lamberts Bay Desalination Plant – Progress update.

9.1.5 PROGRESS REPORT: MSCOA IMPLEMENTATION PROJECT ACTION PLAN

Ref: 3/2/2/71

Chief Financial Officer: ER Alfred

PURPOSE

The purpose of this report is to inform Council regarding the progress of the requirements of mSCOA Circulars 5 & 6, and MFMA Circular 80.

BACKGROUND

The concept of mSCOA came about when Government realised the need for comparability of financial statements and reporting of different municipalities. mSCOA will thus ensure comparability of budgets and in year reports of municipalities and municipal entities.

mSCOA aims to strengthen the link between policy priorities, planning, budgeting, implementation and reporting.

PROGRESS:

STEPS IN IMPLEMENTING Mscoa

The following activities have been prioritised AND completed by the municipality:

1. Tabling the Municipal Regulations on a Standard Chart of Accounts in the municipal council to bring awareness; **Yes**
2. Engage the provincial forums which will be used to provide feedback on the piloting process. **Yes**
3. Attend any sessions scheduled by the National mSCOA Project Team; Attendance of these sessions by relevant officials, including the municipal mSCOA project manager or coordinator. **Yes**
4. Study the Regulation, mSCOA Project Document, associated Segments and Frequently Asked Questions website; **Yes**

5. Register a formal mSCOA project in the municipality with a project sponsor, steering committee to oversee the implementation; **Yes**
6. Identify a project manager or coordinator within the municipality (preferably within the finance department at a senior level). **Yes**
7. Identify a multi-disciplinary mSCOA project team for the municipality. The project team should include skills of finance, budgeting, engineering, risk management, information technology and human resources. **Yes**
8. Compile a high level mSCOA project plan, including a mSCOA risk register, for the municipality. **Yes**
9. Undertake an exercise to match the existing municipal chart to the regulated Municipal SCOA classification framework.
Matching the existing vote, cost centre and budget structures operational in the municipality to the Function Segment of the Municipal SCOA classification framework.
80% Completed – new aligned Budget and vote structure due date 15 March 2017.
10. The municipality to review its IT infrastructure, network and archiving ('as is' analysis), and complete a Due Diligence Assessment by preferred Service provider. **Yes**

WAY FORWARD:

- A review is currently undertaken and should be completed by the 15th of March 2017 of the current GL structure. The goal is to understand the current structure in the context of mSCOA, to enable a breakdown of the structure to accommodate mSCOA
- Verification of current vote structure to mSCOA segments – 15th March 2017
- **Compilation of a Budget Excel Based tool to assist management in the pre work for the 16/17 budget – 15th March 2017**
 - to map the current trial balance structure to the MSCOA items structure;
 - to link each item and function to a KPI and to a project;

- To first compile our Revenue budget and truly cash backed/ funded.
- To make provision in the Adjustment Budget for R2.2 m for the period February 2017 – June 2017 to implement the new PROMIS V.50 system.
- Tests will be done on the 20th of February 2017 on site in Clanwilliam regarding the Billing module.
- Adjustment budget to make provision for R330k to purchase a new server to sustain mSCOA. To be bought and installed in February /March 2017.
- **Ongoing** data purification.
- Finalize **Service Level Agreement (SLA)** for approval by the municipal manager; first to submit to PT and NT for inputs and comments.
- Establish vendor **target dates for converting data and implementation** - incorporate into the mSCOA project implementation plan;
- For the first year the aim will be minimum legislative compliance. The reason is purely from a change management perspective and lack of financial and human resources.

Comment of Directorates / Departments concerned:

| | |
|--|--------------------------|
| Municipal Manager: | Recommendation Supported |
| Director: Corporate and Strategic Services: | Recommendation Supported |
| Director: Financial Services: | Recommendation Supported |
| Director: Engineering and Planning Services: | Recommendation Supported |
| Director: Community Development Services: | Recommendation Supported |

RECOMMENDATION

That in respect of the

PROGRESS REPORT: MSCOA IMPLEMENTATION PROJECT ACTION PLAN

discussed by Council at the Special Council Meeting held on 27 February 2017:

1. Council takes cognisance of the Progress Report: Mscoa Implementation Project Action Plan.

RESOLVED

That in respect of the

PROGRESS REPORT: MSCOA IMPLEMENTATION PROJECT ACTION PLAN

discussed by Council at the Special Council Meeting held on 28 February 2017:

1. Council takes cognisance of the Progress Report: Mscoa Implementation Project Action Plan.

9.1.6 DISPOSAL OF IMMOVABLE LAND- INFILL PLOTS – GAP OWNERSHIP PURPOSES

Ref.:17/5/4/12

Acting Director Community Development Services: A Titus

Responsible Official: S Mouton

PURPOSE OF THE REPORT

The purpose is for Council to deliberate the disposal processes and to consider the fair market value of the asset and the economic and community value to be received in exchange for the asset as contemplated in of section 14 of the Municipal Finance Management Act No.5 of 2003 (MFMA)

BACKGROUND

The IDP of Cederberg Municipality identified and prioritised GAP housing as a priority and access to land for the historically disadvantaged in our municipal area. Given the historical imbalances and the dire need of our communities, it has become imperative to address their plight for housing and land. Any transfer of ownership of a capital asset must be fair, equitable, transparent, competitive and consistent with the SCM policy of Council. To this end the Council determined to embark on as Supply Chain Management process as contemplated in our policy and the applicable legislation and regulations as follows:

That

1. *Council approves the disposal process of the identified immovable land in terms of Section 14 of the MFMA for GAP housing and access to land within the parameters of the Supply Chain Management Policy and other legislative requirements.*
2. *The administration to be mandated to commence with the disposal process and submit progress report to Council as the implementation progresses.*
3. *Council resolved that the asset on reasonable ground are not needed to provide the minimum level of basic municipal services and*
4. *Council to consider the fair market value of the asset and the economic and community value to be received in exchange for the asset.*
5. *That the administration be mandated to go ahead with the alienation of the identified land for the towns of Citrusdal, Clanwilliam, Elandsbay and Lambertsbay as per determined fair market value schedule attached hereto.*

That administration completes the SCM process and in the final phase before awarding process wish to report to Council for its consideration what financial offers were received from the various preferred bidders in exchange for the assets as listed in **Annexure A**

Comments:

Chief Financial Officer: Support recommendations

Corporate & Strategic Services: Support recommendations

Technical and Engineering Services:

ANNEXURE A.

| Town | Erf | Owner | Extent | Date of Valuation | Reference | Value | Category |
|-------------|------|------------------------|-------------------|-------------------|-------------|--------|-------------|
| ELANDSBAY | 281 | Cederberg Municipality | 299m ² | 01 Feb.2017 | 2017/CBM/9 | R12000 | Vacant Land |
| | 282 | Cederberg Municipality | 299m ² | 01 Feb.2017 | 2017/CBM/8 | R12000 | Vacant Land |
| | 283 | Cederberg Municipality | 299m ² | 01 Feb.2017 | 2017/CBM/7 | R12000 | Vacant Land |
| | 284 | Cederberg Municipality | 299m ² | 01 Feb.2017 | 2017/CBM/6 | R12000 | Vacant Land |
| | 623 | Cederberg Municipality | 238m ² | 01 Feb.2017 | 2017/CBM/4 | R12000 | Vacant Land |
| | 624 | Cederberg Municipality | 233m ² | 01 Feb.2017 | 2017/CBM/5 | R12000 | Vacant Land |
| CLANWILLIAM | 2258 | Cederberg Municipality | 336m ² | 01 Feb.2017 | 2017/CBM/11 | R13500 | Vacant Land |
| | 2259 | Cederberg Municipality | 271m ² | 01 Feb.2017 | 2017/CBM/12 | R12000 | Vacant Land |
| | 2261 | Cederberg Municipality | 250m ² | 01 Feb.2017 | 2017/CBM/13 | R12000 | Vacant Land |
| | 2298 | Cederberg | 250m ² | 01 Feb.2017 | 2017/CBM/ | R12000 | Vacant |

