



SPECIAL MEETING OF THE COUNCIL

SPEZIALE VERGADERING VAN DIE RAAD

INTLANGANISO EKHETHEKILEYO YEBHUNGA

MINUTES / NOTULE /

IMIZUZU

DATE / DATUM / UMHLA : 27 JUNE / JUNIE / JUNI 2022
AUDITORIUM

TIME / TYD / IXESHA : 14:00

OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

MINUTES OF A SPECIAL MEETING OF THE COUNCIL HELD IN THE AUDITORIUM ON 27 JUNE 2022, AT 14:00

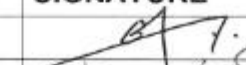
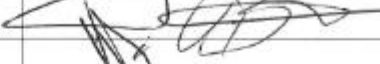


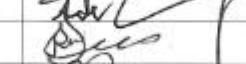
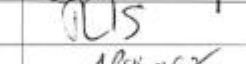
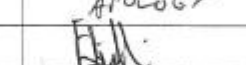



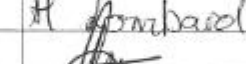




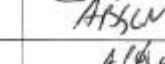
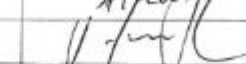
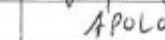


PRESENT: Councillors were present as per attached attendance register.

OFFICIALS PRESENT: Mr D O'Neill, Municipal Manager
Ms D Arrison, Director : Management Services
Mr N Michaels, Director : Protection Services
Mr S Müller, Director : Infrastructure & Planning
Ms S Reyneke-Naudé, CFO
Mr R Williams, Director : Community Services
Ms H van Tonder, Manager : Council Support Services
Ms S Swart, Administrative Officer : Council Support Services
Ms G Erasmus, Clerk : Auditorium

MINUTES/...

OVERSTRAND MUNICIPALITY
ATTENDANCE REGISTER

SPECIAL COUNCIL MEETING : 27 JUNE 2022

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

1. OPENING

The Speaker, Cllr G Cohen, opened the meeting and the Municipal Manager, Mr D O'Neill, read the notice convening the meeting.

2. APPLICATIONS FOR LEAVE OF ABSENCE

Cllr S Fourie
Cllr S Williams
Cllr C Tafu-Nwonkwo
Cllr T Gwele

RESOLVED:

that the above-mentioned applications for leave of absence **be approved.**

Cllr S Silo

RESOLVED:

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

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

The Executive Mayor, Ald A Rabie, congratulated Cllr C Lerm, Dir S Müller and all staff involved with the successful Investment Conference which was held on 23 and 24 June 2022.

4. CONSIDERATION OF REPORTS**4.1****REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT 20 OF 1998):
DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

5/12/1

S Reyneke-Naudé**Director: Financial Services****10 June 2022****(028) 313 8040**

EXECUTIVE SUMMARY

To consider increased salaries, allowances and benefits of councillors with retrospective effect from 1 July 2021.

RESOLVED (SUPPORTED BY 22 COUNCILLORS):

1. that the salaries and allowances in respect of the different members of Council as provided for in Government Notice 2126, published in Government Gazette No 46470 dated 02 June 2022, **be approved** and be made applicable **with effect from 1 July 2021**, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning;
2. that, in terms of Section 13 of the government notice mentioned in 1 above, Councillors provide the Municipality with either all the necessary details regarding the councillor's property, assets and beneficiaries to be covered by the special risk insurance to provide for the loss of or damage to a councillor's property, assets, life or disability arising from any riot, civil unrest, strike or public disorder, or with written confirmation that such cover is in place as part of a personal insurance portfolio arrangement already made by themselves; and
3. that it be noted that there is no need to make any additional provision in the annual mid-year review and adjustment budget to accommodate the promulgated increase to the upper limits of the salaries, allowances and benefits of councillors.

RESPONSIBLE OFFICIAL :**J VORSTER
A RUST****TARGET DATE OF IMPLEMENTATION :****25 JULY 2022**

4.2

REPORT ON THE PROPOSED 6TH ADJUSTMENTS BUDGET FOR 2021/2022

5/1/1/23 – 2021/2022

BA King

Senior Manager: Financial Services

21 June 2022

(028) 313 8154

EXECUTIVE SUMMARY

Report prepared in terms of Section 29 of the Local Government: Municipal Finance Management Act, 2003 (MFMA) for the 6th Adjustments Budget proposals emanating from unforeseen and unavoidable expenditure, which must be approved by Council in terms of legislation.

