



ORDINARY MEETING OF THE COUNCIL

GEWONE VERGADERING VAN DIE RAAD

INTLANGANISO YESIQHELO YEBHUNGA

MINUTES / NOTULE /

IMIZUZU

DATE / DATUM / UMHLA : 30 MAY / MEI / MEYI 2018

**VENUE / PLEK / INDAWO : BANQUETING HALL /
BANKETSAAL**

**CIVIC CENTRE / BURGERSENTRUM / IZIKO LOLUNTU
HERMANUS**

TIME / TYD / IXESHA: 11:00

OVERSTRAND

MUNICIPALITY / MUNISIPALITEIT / U-MASIPALA

**MINUTES OF THE COUNCIL MEETING
HELD IN THE BANQUETING HALL, CIVIC CENTRE,
HERMANUS, ON 30 MAY 2018, AT 11:00**

PRESENT: Councillors were present as per attached attendance register.

OFFICIALS PRESENT:

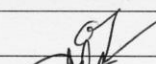
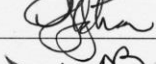
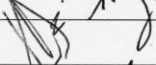
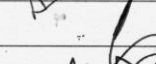
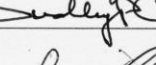
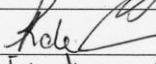

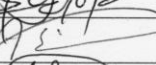
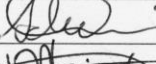
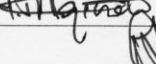
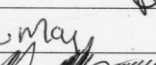

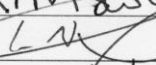

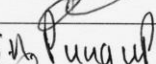
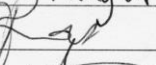
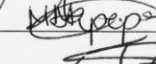








Mr C Groenewald, Municipal Manager
Ms S Reyneke-Naudé, Director : Finance
Mr R Williams, Director : Community Services
Ms D Arrison, Director : Management Services
Mr S Madikane, Director : LED
Mr N Michaels, Director : Protection Services
Mr C le Roux, Deputy Director : Finance
Mr H Blignaut, Deputy Director : Engineering Services
Mr B King, Senior Manager : Financial Services
Mr R Kuchar, Senior Manager : Town Planning
Mr M Bartman, Deputy Director : Community Services
Ms R Louw, Senior Manager : Strategic Services
Ms A le Roux, Manager : Property Administration
Ms E Stadler, Manager : Income
Mr D Lakey, Senior Manager : Kleinmond Administration
Ms S Block, Administrator : Strategic Services
Ms H van Tonder, Manager : Council Support Services
Mr R Fraser, Chief : Traffic/Licences ICT
Ms N Zweni, Manager : Communication
Ms R Steenekamp, Communication Officer
Ms M de Villiers, Mayoral Committee Secretary
Ms G Erasmus, Clerk : Auditorium

ALSO PRESENT: Members of the Public

MINUTES/....

OVERSTRAND MUNICIPALITY
ATTENDANCE REGISTER

COUNCIL MEETING
30 MAY 2018

ALDERMAN/COUNCILLORS	SIGNATURE
AFRICA, F	
BOTHA, D	
BOTHA-GUTHRIE, N	
BRICE, KD	
COETSEE, A	
COETZEE, DP	
COHEN, G	
DE CONING, CA	
GILLION, E	
KALOLO, SV	
KOMANI, AS	
KRIGE, F	
NQINATA, NNT	
MACOTHA, VC	
MAY, C	
MOLEFE, B	
MSWELI, X	
NTSABO, L	
OPPERMAN, M	
ORBAN, J	
PUNGUPUNGU, V	
RESANDT, C	
SAPEPA, NM	
TAFU-NWONKWO, CC	
TEBELE, S	

1. OPENING

The Speaker, Ald A Coetsee, allowed 30 seconds for silent prayer.

The Municipal Manager, Mr C Groenewald, read the notice convening the meeting.

2. APPLICATIONS FOR LEAVE OF ABSENCE

None

3. CONFIRMATION OF MINUTES

- 3.1 Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 25 April 2018 at 11:00**

RESOLVED

that the Minutes of an **Ordinary Meeting** of the Overstrand Municipal **Council** held on **Wednesday, 25 April 2018 at 11:00, be confirmed.**

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

The Speaker, Ald A Coetsee, informed the meeting that he condoned the absence of Cllr C Tafu-Nwonkwo from the previous Council meeting, as an e-mail has indeed been sent by her, excusing herself from the meeting.