| | | | | | | | |
|---------------------|--------------------|------------------------|-------------------|-------------|-------------|--------|-------------|
| | | Municipality | | | 15 | | Land |
| | Part of 833 | Cederberg Municipality | 672m ² | 01 Feb.2017 | 2017/CBM/16 | R19000 | Vacant Land |
| | 847 | Cederberg Municipality | 435m ² | 01 Feb.2017 | 2017/CBM/17 | R16000 | Vacant Land |
| LAMBERTS BAY | 1186 | Cederberg Municipality | 334m ² | 01 Feb.2017 | 2017/CBM/64 | R15000 | Vacant Land |
| | 1187 | Cederberg Municipality | 286m ² | 01 Feb.2017 | 2017/CBM/65 | R15000 | Vacant Land |
| | 1188 | Cederberg Municipality | 499m ² | 01 Feb.2017 | 2017/CBM/66 | R22000 | Vacant Land |
| | 1189 | Cederberg Municipality | 464m ² | 01 Feb.2017 | 2017/CBM/67 | R22000 | Vacant Land |

RECOMMENDATION

That in respect of the

DISPOSAL OF IMMOVABLE LAND- INFILL PLOTS – GAP OWNERSHIP PURPOSES

discuss by Council at the Special Council Meeting held on 27 February 2017:

- a) Council approves in terms of the MFMA Section 14.2 (b) that it has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- b) That the administration, be mandated to proceed with the alienation, awarding and transfer process of these assets and report to council on progress thereto.
- c) That the following SPECIFIC CONDITIONS OF SALE be enacted
 - i. Each bidder is limited to purchase one residential property if an offer is made on several tenders, only one property can be awarded.
 - ii. The properties restricted to be utilized solely for residential purposes

- iii. That in the event that the development does not occur within the stipulated period the said property would revert back to Council at the same price it was sold for.
- iv. No building work or development may occur on any of these properties without a municipal approved building plan and signed sales agreement.
- v. All connection to services, property transfer, bond registration and any other related cost will be borne by the applicant.

RESOLVED

That in respect of the

DISPOSAL OF IMMOVABLE LAND- INFILL PLOTS – GAP OWNERSHIP PURPOSES

discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) Council approves in terms of the MFMA Section 14.2 (b) that it has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- b) That the administration, be mandated to proceed with the alienation, awarding and transfer process of these assets and report to council on progress thereto.
- c) That preference be granted to first time home owners.
- d) That the following SPECIFIC CONDITIONS OF SALE be enacted
 - i. Each bidder is limited to purchase one residential property if an offer is made on several tenders, only one property can be awarded.
 - ii. The properties restricted to be utilized solely for residential purposes
 - iii. That in the event that the development does not occur within the stipulated period the said property would revert back to Council at the same price it was sold for.
 - iv. No building work or development may occur on any of these properties without a municipal approved building plan and signed sales agreement.

- v. All connection to services, property transfer, bond registration and any other related cost will be borne by the applicant.

Proposed: Cllr. R Pretorius

Seconded: Cllr. J Meyer

9.1.6 CONSIDERATION IN CHANGING TENDER PLOTS: PART OF ERF 279 CLANWILLIAM TO ERF 1596 OR 2284 CLANWILLIAM

Ref.: /8/1/B

Acting Director Community Development: A Titus

Compiled: S Mouton

PURPOSE

To provide the background to the situation and subsequent approving the allocation or awarding of secondary plots to these successful bidders, and for council to determine an appropriate course of action with regard to the future disposal or alienation of Municipal land for Affordable GAP housing opportunities.

BACKGROUND

During 2014/2015, Cederberg Municipality opens a tender for Sale of land for ownership and access to property purposes, with reference: CED: 04/2014-2015: PART OF 279 CLANWILLIAM.

Description of Tender plots

- ± 1 hectares proposed for entry level GAP development providing **± 10 opportunities**
- Locality: - part of 279, Clanwilliam municipal land, located on the eastern periphery of Clanwilliam directly south east of Protea street and next to the church VGK Clanwilliam in Buitekant Street.

Tender Payment Specifications

- Tender bid payment compliance states- 75% of tender offer to be payable on award of the tender and the balance of 25% on registration.

Conditions

- Failure to settle the full offer amount within the stipulated period will result in the property being offered to the second preferred applicant.
- No building work or development may occur on any of these properties without a municipal approved building plan.
- All property transfer, bond registration and related cost will be for the account of the applicant.

AWARDING of TENDERS

Cederberg Municipality received the following bids and were awarded according the Bid Adjudication Committee as stipulated hereunder.

| # | Erf No | Average Size (m²) | Reserve Price | Bidders | Bid Price | BAC- Outcome | Paid/ Outcome |
|---|-------------------------|-------------------|---------------|------------|-----------|--------------|----------------|
| 3 | Part of 279 Clanwilliam | 200 | R40 000 | NP Mtsewu | R40 000 | Awarded | R40 000 |
| 4 | Part of 279 Clanwilliam | 200 | R40 000 | J van Rooy | R45 000 | Awarded | R35 000 |

On the actual allocation erven to the bidders/ beneficiaries it was found that:

- Erven not created, Zoned, subdivided or serviced by roads, electricity, sewerage or water.
- LUPO application still needed to be done in order to obtain environmental authorisation and land right use.
- The site is very rocky

That leads that

- Installation of services will be costly and LUPO process will take time.
- The beneficiaries are in need of housing and will not benefit them to delay the process any longer.

Miss NP Mtsewu already requested to council to offer an option of a secondary erven, Consultations with the other beneficiary were done and similar request was received.

It is therefore recommended that

Council approve the changing of tender plot numbers from: Part of Erf 279 Clanwilliam, to be allocated as indicated hereunder.

Clanwilliam:

Erf 1596- with extent of 390m² at Denne Street to be awarded to Miss NP Mtsewu;

Erf 2284 with extent of 385m² at Jubilee Park to be awarded to Mr J Van Rooy; and

Consideration on the Valuation

| ORIGINAL BID ALLOCATION | | | | NEW PROPOSED ERVENS | | | |
|-------------------------|-------------|--------|---------------|---------------------|------|--------|---------------|
| Town | Erf | Extent | Reserve Price | Town | Erf | Extent | Reserve Price |
| Clanwilliam | Part of 279 | 200m² | R40 000 | Clanwilliam | 2284 | 385m² | R16 500 |
| Clanwilliam | Part of 279 | 200m² | R40 000 | Clanwilliam | 1596 | 390m² | R15 000 |

Consideration in allocating these ervens will bear no additional cost or financial losses to the council.

Transferral process can start immediately, these cost will be borne by the applicants.

Proposed area is more mid-class in the method the existing top structures are built and will encourage similar constructions, which will bring a profitable value to our community.

Relevant Legislation:

Municipal Finance Management Act, 2003 (Act 5 of 2003) (MFMA) - Section 14
Supply Chain Management Regulations

Comments:

Chief Financial Officer

Support recommendations

Municipal Services and Infrastructure Development

Town planning: - Subdivision and Rezoning of portion of 279 Clanwilliam for creation of 14 residential erven and 4 church erven estimate costing of R123 541.00, that include hereunder-

- ☞ Town planning preparation of layout, application and lodgement
- ☞ Advert and Survey fees
- ☞ Topographical Survey
- ☞ Creation of General Plan and survey of erven
- ☞ Surveyor General Fees

RECOMMENDATION

That in respect of the

**CONSIDERATION IN CHANGING TENDER PLOTS: PART OF ERF 279 CLANWILLIAM
TO ERF 1596 OR 2284 CLANWILLIAM**

discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) Council approve the changing of tender plot numbers, as indicated above.
- b) Administration communicates with the relevant beneficiaries to immediate start with the transfer process.