THE EXECUTIVE MAYOR, ALD A RABIE, REQUESTED THE DIRECTOR: FINANCE, MS S REYNEKE-NAUDÉ, TO GIVE MORE INPUT IN TERMS OF HER ANNOUNCEMENT REGARDING THE APPROVAL OF UNFORESEEN AND UNAVOIDABLE EXPENDITURE, DUE TO MUNICIPAL SERVICE DELIVERY AFFECTED BY PRICE ESCALATIONS IMPACTING FUEL AND CHEMICALS, RESULTING IN AN IMPENDING SHORTFALL ON THE BUDGET. THE ANNOUNCEMENT OF THE EXECUTIVE MAYOR IS ATTACHED AS ANNEXURE A TO THE MINUTES.

RESOLVED (SUPPORTED BY 22 COUNCILLORS):

1. that, in terms of section 29 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the 6th Adjustments Budget for 2021/2022 **be approved** as set out in the following schedules:

- Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
- Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
- Schedule 3:** Budgeted multi-year capital appropriations by standard classification (vote) and associated funding by source
- Schedule 4:** Budgeted financial position
- Schedule 5:** Budgeted cash flow
- Schedule 6:** Cash backed reserves and acc. surplus reconciliation
- Schedule 7:** Asset management
- Schedule 8:** Basic service delivery measurement;

2. that the following schedules be noted:

- Schedule 9:** Budgeted financial performance (revenue & expenditure by standard classification)
- Schedule 10:** Budgeted capital appropriations by municipal vote

3. that the changes (adjusted financial figures) to the Service Delivery and Budget Implementation Plan (SDBIP) for 2021/22 **be approved**; and
4. that the revised SDBIP for 2021/22 **be made public**.

RESPONSIBLE OFFICIAL :

BA KING

TARGET DATE FOR IMPLEMENTATION :

30 JUNE 2022

4.3**WRITING OFF OF IRRECOVERABLE DEBT**

This item was distributed under separate cover at the Council meeting for consideration.

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

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

The meeting adjourned at 14:28

DATE

THE SPEAKER – G COHEN

EXECUTIVE MAYOR ANNOUNCEMENT

Annexure A
1/2

APPROVAL OF UNFORESEEN AND UNAVOIDABLE EXPENDITURE
DUE TO MUNICIPAL SERVICE DELIVERY AFFECTED BY
PRICE ESCALATIONS IMPACTING FUEL AND CHEMICALS,
RESULTING IN AN IMPENDING SHORTFALL ON THE BUDGET

27 JUNE 2022, SPECIAL COUNCIL MEETING

Mr Speaker,

The facts as contained in a report to Council, reflects on the continued conflict in Eastern Europe, which has had a major negative impact on the global economy and has caused price escalations across the board.

Municipal service delivery is largely dependent on fuel and chemicals, thus increasing the costs associated with water and sewage treatment, and transport costs.

Additional budget provision is required for fuel and chemicals, and to mitigate these unforeseen and unavoidable expenditures, the expenditure budget had to be reprioritised, without providing any additional funding.

The fact that Crude oil prices can fluctuate rapidly, ranging from a negative terrain in 2020, to exceeding \$100 per barrel by far less than two years later in 2022. Crude oil prices react to numerous variables, like supply and demand prospects and the perceived risk of market disruptions.

The Organization of the Petroleum Exporting Countries (OPEC) as an international alliance of crude oil exporters, negotiates export quotas for members in an attempt to influence global supply at any given point in time.

The sustained exceptionally high oil prices impacting on the price of fuel could not be foreseen and with this phenomenon only materialising subsequent to the mid-year review, it was anticipated that the temporary increase in expenditure foreseen, could be addressed with savings within the directorate.

It is however clear that the increased fuel and chemicals costs (inventory and contracted services) have to be mitigated by reprioritisation of expenditure and in

identifying savings from employee related costs, finance charges and other operational expenditures, as part of an Adjustments Budget, emanating from unforeseen and unavoidable expenditure, to be approved by Council in terms of legislation.

To summarise, the Operational Budget Amendments are as follows:

The current approved total expenditure budget for operational and capital has not increased and the accounting deficit has decreased by R1 350 135 as a result of the reprioritisation to mitigate the unforeseen and unavoidable expenditure and alignment.

A minor budget amendment is also applicable on the Capital Budget, with a decrease of R142 000 due to transfer of funding to operational budget.

Apart from having to make the following announcement now at this meeting of Council in terms of section 29 of the Local Government: Municipal Finance Management, Act 56 of 2003 (MFMA), I will also provide the information to the Provincial Ministers of Finance and of Local Government, Environmental Affairs and Development Planning:

Mr Speaker,

In terms of the provisions of section 29 of the MFMA I need to inform you that I have on request from the Municipal Manager, authorised unforeseen and unavoidable expenditure for which no provision was made in the 2021/2022 Budget of the Municipality.

As mentioned, this was, as a result of the prolonged drastic increase in fuel prices as well as the price of chemicals, which could not be foreseen, leading to a shortfall on these budgets.

This item is included on the agenda of this Special Council meeting.

Executive Mayor

Dr. Annalie Rabie