The Executive Mayor, Ald D Coetzee, read a statement, a copy of which is attached as Annexure A, on the recent unrests and thanked everybody for their contribution towards restoring peace and quiet in the Overstrand.

The Executive Mayor, Ald D Coetzee, congratulated and thanked the administration for the financial stability of the Overstrand Municipality as was disclosed by National Treasury.

Long service certificates were handed over to the following staff members by the Executive Mayor, Ald D Coetzee:

HERMANUS ADMINISTRATION

EMPLOYEE	LONG SERVICE YEARS	DATE ACHIEVED
HR Januarie	15 years	01/03/2018
A Moore	10 years	01/04/2018
C Fortuin	10 years	01/04/2018
A Ndoko	15 years	23/04/2018
H Nutt	10 years	01/04/2018
AJ Kotze	30 years	01/05/2018
C Spandiel	30 years	20/05/2018

GANSBAAI ADMINISTRATION

EMPLOYEE	LONG SERVICE YEARS	DATE ACHIEVED
Mr Juan Havenga	15 years	19/05/2018
Mr Louis van der Linde	15 years	19/05/2018
Mr Samuel Willemse	15 years	19/05/2018

KLEINMOND ADMINISTRATION

EMPLOYEE	LONG SERVICE YEARS	DATE ACHIEVED
Mr Henley Merrick Johnson	10 years	01/04/2018
Mr Sizakele Sidwell Mahashe	10 years	01/04/2018
Mr James Paul White	40 Years	01/05/2018
Mr Bonakele Carlos Phiri	10 Years	01/05/2018

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

**5.1
WRITING OFF OF IRRECOVERABLE DEBT**

(ITEM 1, PAGE 1 : FINANCE PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

that the irrecoverable debt to the value of R293 353.65 as listed below, be written off as bad debt:

A	First time write off – Indigent Households	R 36 826.73
B	Indigent water leakages irrecoverable	R187 450.67
C	Final accounts equal or less than R1,500.00	R 534.58
D	Other irrecoverable Debt	R 68 541.67
	TOTAL	<u>R293 353.65</u>

RESPONSIBLE OFFICIAL : EM HOONEBERG

TARGET DATE FOR IMPLEMENTATION : 08 JUNE 2018

5.2

RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

**(ITEM 1, PAGE 1 : MANAGEMENT SERVICES PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2018)**

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

that the Risk Management Committee Terms of Reference **be approved.**

RESPONSIBLE OFFICIAL :

A RIDDLES

TARGET DATE FOR IMPLEMENTATION :

31 MAY 2018

5.3

DRAFT STREET NAMING AND NUMBERING POLICY

**(ITEM 2, PAGE 47 : INFRASTRUCTURE & PLANNING PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2018)**

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

that the Overstrand Municipality Draft Street Naming and Numbering Policy **be adopted.**

RESPONSIBLE OFFICIAL :

R KUCHAR

TARGET DATE FOR IMPLEMENTATION :

MAY 2018

5.4

DRAFT NAMING POLICY

**(ITEM 3, PAGE 65 : INFRASTRUCTURE & PLANNING PORTFOLIO -
MAYORAL COMMITTEE MEETING : 30 MAY 2018)**

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

that the Overstrand Municipality: Draft Naming Policy **be adopted.**

RESPONSIBLE OFFICIAL :

R KUCHAR

TARGET DATE FOR IMPLEMENTATION :

MAY 2018

5.5

HERMANUS, ERF 11154: CONSENT TO THE REMOVAL OF CONDITION B.5. (INCLUDING 5.1 – 5.3) FROM TITLE DEED NUMBER T45573/2014

(ITEM 4, PAGE 76 : INFRASTRUCTURE & PLANNING PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

1. that the removal of condition B.5. (including 5.1 to 5.3) as contained in Title Deed number T45573/2014 due to it having been fulfilled and has subsequently lapsed, **be approved**; and
2. that the Municipal Manager be authorized to sign the required Deeds Office documents for the removal of above mentioned conditions.