RESOLVED

That in respect of the

**CONSIDERATION IN CHANGING TENDER PLOTS: PART OF ERF 279 CLANWILLIAM
TO ERF 1596 OR 2284 CLANWILLIAM**

discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) Council approve the changing of tender plot numbers, as indicated above.
- b) Administration communicates with the relevant beneficiaries to immediate start with the transfer process.

Proposed: Cllr. R Pretorius

Seconded: Cllr. J Meyer

9.1.8 RIVISION OF TELEPHONE AND CELLULAR POLICY

Ref.: 6/3/B

Acting Director Corporate and Strategic Services: H.Witbooi

Compiled: A.Jantjies / H Slimmert

PURPOSE

To review the Telephone and Cellular policy with the intention to give councillors an option between a cellular allowance or a cellular contract.

BACKGROUND

Cederberg Municipality initially issued cellular contract packages to employees and councillors. The maintenance, upkeep, insurance of these cellular phones as well as high cell phone bills proved to be costly and became an administrative burden to the Municipality.

To be more cost effective, a policy was tabled and approved to migrate employees and councillors to an allowance based system, ridding the Municipality from the administrative nightmare that accompanied the previous practice of municipal cellular contracts which resulted in high cell phone bills, insurance claims, repairs, liaising with the cellular service provider.

Recently council has expressed interest in navigating councillors back to cellular contract packages as an alternative to a monthly cell phone allowance. The concern was that the current Telephone and Cellular policy as approved by council does not give councillors an option to choose between an allowance or a municipal cell phone contract.

FINANCIAL IMPLICATION

The allowance to be issued to all qualifying employees is the financial implication, which cannot as of now be quantified. The Municipality will be responsible for the maintenance and insurance of contract cellular phones.

| Employees | Allowance Category | Offset Tax Implications | Total Package |
|-------------------|---|-------------------------|---------------|
| Councillors | Cellular allowance or cellular contract for Councillors in terms of Remuneration of Public Office Bearers Act to the maximum of R1200 | R100 | R1300 |
| Municipal Manager | An allowance for the use of a Cellular | R100 | |

| | | | |
|---|---|------|------|
| | phone as agreed in his/her contract per month in the case of a personal phone used for official purposes or a monthly contract in the municipalities name equal to a contract value not exceeding what is agreed in the employment contract | | |
| Section 57 Employees and Area Managers | An allowance for the use of a Cellular phone from R800 per month equal to a contract value not exceeding R800 per month | R100 | R900 |
| Managers of Departments and/or Section Heads | An allowance for the use of a Cellular phone equal to a Vodacom Smart L contract per month equal to a contract value not exceeding the value of a Vodacom Smart L contract per month which is currently R499 | R100 | R599 |
| Employees performing standby duties | An allowance for the use of a Cellular phone equal to a Vodacom Smart S contract per equal to a contract value not exceeding the value of a Vodacom Smart S contract per month which is currently R229 | R100 | R329 |
| Employees as per recommendation of the Director | An allowance for the use of a Cellular phone equal to a Vodacom Top up 99 contract per month to a contract value not exceeding the value of a Vodacom Top up 99 contract per month which is currently R110 | R100 | R210 |

LEGISLATIVE FRAMEWORK

Local Government Municipal Systems Act

Local Government Finance Management Act

Remuneration of Public Office Bearers Act

RECOMMENDATION

That in respect of the

RIVISION OF TELEPHONE AND CELLULAR POLICY

discuss by Council at the Special Council Meeting held on 27 February 2017:

1. The Telephone and Cellular policy be revised in order to make provision for councillors opting for a cellular contract to the value prescribed by the Remuneration of Public Office Bearers Act, 1988;
2. A cost effective solution be investigated and a report to be submitted at the next Council meeting; or
3. Service providers be invited to tender and submit solutions tailored to the needs of council, and without any financial impact more costly than the current allowance system.

RESOLVED

That in respect of the

RIVISION OF TELEPHONE AND CELLULAR POLICY

discuss by Council at the Special Council Meeting held on 28 February 2017:

1. The Telephone and Cellular policy be revised in order to make provision for councillors opting for a cellular contract to the value prescribed by the Remuneration of Public Office Bearers Act, 1988;
2. A cost effective solution be investigated and a report to be submitted at the next Council meeting; or

3. Service providers be invited to tender and submit solutions tailored to the needs of council, and without any financial impact more costly than the current allowance system.

Proposed: Cllr. J Meyer

Seconded: Cllr. R Pretorius

9.1.9 REVIEW: RECRUITMENT POLICY – CEDERBERG MUNICIPALITY

Ref.:3/2/2/8

Acting Director Corporate and Strategic Services: H Witbooi

PURPOSE

To obtain Councils approval for the attached policy "aanstellingsbeleid"

AGTERGROND / BACKGROUND

The Cederberg Municipality embarked on a process to review its policies and after a robust workshop with the executive committee; the recruitment policy (aanstellingsbeleid) (attached as annexure A) is now tabled for approval by Council.

The attached policy must still serve on the Local Labour Forum for consultation. If, after the consultation process, amendments need to be made, the policy will be resubmitted to council, and if there are no amendments, the policy will be deemed final.

LEGAL FRAMEWORK

The legal framework for the appointment of staff in Municipalities is governed by the following pieces of legislation:

Employment Equity Act no 55 of 1998:

- a) In terms of the aforementioned Act, the Cederberg Municipality is automatically a designated employer by virtue of being a municipality in terms of Chapter 7 of the Constitution, 1996
- b) The purpose of the abovementioned Act is to promote equal opportunity and eliminate unfair discrimination and implement affirmative action measures to redress the disadvantages experienced in employment

Local Government: Municipal Systems Act (Act 32 of 2000) incorporating the Local Government: Municipal Systems Amendment Act of 2011 (Act no 7 of 2011). The applicable sections read as follows:

Section 55(e) Municipal Managers as head of the administration... is responsible and accountable for the appointment of staff other than those referred to in section 56(a), subject to the Employment Equity Act, 55 of 1998

Sections 66

- (1) ...
- (2) ...
- (3) *No person may be employed in a municipality unless the post, to which he or she is appointed, is provided for in the staff establishment of that municipality.*
- (4) *A decision to employ a person in a municipality, and any contract concluded between the municipality and that person in consequence of the decision, is null and void if the appointment was made in contravention of subsection (3).*
- (5) *Any person who takes a decision contemplated in subsection (4), knowing that the decision is in contravention of subsection (3), may be held personally liable for any irregular or fruitless and wasteful expenditure that the municipality may incur as a result of the invalid decision."*

SENIOR MANAGEMENT COMMENTS:

Municipal Manager

Chief Financial Officer

Director: Corporate Services

Director: Engineering & Planning Services

Director: Community Services

RECOMMENDATIONS

That in respect of the

REVIEW: RECRUITMENT POLICY – CEDERBERG MUNICIPALITY

discuss by Council at the Special Council Meeting held on 27 February 2017:

That Council

- a. Approve the recruitment policy (aanstellingsbeleid);
- b. Nominate two councillors to serve in observational capacity on the appointment committee as per the policy, with the understanding that a councillor may nominate a second if the nominated councillor is not available;
- c. Refer the policy to the Local Labour Forum for consultation;
- d. Mandate the nominated councillors to make a decision on amendments emanating from the consultation process; and

- e. Delegate authority to the Municipal Manager to make amendments to the policy if any amendments need to be made after the consultation process, and that the municipal manager submit the revised policy to Council at a meeting of Council immediately following the Local Labour Forum meeting, for council to take note of the amendments.

RESOLVED

That in respect of the

REVIEW: RECRUITMENT POLICY – CEDERBERG MUNICIPALITY

discuss by Council at the Special Council Meeting held on 28 February 2017:

That Council

- a. Approve the recruitment policy (aanstellingsbeleid);
- b. Nominate two councillors to serve in observational capacity on the appointment committee as per the policy, with the understanding that a councillor may nominate a second if the nominated councillor is not available;
- c. Refer the policy to the Local Labour Form for consultation;
- d. Mandate the nominated councillors to make a decision on amendments emanating from the consultation process; and
- e. Delegate authority to the Municipal Manager to make amendments to the policy if any amendments need to be made after the consultation process, and that the municipal manager submit the revised policy to Council at a meeting of Council immediately following the Local Labour Forum meeting, for council to take note of the amendments.

Proposed: Cllr. R Witbooi

Seconded: Cllr. R Pretorius

Counter Proposal: Cllr. M Nel (That the policy 1st be workshopped and against approval)

Seconded: Cllr. J White

VOTE

| FOR | AGAINST | ABSTAIN |
|--|--|----------------|
| 6 Cllr. R Witbooi Cllr. R Pretorius Cllr. J Meyer Cllr. B Zass Cllr. J Barnard Cllr. W Farmer | 5 Cllr. M Nel Cllr. N Qunta Cllr. E Majikejela Cllr. L Scheepers Cllr. J White | - |

9.1.10 QUARTERLY REPORTING ON INTERNAL AUDITING OF PREDETERMINED OBJECTIVES FOR QUARTERS 1 AND 2

Ref: 3/2/2/3/2

Internal Auditor: J Goeieman

PURPOSE

For Council to consider the Quarterly Performance Report for Cederberg Municipality referred by the Performance Audit Committee and for Councillors to familiarise themselves with the content thereof.

BACKGROUND

In terms of the:

MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATION 14

1. (4)(a) A performance audit committee must-

- (i) Review the quarterly reports submitted to it in terms of sub regulation(1)(c)(ii);
- (ii) Review the municipality's performance management system and make recommendations in this regard to the council of that municipality; and
- (iii) At least twice during a financial year submit an audit report to the municipal council concerned.

(b) In reviewing the municipality's performance management system in terms of paragraph (a)(ii), the performance audit committee must focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

(c) A performance audit committee may-

- (i) Communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;
- (ii) Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- (iii) Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- (iv) Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

RECOMMENDATIONS

That in respect of the

QUARTERLY REPORTING ON INTERNAL AUDITING OF PREDETERMINED

OBJECTIVES FOR QUARTERS 1 AND 2

discuss by Council at the Special Council Meeting held on 27 February 2017:

The Performance Audit Committee resolved to recommend:

- (a) That Council take note of the 1st and 2nd Quarters Performance Audit Report of Cederberg Municipality for the period 01 July 2016 until 31 December 2016.

RESOLVED

That in respect of the

QUARTERLY REPORTING ON INTERNAL AUDITING OF PREDETERMINED

OBJECTIVES FOR QUARTERS 1 AND 2

discuss by Council at the Special Council Meeting held on 28 February 2017:

The Performance Audit Committee resolved to recommend:

- (a) That Council take note of the 1st and 2nd Quarters Performance Audit Report of Cederberg Municipality for the period 01 July 2016 until 31 December 2016.

9.1.11 RISIKO GEBASSEERDE INTERNE OUDITPLAN VIR 2016/2017
FINANSIËLE JAAR

Ref: 5/15/1/2

Interne Ouditeur: J Goeieman

DOEL/AIM:

Om die Risiko Gebasseerde Interne Ouditplan vir 2016/2017 voor te lê en die nodige goedkeuring by die Raad te verkry vir die implementering daarvan.

AGTERGROND / BACKGROUND

Die Munisipale Finansiële Bestuurswet, 56 van 2003, regulasie 165 lees as volg:

- 165. Internal audit unit.-** (1) Each municipality and each municipal entity must have an internal audit unit, subject to subsection (3).
(2) The internal audit unit of a municipality or municipal entity must-
(3) prepare a risk – based audit plan and an internal audit program for each financial year;

Ingevolge bovermelde wetgewing en regulasie moet die Interne Oudit afdeling jaarliks 'n Risiko Gebasseerde Interne Ouditplan opstel en aan die Raad voorhou vir implementering.

FINANSIËLE IMPLIKASIE / FINANCIAL IMPLICATION:

Geen.

PERSONEEL IMPLIKASIE / PERSONNEL IMPLICATION:

Die betrokke personeel van die Interne Oudit afdeling.

REGSIMPLIKASIE / LEGISLATIVE IMPLICATIONS:

Voldoening aan wetgewing.

BELEID / POLICY

Grondwet van die Interne Oudit Afdeling van Cederberg Munisipaliteit.

KONSULTASIE MET ANDER PARTYE / CONSULTATION WITH OTHER PARTIES

Oudit Komitee

AANBEVELING

Dat ten opsigte van

**RISIKO GEBASSEERDE INTERNE OUDITPLAN VIR 2016/2017 FINANSIËLE JAAR
bespreek deur die Raad by die Spesiale Raadsvergadering van 27 Februarie 2017:**

- a) Dat die Raad kennis neem van die Risiko Gebaseerde Oudit Plan 2016/2017; en
- b) Dat die Raad die Risiko Gebaseerde Oudit Plan 2016/2017 goedkeur vir implementering.

BESLUIT

Dat ten opsigte van die

**RISIKO GEBASSEERDE INTERNE OUDITPLAN VIR 2016/2017 FINANSIËLE JAAR
bespreek deur die Raad by die Spesiale Raadsvergadering van 27 Februarie 2017:**

- a) Dat die Raad kennis neem van die Risiko Gebaseerde Oudit Plan 2016/2017; en
- b) Dat die Raad die Risiko Gebaseerde Oudit Plan 2016/2017 goedkeur vir implementering.

Voorstel: Rdl. J Barnard

Sekondant: Rdl. R Pretorius

9.1.12 DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

Ref.: 8/1/B

Chief Financial Officer: E Alfred

BACKGROUND

(1) The accounting officer may-

- (a) dispense with the official procurement processes and to procure any required goods or services through any convenient process in terms of Section 36 of the SCM Regulations.

Discussion:

In terms of Government Notice no 27636 dated 30 May 2005 the Supply Chain Management Regulations states the following to section 36:

(1) A supply chain management policy may allow the accounting officer-

- (a) To dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-
 - (i) in an emergency;
 - (ii) If such goods or services are produced or available from a single provider only;
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) Acquisition of animals for zoos; or
 - (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subregulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

- (3) Subregulation (2) does not apply to the procurement of goods and services contemplated in regulation 11(2).

APPLICABLE LEGISLATION

The Municipal Supply Chain Management Regulations (2005).

FINANCIAL IMPLICATIONS

The attached transaction amounts was processed for the month of January 2017, and are therefore tabled in terms of Sec .36 (2) of SCM policy before Council for information.

Comment of Directorates / Departments concerned:

| | |
|--|-------|
| Municipal Manager: | Noted |
| Acting Director: Corporate and Strategic Services: | Noted |
| Director: Financial Services: | Noted |
| Director: Engineering and Planning Services: | Noted |
| Director: Community Development Services: | Noted |

RECOMMENDATION:

That in respect of:

DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

As discussed by Council at the Council meeting held on 27 February 2017:

1. Council, in terms of section 36 of the Supply Chain Management Regulations, takes cognisance and approve the transactions for the month of January 2017.

RESOLVED

That in respect of:

DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

As discussed by Council at the Council meeting held on 28 February 2017:

1. Council, in terms of section 36 of the Supply Chain Management Regulations, takes cognisance and approve the transactions for the month of January 2017.

Proposed: Cllr. R Pretorius

Seconded: Cllr. J Meyer

9.1.13 RESIGNATION: J FRANCE – DIRECTOR COMMUNITY AND DEVELOPMENT SERVICES

Ref: 4/6/2

Acting Director Corporate and Strategic Services: H Witbooi

DOEL / AIM:

The purpose of this report is to:

1. Inform council regarding the resignation of mr J France as director Community Development Services
2. Approve the appointment of a person to act as Director Community Services whilst the post is vacant.