RESPONSIBLE OFFICIAL :

A LE ROUX

TARGET DATE FOR IMPLEMENTATION:

8 JUNE 2018

TARGET DATE TO INFORM APPLICANT:

15 JUNE 2018

TARGET DATE TO INFORM OBJECTOR:

N/A

5.6

HERMANUS: PORTIONS OF ERF 249 AND 832 HERMANUS "MARKET SQUARE STALLS", EXTENSION OF LEASE AGREEMENT, MACHIEL ADRIAAN DE KLERK

(ITEM 5, PAGE 85 : INFRASTRUCTURE & PLANNING PORTFOLIO - MAYORAL COMMITTEE MEETING : 30 MAY 2018)

THE EXECUTIVE MAYOR REQUESTED A CAUCUS AT 11:30

THE MEETING RESUMED AT 11:40

MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND CLLR S TEBELE, SUPPORTED BY ALL THE ANC COUNCILLORS, MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE EXTENSION OF THE LEASE AGREEMENT BE REFERRED BACK IN ORDER FOR A COMPETITIVE PROCESS AND PUBLIC PARTICIPATION PROCESS TO BE FOLLOWED.

WHEN PUT TO VOTE 9 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 16 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED.

RESOLVED :

1. that the deviation from paragraph 18 of the Administration of Immovable Property Policy in order to extend the current lease agreement with Mr M A de Klerk for a further period of 20 (TWENTY) months without following a competitive process, **be approved**, and
2. that the deviation from paragraph 20 of the Administration of Immovable Property Policy in order to extend the current lease agreement with Mr M A de Klerk for a further period of 20 (TWENTY) months without following a public participation process, **be approved**.

RESPONSIBLE OFFICIAL :	M ERASMUS
TARGET DATE FOR IMPLEMENTATION :	8 JUNE 2018
TARGET DATE TO INFORM APPLICANT :	30 JUNE 2018
TARGET DATE TO INFORM OBJECTOR :	N/A

5.7

**MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM)
POLICY: PARAGRAPH 36, 16(1)(b) AND 17(1)(c), FOR APRIL 2018**

(ITEM 5, PAGE 1 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 25 COUNCILLORS)

1. that the deviations from the procurement processes, approved in terms of the delegated authority for April 2018, **be noted**; and
2. that the awards made in terms of Paragraph 16(1)(b) and 17(1)(c), approved in terms of the delegated authority for April 2018, **be noted**.

RESPONSIBLE OFFICIAL :

C LE ROUX

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

5.8**FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW 2018/19****(ITEM 6, PAGE 7 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)****THE AFRICAN NATIONAL CONGRESS REQUESTED A CAUCUS AT 12:00****THE MEETING RESUMED AT 12:10****ALD N BOTHA-GUTHRIE RECUSED HERSELF FROM THE MEETING AT 12:30, WITH THE PERMISSION OF THE SPEAKER, ALD A COETSEE****MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND ALD M SAPEPA, SECONDED BY CLLR MACOTHA, MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW 2018/2019 BE REFERRED BACK SO THAT THE PUBLIC PARTICIPATION PROCESS IN THE FORM OF ROADSHOWS IN WARDS 1, 5, 6 AND 12, BE FOLLOWED.****WHEN PUT TO VOTE 9 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 15 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED.****RESOLVED :****that the final IDP review for the 2018/19 financial year be approved.****RESPONSIBLE OFFICIAL :****R LOUW****TARGET DATE FOR IMPLEMENTATION :****1 JULY 2018**

5.9

REVISION OF ALL BUDGET RELATED POLICIES OF THE OVERSTRAND MUNICIPALITY

(ITEM 7, PAGE 19 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 24 COUNCILLORS)

that the revised budget related policies be approved and implemented with effect from 1 July 2018.

RESPONSIBLE OFFICIAL :

S. REYNEKE-NAUDE

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2018

5.10

FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2018/2019

(ITEM 8, PAGE 338 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)

THE EXECUTIVE MAYOR DELIVERED HIS 2018/2019 IDP/BUDGET SPEECH, A COPY OF WHICH IS ATTACHED AS ANNEXURE B TO THE MINUTES

MEMBERS OF THE ANC INDICATED THAT THEY ARE AGAINST THE RECOMMENDATION AND ALD M SAPEPA, SECONDED BY CLLR NQINATA, MADE A COUNTER PROPOSAL TO THE EFFECT THAT THE FINAL BUDGET FOR OVERSTRAND MUNICIPALITY : 2018/2019 BE REFERRED BACK SO THAT THE PUBLIC PARTICIPATION PROCESS IN THE FORM OF ROADSHOWS IN WARDS 1, 5, 6 AND 12, BE FOLLOWED.