AGTERGROND / BACKGROUND:

Mr France tendered his resignation with immediate effect, on 01 February 2017, after five (5) years as director Community and Development Services at the Cederberg Municipality. Due to the fact that Council appoints section 56 employees in consultation with the Municipal manager, Council must now officially take note of mr France's resignation.

According to regulation 7, Chapter 3 of the Local Government: Municipal Systems Act: Regulations on appointment and conditions of employment of senior managers, a municipal manager in the case of a manager directly accountable to the municipal manager, must upon receipt of official notification that the post of a senior manager will become vacant, obtain approval from the municipal council for the filling of such post in its next council meeting or as soon as it is possible to do so.

An item has already served in front of council in December 2016 regarding the filling of senior manager posts that is due to become vacant, and the post mr France held, is included in the recruitment process reported to council.

Legal Framework

The legal framework for the appointment of staff in Municipalities is governed by the following pieces of legislation:

- a) Local Government: Municipal Systems Act; Regulation 7, Chapter 3 of the Local Government Regulations on appointment and conditions of employment of senior managers.
- b) Local Government: Municipal Systems Act, 32 of 2000, section 56. According to section 56 of the abovementioned Act, the Council, after consultation with the Municipal Manager, appoints an acting manager directly accountable to the municipal manager, and, according to the Act, such a person must have the necessary skills and competencies to do so, however, National Treasury sent out a notice which also serves before council in a separate item, which exempts council from the provisions of regulations 15 and 18.
- c) In terms of the abovementioned act a person appointed to act may not act for a period exceeding three months, unless approval has been obtained from the MEC to extend such acting period for a further period, not exceeding three months.

DISCUSSION:

Council must now, whilst the post is vacant, appoint a person to act in the vacant post of Director Community Development Services. Mr A Titus was appointed by Council as per RB9.1.1/28-12-2016 to act in the position of Director Community Services and council has the option to appoint mr Titus, or someone else to act as director Community Services

SENIOR MANAGEMENT COMMENTS:

Municipal Manager

Chief Financial Officer

Director: Corporate Services

Director: Engineering & Planning Services

Director: Community Services

AANBEVELINGS / RECOMMENDATIONS

That Council

- a) Take note of mr France's resignation
- b) Apply to the MEC for Local Government to extend the acting period, if the recruitment process has not been concluded within the first three month period.

RESOLVED

That Council

- a) Take note of mr France's resignation
- b) Apply to the MEC for Local Government to extend the acting period, if the recruitment process has not been concluded within the first three month period.

- ✓ **The Speaker grant a 5 minute caucus break to the ANC component.**
- ✓ **Meeting convened after five minutes.**

9.1.14 VORDERINGSVERSLAG EN WERWINGSPROSESPLAN TEN OPSIGTE VAN VULLING VAN VAKATURES: DIREKTEUR FINANSIES, GEMEENSKAP- EN TEGNIESE DIENSTE

Verw: 4/3/3

**Munisipale Bestuurder: GF Matthyse
Saamgestel: H Witbooi**

DOEL / AIM :

Die doel van die item is:

1. Om die Raad in kennis te stel van die vordering asook prosesplan ten opsigte van die tydsraamwerke vir werwing en keuring van die ondergemelde vakatures:
 - a) Direkteur: Finansiële dienste (CFO);
 - b) Direkteur: Tegniese Dienste; en,
 - c) Direkteur: Gemeenskap- en ontwikkelingsdienste

En

2. 'n keuringspaneel saam te stel wat aanbevelings aan die Raad sal maak ten opsigte van die aanstelling van geskikte persone om die bogemelde vakatures te vul

AGTERGROND / BACKGROUND :

In terme van Regulasie 10(5) van die Plaaslike Regering: Regulasies ten opsigte van die Aanstelling en diensvoorwaardes van senior bestuurders, moet die Munisipale Bestuurder, maandeliks verslag doen aan die Uitvoerende komitee ten opsigte van die vordering met die vulling van vakatures, met betrekking tot senior bestuurder posisies wat direk aan die munisipale bestuurder verantwoordbaar is.

Die vakatures was in die media adverteer op 15 Januarie 2017 en het gesluit op 3 Februarie 2017. Huidiglik is daar 'n formele prys kwotasie adverteer om professionele dienste te bekom ten einde die Raad te assisteer met die vulling van die gemelde vakatures.

Op 03 Februarie 2017 het die Nasionale Tesourie 'n kennisgewing gepubliseer met betrekking tot die Wet op Plaaslike regering: Munisipale Finansiële bestuurswet, 2003, wat munisipaliteite kwytsteld van regulasie 15 en 18 van die Munisipale regulasies insake Minimum bevoegdheidsvlakke (Minimum Competency levels). In kort, beteken dit dat munisipaliteite nou mag voortgaan om persone aan te stel en die wat reeds in diens is, mag behou, wat nie aan die minimum bevoegdheidsvlakke soos per die voorgeskrewe bevoegdheidsarea vir die betrokke posise voldoen nie. Vind hierby aangeheg die kennisgewing vanaf Nasionale Tesourie gedateer 03 Februarie 2017, asook 'n omsendskrywe van SALGA, (Circular WC 23 of 2016/2017), gedateer 06 Februarie 2017.

FINANSIËLE IMPLIKASIE / FINANCIAL IMPLICATION :

Die koste van die advertensie het R16 547.33 beloop. Die dienste om die Raad te assisteer met die keuringsproses vir die drie vakatures, beloop meer as R30 000.00,

derhalwe is 'n formele prys kwotasie op die Raad se webtuiste geplaas vir die aanstelling van 'n konsultant om die proses, ingeslote psigometriese toetse, te hanteer.

PERSONEEL IMPLIKASIE / PERSONNEL IMPLICATION :

Geen

REGSIMPLIKASIE / LEGISLATIVE IMPLICATION :

Die proses word gedoen in ooreenstemming met die Wet op Plaaslike Regering: Munisipale Stelseswet 32 van 2000, asook die Regulasies ten opsigte van die aanstelling en diensvoorwaardes van senior bestuurders. Sien aangeheg: "Annexure "B" "Extract from legislation"

Die Raad moet 'n paneel van tussen 3 en 5 lede aanstel, wat aanbevelings sal maak ten opsigte van die aanstelling van geskikte kandidate om die vakatures te vul, en welke paneel saamgestel word in terme van regulasie 12(3) wat as volg lui:-

- "(3) The selection panel for the appointment of Directors must consist of at least three and not more than five members, constituted as follows:*
- (a) the municipal manager, who will be the chairperson, or his or her delegate;*
 - (b) a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and*
 - (c) at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post"*

Die bogemelde paneel moet, in terme van regulasie 15(2) dieselfde bly vir die totale duurte van die werwingsproses.

AANBEVELING / RECOMMENDATION:

Dat:

- A. die Raad kennis neem van die prosesplan aangeheg as "Annexure "A""
- B. die Raad kennis neem van die uittreksel van die regulasies, "Local Government: Regulations on appointment and Conditions of Employment of Senior Managers", aangeheg as Annexure "B"
- C. 'n keuringspaneel van minstens drie en nie meer as vyf lede, as volg gekonstitueer word in terme van regulasie 12, en welke paneel sal bestaan uit:
 - 1. Die Munisipale Bestuurder, wat die voorsitter van die komitee sal wees,
 - 2. 'n lid van die burgemeesterskomitee of raadslid wat die portefeulje hoof van die relevante portefeulje is.
 - 3. Ten minste een ander persoon per vakature, wat nie 'n Raadslid of personeellid van die munisipaliteit is nie, en wie kennis en ondervinding van die geadverteerde pos het

- D. die keuringspaneel terugrapporteer aan die Raad as aanstellingsgesag met 'n aanbeveling van 'n geskikte kandidaat om die vakatures van Direkteure: Finansies, Gemeenskap Dienste en Tegniese Dienste te vul;
- E. Dat 'n Konsultant aangestel sal word om die Raad te assisteer, met die werwingsproses, ingesluit, die psigometrie toetsings- en onderhoudsproses.

Annexure "A" PROPOSED PROCESS PLAN FOR FILLING OF VACANCY:

| PROPOSED PROCESS PLAN FOR FILLING OF VACANCY | | | | | |
|--|--------------------------------------|-----------------------------------|----------------|--|------------------------------------|
| MUNICIPAL MANAGER | | | | | |
| A | PROCESS | DATE | NR OF MEMBERS | COMMENT | TIME FRAME |
| B | ADVERTISEMENT | 15-Jan-17 | N/A | Regulation 10 (14 days) | Closing: 2017/02/03 |
| C | APPOINT SELECTION PANEL | 27-Feb-17 | 3 to 5 members | Regulation 12 (Council must appoint panel) | 27-Feb-17 |
| D | SHORTLISTING | 28-Feb-17 | 3 to 5 members | Regulation 13 (Within 30 days of closing date) | 07 Mar-17 |
| E | SCREENING | 10-Mrt-17 | N/A | Regulation 14 (Within 21 Days of shortlisting) | 17 Mar-17 |
| F | ASSESSMENT / INTERVIEW | 22-Mar-17 | 3 to 5 members | Regulation 15 (Within 21 days of screening) | 24 Mar-17 |
| G | COUNCIL MEETING: appointment | 30-Mar-17 | Council | Regulation 17 | 30-Mar-17 |
| H | REPORT TO MEC | 01-Apr-17 | N/A | Regulation 17(4) (Within 14 days of appointment decision) | 18-Apr-17 |
| I | NOTICE PERIOD AND STARTING DATE | Notice Period: 01-30 April -17 | N/A | Notice period of 1 Month (Contract period: 5 years) | Starting Date 01-May-17 |
| J | COMMENCEMENT & PERFORMANCE AGREEMENT | 01-May-17 | 2 | Section 57 (2) Performance Agreement to be signed within 60 days | 30-June-17 |

Annexure "B": Extract from legislation:

LOCAL GOVERNMENT: REGULATIONS ON APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS

Government Notice 21 in Government Gazette 37245, dated 17 January 2014.
Commencement date: 17 January 2014.

10. Advertising of vacant posts

- (1) The municipal manager must, **within 14 days** of receipt of the approval referred to in regulation 7, ensure that the vacant post is **advertised**.
- (2) A vacant senior manager post must be advertised in a newspaper circulating nationally and in the province where the municipality is located.
- (3) An advertisement for a vacant senior manager post must specify the –
 - (a) job title;
 - (b) term of appointment;
 - (c) place to be stationed;
 - (d) annual total remuneration package;
 - (e) competency requirements of the post, including minimum qualifications and experience required;
 - (f) core functions;
 - (g) need for signing of an employment contract, a performance agreement and disclosure of financial interest;
 - (h) the need to undergo security vetting;
 - (i) contact person;
 - (j) address where applications must be sent or delivered; and
 - (k) **closing date** which must be a minimum of **14 days** from the date the advertisement appears in the newspaper and **not more than 30 days** after such date.
- (4) A municipality may utilise a recruitment agency to identify candidates for posts: Provided that the advertising, recruitment and selection procedures comply with these regulations.
- (5) The mayor, in the case of a municipal manager, or the municipal manager, in the case of a manager directly accountable to the municipal manager, must provide monthly reports to the executive committee regarding progress on the filling of the vacant senior manager post.

11. Application for vacant post

- (1) An application for the vacant post of a senior manager must be submitted on an official application form, attached as Annexure C, accompanied by detailed curriculum vitae.
- (2) Notwithstanding sub-regulation (1), a municipality that has on- line application procedures in place may use an on-line application form: Provided that the on-line application form substantially corresponds to the application form in Annexure C, and complies with these regulations.
- (3) An **application not made on the official form**, as contemplated in sub-regulations (1) or (2) **must not be considered**.
- (4) An applicant for a senior manager post must disclose –
 - (a) his or her academic qualifications, proven experience and competencies;
 - (b) his or her contactable references;
 - (c) registration with a relevant professional body;
 - (d) full details of any dismissal for misconduct; and
 - (e) any disciplinary actions, whether pending or finalised, instituted against such applicant in his or her current or previous employment.

- (5) Any misrepresentation or failure to disclose information contemplated in sub-regulation (3) and (4) is a breach of the Code of Conduct for Municipal Staff as provided for in Schedule 2 to the Act and shall be dealt with in terms of the Disciplinary Regulations.
- (6) The municipality must compile and maintain a record of all applications received, which must contain –
 - (a) the applicants' biographical details and contact information;
 - (b) the details of the post for which the applicants were applying;
 - (c) the applicants' qualifications; and
 - (d) any other requirements outlined in the application form.

12. Selection panel

- (1) A municipal **council must appoint a selection panel** to make recommendations for the appointment of candidates to vacant senior manager posts.
- (2) In deciding who to appoint to a selection panel, the following considerations must inform the decision:
 - (a) the nature of the post;
 - (b) the gender balance of the panel; and
 - (c) the skills, expertise, experience and availability of the persons to be involved.
- (3) The selection panel for the appointment of a municipal manager must consist of at least three and not more than five members, constituted as follows:
 - (a) the **mayor**, who will be the **chairperson**, or his or her delegate;
 - (b) a councillor designated by the municipal council; and
 - (c) at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.
- (4) The selection panel for the appointment of a manager directly accountable to a municipal manager must consist of at **least three** and **not more than five members**, constituted as follows:
 - (a) the **municipal manager**, who will be the **chairperson**;
 - (b) a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and
 - (c) at least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.
- (5) A panel member must disclose any interest or relationship with shortlisted candidates during the shortlisting process.
- (6) A panel member contemplated in sub-regulations (3) and (4) must recuse himself or herself from the selection panel if –
 - (a) his or her spouse, partner, close family member or close friend has been shortlisted for the post;
 - (b) the panel member has some form of indebtedness to a short-listed candidate or vice versa; or
 - (c) he or she has any other conflict of interest.
- (7) A panel member and staff member must sign a declaration of confidentiality as set out in Annexure D to these regulations, to avert the disclosure of information to unauthorised persons.
- (8) A staff member may provide secretarial or advisory services during the selection process, but may not form part of the selection panel.

13. Compiling shortlist of applicants

- (1) A mayor, in the case of the municipal manager, or the municipal manager, in the case of the manager directly accountable to the municipal manager, in consultation with the selection panel, must compile –
 - (a) a list of all applicants who applied for an advertised post; and

- (b) a shortlist consisting of all applications received for a specific post, evaluated against the relevant competency requirements, as set out in Annexures A and B to these regulations.
- (2) The shortlisting must be finalised within 30 days of the closing date of the advertisement.
- (3) The municipality must keep a record of all the applicants who applied for vacant posts.
- (4) The municipal manager must ensure that the information contained in the applications is kept confidential and stored in a secure site on the municipality's premises.
- (5) The lists contemplated in sub-regulation (1) must be submitted, together with the shortlisted applications, to the selection panel before the interviews.

14. Screening of candidates

- (1) Screening of the shortlisted candidates must take place within 21 days of the finalisation of the shortlisting by –
 - (a) conducting the necessary reference checks;
 - (b) contacting a candidate's current or previous employer;
 - (c) determining the validity of a candidate's qualifications; and
 - (d) verifying whether a candidate has been dismissed previously for misconduct or poor performance by another employer.
- (2) A written report on the outcome of the screening process must be compiled by the mayor, in the case of the municipal manager, or the municipal manager, in the case of the manager directly accountable to the municipal manager, before the interviews take place.