WHEN PUT TO VOTE 9 MEMBERS VOTED AGAINST THE RECOMMENDATION OF THE EXECUTIVE MAYOR AND 15 MEMBERS VOTED IN FAVOUR OF THE RECOMMENDATION OF THE EXECUTIVE MAYOR. THE RECOMMENDATION OF THE EXECUTIVE MAYOR WAS THUS CARRIED.

RESOLVED :

1. that, in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), the annual budget of the Municipality for the 2018/2019 to 2020/2021 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

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

2. that the property rates reflected in **Annexure A**, as attached to the agenda, **be imposed** for the budget year 2018/19;
3. that tariffs and charges reflected in **Annexure A**, as attached to the agenda, **be approved** for the budget year 2018/19;
4. that the Municipal Manager be authorised to sign all the necessary agreements and documents to give effect to the 1st draw down of the proposed three year borrowing programme for external loans amounting to R54 million per annum;
5. that the following schedules be noted:

Schedule 9: Budgeted financial performance (revenue & expenditure by standard classification)
Schedule 10: Budgeted capital appropriations by municipal vote
6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexures J and K respectively of the budget report; and
7. that **cognisance be taken** of the 2018/2019 Budget Report.

RESPONSIBLE OFFICIAL :

BA KING

TARGET DATE FOR IMPLEMENTATION :

1 JULY 2018

5.11

REPORT OF THE JOINT AUDIT AND PERFORMANCE AUDIT COMMITTEE (JAPAC) TO THE OVESTRAND MUNICIPAL COUNCIL

(ITEM 9, PAGE 400 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 24 COUNCILLORS)

that the report from the JAPAC to the Overstrand Municipal Council be **noted**.

RESPONSIBLE OFFICIAL :

DC VAN DER HEEVER

TARGET DATE FOR IMPLEMENTATION :

30 MAY 2018

5.12

FINAL REVIEWED PERFORMANCE MANAGEMENT FRAMEWORK (PMF)

(ITEM 10, PAGE 425 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)

RESOLVED : (SUPPORTED BY 24 COUNCILLORS)

that the final reviewed Performance Management Framework **be approved.**

RESPONSIBLE OFFICIAL :

**R LOUW
L BUCCHAINERI
D VAN DER HEEVER
C ROETS**

TARGET DATE FOR IMPLEMENTATION :

4 JUNE 2018

5.13**GRANTS-IN-AID: RECOMMENDATIONS FOR 2018/19****(ITEM 11, PAGE 481 : MAYORAL COMMITTEE MEETING : 30 MAY 2018)****RESOLVED : (SUPPORTED BY 24 COUNCILLORS)**

1. that the
 - (a) Grants-in-Aid: Schedule of recommended beneficiaries for the 2018/19 financial year; and
 - (b) Grants-in-Aid: Schedule of unsuccessful applicants 2018/19**be noted.**
2. that the necessary deviations from the Policy **be approved** so as to enable the Committee to award the recommended beneficiaries.

RESPONSIBLE OFFICIAL:**GG SMIT****TARGET DATE FOR IMPLEMENTATION:****JULY 2018**

5.14**LONG TERM BULK WATER SERVICES OPERATION AND MAINTENANCE
CONTRACT: LITIGATION****(ITEM 12, PAGE 489 : MAYORAL COMMITTEE MEETING : 30 MAY
2018)****RESOLVED : (SUPPORTED BY 24 COUNCILLORS)**

1. that cognisance be taken of the application for leave to appeal to the Constitutional Court to review the order by the Supreme Court of Appeal of 29 March 2018 that the existing Contract SC 1508/2014 with Veolia be set aside; and
2. that cognisance be taken of the new tender process to be followed in terms of Council Resolution 4.7. of 22 January 2014, should the application for leave to appeal to the Constitutional Court be unsuccessful.