15. Interviews

- (1) The selection panel must conduct interviews within 21 days of screening the candidates.
- (2) The selection panel for a specific post must remain the same throughout the screening and interviewing process.
- (3) The selection panel must keep records of every panel member's individual assessment of the interviewed candidates.
- (4) The determination of candidates to be recommended for appointment must be considered by way of consensus between the members of the selection panel.
- (5) If consensus cannot be reached, a dissenting member may record his or her concerns in the minutes, whereafter the issue may be voted upon, with each member of the selection panel entitled to one vote.
- (6) The selection panel must recommend the second and third suitable candidates to minimise delays that may arise in the filling of the post if the first choice candidate declines or does not accept the offer of employment.

16. Selection

- (1) The candidates recommended for appointment to the post of a senior manager must undergo a competency assessment.
- (2) The competency assessment tools must –
 - (a) be capable of being applied fairly; and
 - (b) not be biased against any person or group of persons.
- (3) A municipality must provide in its medium term budget, funding for purposes of competency assessment and testing.
- (4) Notwithstanding subregulation (3) and upon good cause shown, a municipality encountering cash flow problems may apply to the Local Government Sector

Education and Training Authority to make use of the discretionary grants to fund the competency assessment for purposes of filling a vacant senior manager post.

- (5) The selection panel must submit a report and recommendation on the selection process to the municipal council on the suitability of candidates who comply with the relevant competency requirements of the post as set out in Annexures A and B, in order of preference.

17. Resolution of municipal council on appointment of senior managers and reporting

- (1) Before making a decision on an appointment, a municipal council must satisfy itself that –
 - (a) the candidate meets the relevant competency requirements for the post, as set out in Annexures A and B to these regulations;
 - (b) screening of the candidates has been conducted in terms of regulation 14; and
 - (c) the candidate does not appear on the record of staff members dismissed for misconduct as set out in Schedule 2 to these regulations.
- (2) A municipal council must, subject to subregulation (1), take a decision on the appointment of a suitable candidate.
- (3) A municipal council must –
 - (a) inform all interviewed candidates, including applicants who were unsuccessful, of the outcome of the interview; and
 - (b) within 14 days of the decision referred to in subregulation (2), submit a written report to the MEC for local government regarding the appointment process and outcome.
- (4) The report contemplated in subregulation (3)(b) must contain –
 - (a) details of the advertisement, including date of issue and the name of newspapers in which the advert was published, and proof of the advertisement or a copy thereof;
 - (b) a list of all applicants;
 - (c) a report contemplated in regulation 14(2) on the screening process and the outcome thereof;
 - (d) the municipal council's resolution approving the selection panel and the shortlisted candidates;
 - (e) competency assessment results;
 - (f) the minutes of the shortlisting meeting;
 - (g) the minutes of interviews, including scoring;
 - (h) the recommendations of the selection panel submitted to the municipal council;
 - (i) the details of executive committee members and recommendations, if the selection panel comprised of all members of the executive committee;
 - (j) the recommendation of the executive committee or executive mayor to the municipal council, if any;
 - (k) the municipal council resolution approving the appointment of the successful candidate;
 - (l) the application form, curriculum vitae, proof of qualifications and other supporting documentation of the successful candidate;
- (m) a written confirmation by the successful candidate that he or she does not hold political office as contemplated in section 56A of the Act, as at the date of appointment;
- (n) the letter of appointment, outlining the term of contract, remuneration and conditions of employment of the senior manager; and
- (o) any other information relevant to the appointment.

BESLUIT

Dat:

- A. die Raad kennis neem van die prosesplan aangeheg as "Annexure "A""
- B. die Raad kennis neem van die uittreksel van die regulasies, "Local Government: Regulations on appointment and Conditions of Employment of Senior Managers", aangeheg as Annexure "B"
- C. 'n keuringspaneel van minstens drie en nie meer as vyf lede, as volg gekonstitueer word in terme van regulasie 12, en welke paneel sal bestaan uit:
 - 1. Die Munisipale Bestuurder, wat die voorsitter van die komitee sal wees,
 - 2. 'n lid van die burgemeesterskomitee of raadslid wat die portefeulje hoof van die relevante portefeulje is.
 - 3. Ten minste een ander persoon per vakature, wat nie 'n Raadslid of personeellid van die munisipaliteit is nie, en wie kennis en ondervinding van die geadverteerde pos het
- D. die keuringspaneel terugrapporteer aan die Raad as aanstellingsgesag met 'n aanbeveling van 'n geskikte kandidaat om die vakatures van Direkteure: Finansies, Gemeenskap Dienste en Tegniese Dienste te vul;
- E. Dat 'n Konsultant aangestel sal word om die Raad te assisteer, met die werwingsproses, ingesluit, die psigometriesse toetsings- en onderhoudsproses.

Voorstel: Rdl. R Pretorius

Sekondant: Rdl. R Witbooi

**9.1.15 GOEDKEURING VIR DIE AANSTELLING VAN DIE DIREKTEUR: KORPORATIEWE
DIENSTE – CEDERBERG MUNISIPALITEIT/ APPROVAL FOR THE APPOINTMENT OF
THE DIRECTOR CORPORATE SERVICES: CEDERBERG MUNICIPAL**

REF: 4/3/1

Acting Director Corporate and Strategic Services: H Witbooi

DOEL / PURPOSE :

To obtain Council's approval for the appointment of the recommended candidate for the Director: Corporate Services position. / Om die Raad se goedkeuring te verkry vir die aanstelling van die voorgestelde kandidaat as Direkteur: Korporatiewe Dienste.

AGTERGRONG / BACKGROUND:

Soos per Raadsbesluit (**RB9.1.2/31-10-2016**), was die vulling van die Direkteur: Korporatiewe Dienste vakature goedgekeur. 'n Paneel was deur die Raad aangewys om die werwingsproses te hanteer onder Voorsitterskap van die Munisipale Bestuurder. Die vakature was nasionaal adverteer in die City Press van Sondag 09 Oktober 2016 en het gesluit op 28 Oktober 2016. Na 'n proses van kortlysting en "screening", was daar psigometriese toetse gedoen en onderhoude gevoer op 13 Desember 2016 vir die bogemelde posisie.

Die volgende kandidate was gekortlys vir die posisie en was genooi vir die onderhoude en toetsing:

1. Mnr PL Volschenk;
2. Mnr J France;
3. Me Elizabeth Rhoda;
4. Mnr George Van der Westhuizen;
5. Annalie McCullum

Me Elizabeth Rhoda het van die proses onttrek en die res van die kandidate het die prosesse voltooi. Die toetsing en onderhoudproses was gefasiliteer deur Riel Hugo & Associates (Sien verslag hierby aangeheg). Riel Hugo & Associates het die onderhoudsinstrumente saamgestel, en het ook die Raad assisteer met die werwingsproses wat insluit die kortlys, "screening" en onderhoude.

Sien aangeheg as Bylaag A, die dokumentasie soos ontvang vanaf Riel Hugo & Associates (Industrial Psychologist), ten opsigte van die werwing en keuringsproses met betrekking tot die kandidate soos soos geassesseer vir die pos van Direkteur: Korporatiewe Dienste:

Aangeheg as Bylaag A:

- a) Verslag: Langlys van aansoekers
- b) Verslag: Verwysings en kwalifikasie verifiëring
- c) Onderhoudsprogram (Kortlys)
- d) Assesseringsverslag
 - a. Riel Hugo and Associates

TOEPASLIKE WETGEWING / APPLICABLE LEGISLATION

Die volgende stukke wetgewing asook omsendskrywes van SALGA het betrekking:

Local Government: Regulation on the Appointment and Conditions of Employment of Senior Managers, No 37245, dated 17 January 2014 ("the Regulations").