RESPONSIBLE OFFICIAL :**H BLIGNAUT****TARGET DATE FOR IMPLEMENTATION :****DEPENDING ON DATE OF
CONSTITUTIONAL COURT
DECISION****TARGET DATE TO INFORM APPLICANT :****NOT APPLICABLE****TARGET DATE TO INFORM OBJECTOR :****NOT APPLICABLE**

6. CONSIDERATION OF REPORTS**6.1****RECESS : JUNE / JULY 2018****3/2/1/4****H van Tonder****(028) 313 8037****Corporate Head Office****20 April 2018**

EXECUTIVE SUMMARY

The purpose of the report is to obtain confirmation of Council's recess from 27 June 2018 (**immediately after conclusion of the Council Meeting**) to 22 July 2018 and related matters.

RESOLVED (SUPPORTED BY 24 COUNCILLORS):

1. **that the proposed period of recess, i.e. 27 June 2018** (immediately after conclusion of the Council Meeting) **to 22 July 2018** (the latter included) **be approved**; and
2. that, during the period of recess, all urgent matters/emergency situations be dealt with by the Executive Mayor (or acting) in consultation with the Municipal Manager (or acting), except those reserved by law for full Council.
3. that **cognisance be taken** that a **Special Council Meeting** will take place on **Wednesday, 25 July 2018**.

RESPONSIBLE OFFICIAL :**H VAN TONDER****TARGET DATE FOR IMPLEMENTATION :****NOT APPLICABLE**

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

The Municipal Manager, Mr C Groenewald, requested all Councillors to contact Mr H Vorster, Senior Manager : Expenditure and Assets, regarding their SASRIA insurance.

8. CONSIDERATION OF NOTICES OF MOTIONS / QUESTIONS

None

9. CONSIDERATION OF MOTIONS OF EXIGENCY (IF ANY)

None

The meeting adjourned at 13:20

DATE

THE SPEAKER – A COETSEE

ANNEXURE A**PROVISION OF LAND FOR EMERGENCY AND OTHER HOUSING NEEDS**

Since the start of the civil unrest on 23 April 2018, myself, Mayco members and the Administration engaged with leaders representing affected people from various communities across the Overstrand Municipal area. Their primary demand is to provide emergency housing for families in backyards that are exploited by property owners, e.g. overcrowded properties, high rental amounts, etc. Although Overstrand Municipality has a pipeline with various housing projects to be funded by Provincial and National Government it was in general agreed to assist the most vulnerable families by way of the following arrangements, in respect of Zwelihle, Masakhane, Stanford and Overhills:

- Providing emergency housing on portions of land and earmarked for future housing development. The minimum floor space for emergency housing is 12m² (3m x 4m) in accordance with the Provincial Department of Human Settlements.
- A building line of at least 1 meter must be maintained around each informal unit in order to promote fire safety.
- Where necessary due to the size of families, the administration can provide a bigger floor space to individually affected families.
- In Zwelihle and Stanford respectively approximately 150 sites will be developed.
- In Masakhane two portions of land have been identified that are currently planned to make a more or less similar number of stands available as in aforementioned communities.
- An agreement has been reached that affected families will relocate from the area of the stream and reservoir onto a piece of land adjacent to the existing informal settlement. With the commitment of the community leaders they will work with the administration to create space for vulnerable families within the boundaries of the informal settlement.
- The community must provide the Municipality (Province in case of Zwelihle) with a list of the most vulnerable, potential beneficiaries, for the emergency housing opportunities.
- These lists will be vetted against the housing demand database for Overstrand Municipality and only potential first-time home owners will be accommodated.

In the case of Mount Pleasant and Westdene availability of affordable serviced sites for housing is the highest priority which the Municipality is currently attending to.

Various demands have been received per a petition from the Hawston community. A housing project is currently in progress at Hawston that will provide for a number of 378 RDP houses and 107 serviced erven. The items on the petition were discussed with leaders and councillors at a meeting on 28 May 2018 and the written reply is being attended to.

Various deadlines and target dates have been agreed with leaders representing affected communities (including Ward Councillors and Ward Committee Members) whom attended the meetings.

30 May 2018

ANNEXURE B**BUDGET SPEECH – 30 MAY 2018
EXECUTIVE MAYOR: ALD DUDLEY COETZEE**

The programme to consolidate our financial position by reducing expenditure over the past four financial years has resulted in our gearing improving to below 43%, which is in line with National Treasury norms.

We have taken further steps in this Budget to address the challenge of Providing infrastructure and a high level of service delivery that is only fully used during short holiday seasons.

Overstrand will implement level 2 water restrictions in the Hermanus area from 1 June 2018. Level two water restrictions only allow for the watering of gardens, flower beds, etc., on one day per week, before 9am or after 5pm, for a period of one hour only. The washing of vehicles and boats with hosepipes are not allowed and the hosing down of hard services or paved areas is also not allowed. The first level of water restriction tariffs will also apply from this date.

During the 2018/19 financial year we will continue to embark on further capital projects to address ageing water reticulation system, as well as sewerage treatment projects.

Salary increase negotiations for Municipal employees are not finalised yet on a National level and a 7% annual salary adjustment is included in this Budget. At this stage SALGA and IMATU have accepted this increase, however SAMWU have rejected the facilitator's proposal.

The Bargaining Committee will reconvene on the 7th of June 2018 and if the current impasse prevails, SALGA will revert to the original offer of a 6,6% increase and the matter will then be subjected to dispute resolution. An average notch adjustment is also included in this Budget, in total providing for a salary budget increase of 9.3%.

During the OMAF meeting held on 20 February 2018 we indicated that electricity costs for Municipalities from ESKOM will increase with 7.32%. NERSA have since advised that Electricity tariffs are to increase by 6,84%, these increases have been included in the electricity tariff structure for 2018/2019.

As stated in the draft budget the basic charge for electricity will increase by 9% and to offset this the unit increases will be as follows, first 350 units by 5,8%, the next 250 units by 6.1% and all units above 600, at 6,38% increase.

Following the Public Participation process and inputs received the following tariffs have been amended in this Budget:

1. Hiring of the Thusong Centre for non-fundraising events a tariff of R364 per day has been introduced
2. Electricity tariff for the Onrus Resort from R35.97 excl. VAT, to R21.74 excl. VAT
3. Electricity consumption tariffs have been amended based on the latest draft guidelines received from NERSA
4. In addition to these tariff adjustments an amount of R642 137 has been added to the budget for the upgrade of ECD centres.

The following adjustments have also been made to the Draft Budget:

1. Salary adjustments in respect of wage negotiations R3 712 129
2. Electricity Bulk purchases R6 300 000
3. Environmental Project reduction (R3 500 00)
4. EPWP Grant expenditure R1 926 000
5. Upgrading of ECDC Centres R642 137
6. Debt impairment R700 000
7. Other R207 495

The result of these adjustments is an increase in operational expenditure from R1 124 256 951 reflected in the Draft Operating Budget to an amount of R1 134 244 712 in the final Operating Budget.

The input received from the Public has also resulted in additional funds being made available in the Capital Budget, increasing the Capital Budget for 2018/19 to R194,2m. The increase is mainly due to additional projects amounting to R16,6m considered by the Budget Steering Committee, following the Public Participation process. Certain projects were also rolled-over from the 2017/18 budget, adding a further R6m to the Capital Budget.

The increased funding has been provided from Cash generated from Operations, which includes an additional contribution from the recent land sales. Further projects from the proceeds of land sales will be prioritised in future budgets.

The following Projects were added to the Capital Budget:

1. Phase 1 of the Zwelihle sewer system R3m
2. Storm water upgrade in Overhills R3m
3. Bus shelter in Proteadorp R100 000
4. Phase 1 of the storm water upgrade in the Hermanus Industrial area R3,8m
5. Storm water upgrade in the Hermanus CBD in Main Road and High Street R4m
6. Kleinmond cemetery R500 000, with a further R1m planned for the 2019/20 financial year

7. Buffeljagsbaai ECD R65 000

8. Tarring of roads in Sandbaai R2m

The total value of roll-over projects amounts to R6 036 111. This increases the 2018/19 Capital Budget to R194 237 061.

I would like to take this opportunity of thanking the Public for their participation and input during the Budget preparation process. I also wish to extend my sincere appreciation to the Councillors and the Administration who contributed to compiling the 2018/2019 Operating and Capital Budgets.

Alderman Dudley Coetzee

Executive Mayor: Overstrand

30 May 2018