- **Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) ("The Systems Act"):**

Section 54A (1)(b) states that *"the municipal council must appoint an acting municipal manager under circumstances and for a period as prescribed"*.

Section 54A (2) states that *"a person appointed as municipal manager in terms of subsection (1) must at least have the skills, expertise, competencies and qualifications as prescribed."*

Wet op Plaaslike Regering : Munisipale Stelsels wysigings wet, 2011 (Wet 7 van 2011).

Local Government Municipal Systems Amendment Act 7 of 2011; Section 54A:

PERSONEEL IMPLIKASIES / PERSONNEL IMPLICATIONS

Geen

FINANSIËLE IMPLIKASIE / FINANCIAL IMPLICATIONS

Die posisie van Direkteur Korproatiewe Dienste is huidiglik befonds en die vergoedingspakket moet in ooreenstemming wees met die COGTA regulasie met kennisgewing nr 380 van 2016, "Local Government Municipal Systems Act: Local Government: Upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers"

AANBEVELINGS / RECOMMENDATIONS

1. That Council approves the recruitment and selection process as reflected in the selection documentation including the Long List, Short List, Screening/Reference Report and Selection Report.
2. That Council appoint Ms Annalie Mccallum as Director Corporate Services subject to a five (5) year fixed term contract of employment; ending not later than one year after the Local Government Elections.
3. That the Municipal Manager concludes an offer of employment with the preferred candidate, within the confines of the legal parameters (Municipal Systems amendment Act, act 7 of 2011 and Regulations);
4. The fixed term contract of employment and the all-inclusive remuneration package be negotiated and finalized by the Municipal Manager within the statutory limits;
5. That if the preferred candidate should decline the offer or not sign an employment contract within one month of the council resolution, the Municipal Manager have to negotiate with one of the other candidates.
6. That the MEC for Local Government be informed within 14 days, from the date of Council's resolution, of the appointment process and outcome.

7. That a performance contract be concluded with the candidate within the prescribed period after concurrence has been received from the MEC.

RESOLVED

That in respect of the

**APPROVAL FOR THE APPOINTMENT OF THE DIRECTOR CORPORATE SERVICES:
CEDERBERG MUNICIPAL**

discuss by Council at the Special Council Meeting held on 28 February 2017:

1. That Council approves the recruitment and selection process as reflected in the selection documentation including the Long List, Short List, Screening/Reference Report and Selection Report.
2. That Council appoint Ms Annalie Mccallum as Director Corporate Services subject to a five (5) year fixed term contract of employment; ending not later than one year after the Local Government Elections.
3. That the Municipal Manager concludes an offer of employment with the preferred candidate, within the confines of the legal parameters (Municipal Systems amendment Act, act 7 of 2011 and Regulations);
4. The fixed term contract of employment and the all-inclusive remuneration package be negotiated and finalized by the Municipal Manager within the statutory limits;
5. That if the preferred candidate should decline the offer or not sign an employment contract within one month of the council resolution, the Municipal Manager have to negotiate with one of the other candidates.
6. That the MEC for Local Government be informed within 14 days, from the date of Council's resolution, of the appointment process and outcome.

7. That a performance contract be concluded with the candidate within the prescribed period after concurrence has been received from the MEC.

Proposed: Cllr. J Barnard

Seconded: Cllr. R Pretorius

Counter Proposal: Cllr. J White (The appointment of the Director Corporate and Strategic Services was inconsistent with legislation and that the exercise should be done over).

Seconded: Cllr. L Scheepers

VOTE

| FOR | AGAINST | ABSTAIN |
|--|--|---------|
| 6 | 5 | - |
| Cllr. R Witbooi Cllr. R Pretorius Cllr. J Meyer Cllr. B Zass Cllr. J Barnard Cllr. W Farmer | Cllr. M Nel Cllr. N Qunta Cllr. E Majikejela Cllr. L Scheepers Cllr. J White | |

9.2 Urgent matters submitted by the Municipal Manager

Geen / None

9.3 Matters for notification

Geen / None

9.4 Consideration of notices of motion

Rules of Order for internal Arrangement

Part 4

4. Notice of motion

- (1) Unless contained otherwise in these Rules, written notice of intent by a member to introduce a motion must be provided accompanied with a motivation, signature of mover and member seconding the motion as well as the date. Such notice must be delivered to the Municipal Manager at least six working days prior to the date of the meeting on which it is intended to be introduced. It shall incorporate a motivation, signature and date. The speaker may not accept any motion other than motion/s of exigency or motion/s of course unless notice has been provided.

Geen / None

9.5 Consideration of notices of questions

Rules of Order for internal Arrangement

Part 4

3. Notice of question

Unless contained otherwise in these Rules, written notice must be provided of intention by a member to introduce a question. Such notice shall be effected at least six working days before the date of the meeting on which it is intended to be introduced. It shall incorporate a motivation, signature and date.

Cllr. J White:

- 1) What was the reason why the Special Council Meeting was moved from 27/02/2017 to 28/02/2017.
- 2) Was the reason for the rescheduling of the Special Council Meeting because of mr. A Titus who got fired by the Executive Mayor.
- 3) What powers does the Executive Mayor have to fire an official.

Cllr. M Nel:

- 4) What is the story of mr. A Titus.

Cllr. J White:

- 5) Do Clackson Electricity supply electricity to Cederberg Municipality.
- 6) If Clackson Electricity supply electricity o the municipality, do they have a licence from the National Minister to do so?

A: The Speaker responded on questions 1,2,3 & 4 above

It is his prerogative to move Council Meetings as he sees fit to continue with Council business and the 28th was the original date.

He also informed the meeting that mr. A Titus was not fired and that Councillors should guard against rumours and that they should feel free to communicate with him (Speaker) regarding any matter that concerns them or to get clarity on, especially pertaining to decisions taken by Council.

B: Mr. E Alfred and miss. P Majeni responded on Cllr. White's question pertaining to Clackson Electricity:

There is a Memorandum of Understanding in place for Clackson Electricity to supply Hydro Electricity to the municipality and miss. Majeni informed the meeting that all relevant and necessary documentation are in place to do so.

9.6 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.

Motion tabled by Cllr. J White pertaining to the following matters:

- The inaugural meeting did not meet the legal prescripts due to gross negligence or ill advice from the Council Administration.
- The previous Executive Mayor did not have the delegated authority and or power to appoint mr. J France as the acting Municipal Manager of Cederberg Municipality.
- That no extension exist for the appointment of mr. France as acting Municipal Manager.
- That on 16 August 2016, Cederberg Municipality had no Municipal Manager and or Acting Municipal Manager or an appointment by the MEC to preside over the proceedings of 16 August 2016.
- In the absence of a Municipal Manager or an appointed delegated authority by the MEC in the province, all decisions and appointments by this Council since 16 August 2016 to date are null and void.

- On 27 July 2016 a Council decision was made that Mr. J France was appointed as the MEO but the resolution is subject to an IEC confirmation.
- Email correspondence between Mr. J France and the IEC on the following dates: 01 August 2016, 02 August 2016

RESOLVED

That in respect of the

CONSIDERATION OF MOTIONS OF EXIGENCY

discuss by Council at the Special Council Meeting held on 28 February 2017:

- a) That bring about an investigation from the Office of the Speaker to get clarity on the statements and allegations made by Cllr. White in his motion.

Proposed: Cllr. L Scheepers

Seconded: Cllr. J Barnard

Speaker also permits the following conditions pertaining to the above mentioned resolution:

- b) That, if the outcome of the investigation lead to fruitless and wasteful expenditure for Cederberg Municipality, the monies spend for the investigation be recovered from the person who tabled the motion; and
- c) That if the statements and allegations are valid and correct in the motion that Cllr. White tabled, Cllr. J Barnard resigns as the Executive Mayor of Cederberg Municipality.

10. CLOSURE

- Meeting adjourned at 13h10.

VOORSITTER / CHAIRPERSON

DATUM / DATE